EUTELSAT S.A.

€800,000,000 2.000 PER CENT BONDS DUE 2 OCTOBER 2025
ISSUE PRICE: 99.400 PER CENT

*The €800,000,000 aggregate principal amount 2.000 per cent. bonds due 2 October 2025 (the **Bonds**, and each a **Bond**) of Eutelsat S.A. (the **Issuer**) will be issued on 2 October 2018 (the **Bond Issue**).*

*Each Bond will bear interest on its principal amount at a fixed rate of 2.000 per cent. per annum from (and including) 2 October 2018 (the **Issue Date**) to (but excluding) 2 October 2025, payable in Euro annually in arrears on 2 October of each year and commencing on 2 October 2019, as further described in "Terms and Conditions of the Bonds – Interest".*

*Unless previously redeemed or purchased and cancelled in accordance with their terms and conditions, the Bonds will be redeemed at their principal amount on 2 October 2025 (the **Maturity Date**).*

The Issuer may, at its option, and in certain circumstances shall, redeem all (but not part) of the Bonds at par plus any accrued and unpaid interest upon the occurrence of certain tax changes as further described in "Terms and Conditions of the Bonds – Redemption and Purchase – Redemption for tax reasons".

The Bonds may also be redeemed (i) at the option of the Issuer, in whole or in part, at any time, prior to the Maturity Date, as further described in "Terms and Conditions of the Bonds — Redemption and Purchase — Make Whole Redemption by the Issuer", (ii) at any time prior to the Maturity Date, in whole (but not in part), at par plus accrued interest, if eighty (80) per cent. of the initial aggregate principal amount of the Bonds have been redeemed or purchased and cancelled, as further described in "Terms and Conditions — Redemption and Purchase — Clean-Up Call Option" of the Terms and Conditions of the Bonds, and (iii) at the option of the Issuer at any time or from time to time, during a period of three months preceding the Maturity Date, in whole or in part, at par plus any accrued and unpaid interest accrued to, but excluding, the date fixed for redemption as further described in "Terms and Conditions of the Bonds – Redemption and Purchase – Residual Maturity Call Option".

Each Bondholder may, under certain conditions, request the Issuer to redeem all (but not some only) of the Bonds held by such Bondholder at par plus accrued interest up to but excluding such date of redemption following the occurrence of certain change of control events triggering a downgrading of the Bonds as further described in "Terms and Conditions of the Bonds — Redemption and Purchase – Redemption following a Change of Control".

The obligations of the Issuer in respect of principal and interest payable under the Bonds constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and shall at all times rank pari passu among themselves and pari passu with all other present or future direct, unconditional, unsecured and unsubordinated obligations of the Issuer, as further described in "Terms and Conditions of the Bonds – Status of the Bonds".

Payments in respect of the Bonds will be made without deduction for, or on account of, French taxes to the extent set out in "Terms and Conditions of the Bonds —Taxation — Additional Amounts".

*Application has been made to the Commission de Surveillance du Secteur Financier (the **CSSF**) in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities, as amended by the Luxembourg Act dated 3 July 2012 (the **Prospectus Act**) to approve this document (the **Prospectus**) as a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC of the European Parliament and the Council dated 4 November 2003, as amended, on prospectuses to be published when securities are offered to the public or admitted to trading (the **Prospectus Directive**). Application has also been made to the Luxembourg Stock Exchange for the Bonds to be listed on the Official List and admitted to trading on the regulated market of the Luxembourg Stock Exchange as of the Issue Date. The Luxembourg regulated market of the Luxembourg Stock Exchange is a regulated market for the purposes of the Directive 2014/65/EU of 15 May 2014 on markets in financial instruments, as amended. Pursuant to Article 7(7) of the Luxembourg Prospectus Act, by approving this Prospectus, the CSSF gives no undertakings as to the economic and financial soundness of the Bond Issue or the quality or solvency of the Issuer.*

*The Bonds will be issued in dematerialised form in a denomination of €100,000 and will at all times be evidenced by book-entries in compliance with Article L. 211-3 et seq. and R. 211-1 et seq. of the French Code monétaire et financier. No physical documents of title will be issued in respect of the Bonds. As from the date of issue of the Bonds, the Bonds will be registered in the books of Euroclear France, a subsidiary of Euroclear Bank S.A./N.V. (**Euroclear France**) (acting as central depositary) which shall credit the accounts of Account Holders (as defined in "Terms and Conditions of the Bonds – Form, Denomination and Title") including Euroclear Bank S.A./N. V. (**Euroclear**) and the depositary bank for Clearstream Banking S.A. (**Clearstream Luxembourg**).*

The Bonds have been assigned a rating of BBB by Standard & Poor's Credit Market Services Europe Limited (**S&P**), Baa3 by Moody's Investors Service Ltd (**Moody's**) and BBB by Fitch Ratings (**Fitch**). S&P, Moody's and Fitch are established in the European Union and are registered under Regulation (EC) No. 1060/2009 on credit rating agencies (as amended) (the **CRA Regulation**). As such S&P and Moody's are included in the list of registered credit rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website (https://www.esma.europa.eu/supervision/credit-rating-agencies/risk) in accordance with the CRA Regulation. A rating is not a recommendation to buy, sell or hold the Bonds. Any credit rating is subject to revision, suspension or withdrawal at any time by the relevant rating organisation. Any revision, suspension, reduction or withdrawal of the rating may adversely affect the market price of the Bonds.

*This document is not for distribution, directly or indirectly, in or into the United States. This document is neither an offer of securities for sale nor the solicitation of an offer to purchase securities in the United States or any other jurisdiction where such offer may be restricted. Securities may not be offered or sold in the United States absent registration with the Securities and Exchange Commission under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**), or an applicable exemption from registration. The Bonds have not been and will not be registered under the U.S. Securities Act and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act (**Regulation S**)). Copies of this document are not being, and should not be, distributed in or sent into the United States.*

An investment in the Bonds involves certain risks. Potential investors should review all the information contained in this document and, in particular, the information set out in the section entitled "Risk Factors" of this Prospectus prior to investing in the Bonds.

Global Coordinators and Joint Bookrunners

Crédit Agricole CIB **Société Générale Corporate & Investment**

Joint Bookrunners

HSBC **Mizuho Securities** **MUFG**

Co-Lead Manager
Helaba

Date: 28 September 2018

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RESPONSIBILITY STATEMENT

As of the date of this Prospectus, the Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained or incorporated by reference in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect the import of such information. The Issuer accepts responsibility for the information contained in this Prospectus accordingly.

IMPORTANT INFORMATION FOR INVESTORS

References herein to the Issuer are to Eutelsat S.A. This Prospectus has been prepared for the purpose of giving information with regard to (i) the Issuer, (ii) the Issuer and its subsidiaries (direct or indirect) and affiliates taken as a whole (the **Group**) but excluding its controlling entity, Eutelsat Communications S.A. and (iii) the Bonds, which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position and profit and losses of the Issuer. No information contained in this Prospectus may be used for any purpose other than investing in the Bonds.

Certain information contained or incorporated by reference in this Prospectus has been extracted from sources which the Issuer believes to be reliable, specified in the sections where such information appears. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by the above sources, no facts have been omitted which would render the information in this Prospectus inaccurate or misleading in any material respect.

The Managers (as defined under the section entitled "Subscription and Sale") have not verified the information contained or incorporated by reference in this Prospectus. The Managers do not make any representation, warranty or undertaking, express or implied, and no responsibility or liability is accepted by the Managers or any of their respective affiliates, as to the accuracy or completeness of the information contained, or incorporated by reference, in this Prospectus, or any other information provided by the Issuer in connection with the issue of the Bonds.

Any decision to purchase any Bonds should be based on this Prospectus. No person is or has been authorised by the Issuer or the Managers or any of their affiliates to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Managers or any of their affiliates. Neither the delivery of this Prospectus nor the offering, sale or delivery of any Bonds shall in any circumstances imply that the information contained or incorporated by reference herein is correct at any time subsequent to the date hereof, nor does the Issuer undertake to update this Prospectus except as may be required by any applicable law or regulations. The Managers do not undertake to review the financial condition or affairs of the Issuer during the life of the Bonds or to advise any investor in the Bonds of any information coming to their attention.

Neither this Prospectus nor any other information provided in connection with the issue of the Bonds (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Managers that any recipient of this Prospectus or any recipient of any other information supplied in connection with the issue of the Bonds should purchase any Bonds. Neither this Prospectus nor any other information supplied in connection with the issue and sale of the Bonds constitutes an offer or invitation by or on behalf of the Issuer or the Managers to any person to subscribe for or to purchase any Bonds.

Prospective investors contemplating purchasing any Bonds should rely on their own independent investigation and appraisal of (a) the Issuer, the Group, their respective business, financial condition and affairs and (b) the terms of the offering, including the merits and risks involved. Investors should review, *inter alia*, the documents incorporated by reference into this Prospectus when deciding whether or not to subscribe for or purchase the Bonds. The contents of this Prospectus are not to be construed as legal, business, financial or tax advice. Each prospective investor should consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Bonds. Potential investors should, in particular, read carefully the section entitled "Risk Factors" set out below before making a decision to invest in the Bonds.

This Prospectus does not constitute an offer of, or an invitation or solicitation by or on behalf of the Issuer or the Managers to subscribe or purchase, any of the Bonds in any jurisdiction where, or to any person to whom, it is unlawful to make an offer or solicitation. The distribution of this Prospectus and the offering and sale of the Bonds in certain jurisdictions, including the United States, France, Luxembourg and other Member States of the European Economic Area, may be restricted by law. The Issuer and the Managers do not represent that this Prospectus may be lawfully distributed, or that any Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Managers which would permit a public offering of any Bonds, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Bonds may come must inform themselves about, and observe any, such restrictions on the distribution of this Prospectus and the offering and sale of Bonds. In particular, there are restrictions on the distribution of the Prospectus and the offer or sale of Bonds in the United States, the United Kingdom and France (see "Subscription and Sale").

The Bonds have not been and will not be registered under the U.S. Securities Act and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act (**Regulation S**)).

MiFID II product governance / Professional investors and eligible counterparties only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds, taking into account the five categories referred to in item 18 of the Guidelines published by ESMA on 5 February 2018 has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a **distributor**) should take into consideration the manufacturers' target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

PRIIPs Regulation / Prohibition of sales to EEA retail investors – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The information in the sections concerning clearing systems has been obtained from sources that the Issuer believes to be reliable. The Issuer accepts no responsibility for the accuracy of such information, other than for the correct extraction and reproduction of such information. If investors want to use the facilities of Euroclear France, Clearstream Luxembourg or Euroclear, they should confirm the continued applicability of the rules, regulations and procedures of Euroclear France, Clearstream Luxembourg or Euroclear, as applicable. The Issuer will not be responsible or liable for any aspect of the records held through the facilities of Clearstream or Euroclear or for maintaining, supervising or reviewing any such records.

An application has been made to admit the Bonds to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Luxembourg regulated market but we cannot guarantee that our application to listing and trading of the Bonds will be approved as at the Issue Date or any time after the Issue Date.

In this Prospectus, unless otherwise specified or the context requires, references to "Euro", "EUR" and "**€**" are to the single currency of the participating Member States of the European Economic and Monetary Union, while references to "U.S. Dollar", "USD" and "$" are to the single currency of the United States of America.

In connection with the issue of the Bonds, Société Générale (the Stabilising Manager) (or any person acting on behalf of the Stabilising Manager) may over-allot Bonds or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Bonds is made and, if begun, may be ended at any time, but must end no later than the earlier of 30 days after the issue date of the Bonds and 60 days after the date of the allotment of the Bonds. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

The market data and other statistical information used throughout this Prospectus are based on estimates which the Issuer has made in good faith, internal surveys reviewed by the Issuer, as well as analysis prepared, based on or derived from independent industry publications, government publications, reports by market research firms or other published independent sources. These publications and surveys generally state that they contain information from sources believed to be reliable but do not guarantee the accuracy and completeness of such information. While the Issuer believes these sources are reliable and such information was accurately reproduced in this Prospectus, the Issuer has not verified the research by any independent source.

The Issuer cannot ensure that any of the assumptions underlying these statements are accurate, or correctly reflect the Issuer's position in the industry and none of the internal surveys or information of the Issuer has been verified by any independent sources. Neither the Managers nor the Issuer make any representation or warranty as to the accuracy or completeness of this information. All of the information set forth in this Prospectus relating to the operations, financial results or market share of our competitors has been obtained from information made available to the public in such companies' publicly available reports and independent research, as well as from the Issuer's experience, internal studies, estimates and investigation of market conditions. Neither the Managers nor the Issuer have independently verified this information and the Managers and the Issuer cannot guarantee its accuracy.

Potential investors must rely upon their own examination of the Issuer and the financial statements presented in this Prospectus. Certain financial information contained or incorporated by reference in this Prospectus has been rounded and, as a result, the figures shown as totals may vary slightly from the exact arithmetic aggregation of the figures that precede them.

Certain statements contained herein are forward-looking statements including, but not limited to, statements that are predictions of or indicate future events, trends, plans or objectives, based on certain assumptions, and include any statement that does not directly relate to a historical fact or current fact. The Issuer may also make forward-looking statements in its audited annual financial statements, in its interim financial statements, in its prospectuses, in press releases and other written materials and in oral statements made by its officers, directors or employees to third parties. Forward-looking statements are typically identified by words or phrases such as, without limitation, "anticipate", "assume", "believe", "continue", "estimate", "expect", "foresee", "intend", "may increase" and "may fluctuate" and similar expressions or by future or conditional verbs such as, without limitation, "may", "will", "should", "would" and "could." Although the Issuer believes that expectations reflected in its forward-looking statements are reasonable as of the date of this Prospectus, there can be no assurance that such expectations will prove to have been correct. Undue reliance should not be placed on such statements, because, by their nature, they are subject to known and unknown risks, uncertainties, and other factors. These factors include those set forth in section entitled "Risk Factors" below.

The risks described in this Prospectus are not the only risks an investor should consider. New risk factors emerge from time to time and it is not possible for the Issuer to predict all such risk factors on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. The Issuer undertakes no obligation to update the forward-looking statements contained in this Prospectus or any other forward-looking statement it may make.

INFORMATION SOURCED FROM THIRD PARTIES

Certain information contained in this Prospectus has been sourced from third party sources. While the Issuer believes that the information sourced from third parties, which is reproduced in this Prospectus, is reliable, the Issuer has not independently verified such information.

RISK FACTORS

The following is a summary of certain aspects of the offering of the Bonds of which prospective investors should be aware. Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this Prospectus, including in particular the risk factors detailed below. Prospective investors should make their own independent evaluations of all investment considerations and should also read the detailed information set out elsewhere in this Prospectus.

Terms defined in the section entitled "Terms and Conditions of the Bonds" shall have the same meaning where used below.

The Issuer believes that the factors described below represent the principal risks associated with investing in the Bonds, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Bonds may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Additional risks or uncertainties not known to the Issuer as at the date of this Prospectus, or that the Issuer believes are immaterial, may also impact on the business operations and/or financial condition of the Issuer. Prospective investors should also read the detailed information set out elsewhere in this Prospectus, including any information incorporated by reference herein and reach their own views prior to making any investment decision.

1 RISKS RELATING TO THE GROUP

The risks described below are those identified by the Issuer that could have an adverse effect on the Group's situation. Additional risks, which are either not currently known or not considered likely to materialise, as at the date of this Prospectus may also exist, such additional risks could materially and adversely affect the Group's business, financial condition or the results of its operations. The occurrence of one or more of these risks could also have an adverse effect on the Group's situation.

Risks inherent to business

The Group might not be able to meet its launch or activation timeframes for new satellites

The Group plans to launch seven new satellites (EUTELSAT 7C, EUTELSAT 5 WEST B, EUTELSAT QUANTUM, KONNECT, KONNECT VHTS, EUTELSAT HOTBIRD 13F, and EUTELSAT HOTBIRD 13G) before the end of calendar year 2021. The purpose of these satellites is to ensure the continuity of service provided by some existing satellites, increase resources in certain orbital positions, consolidate and develop the Group’s service offering and step up the level of security at certain orbital positions.

The Group may not be able to keep to the scheduled timetable for launching these new satellites.

A significant delay in satellite construction, or a delay or failure in the launch of one of these satellites, would impair the Group’s ability to generate new sales opportunities, implement its development strategy, meet its contractual service continuity commitments to customers and end users, or meet its growth objectives. Any significant delay or failure in the launch of any of its satellites could thus have a significant negative impact on the Group’s business, financial situation, results and objectives.

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 satellites that have already been ordered, as well as future satellites that have not yet been ordered, this small number may constrain the Group's operating flexibility and could increase the cost of its launch programme within the timeframe set out by the Group.

Should one of the launch service providers prove incapable of meeting its contractual commitments towards the Group within the specified deadline due to operating (e.g. following a failed launch) or financial difficulties, the Group could 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 respect the original timetable as much as possible and thereby reduce costs for its deployment plan, the Group has diversified its launch service providers. The Group currently uses or intends to use the following different launch service providers: Arianespace, International Launch Services, Space X Exploration Technologies Corp and Blue Origin.

The Group's satellite deployment plan is dependent on a limited number of 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 2018, the satellites under procurement were received from the following manufacturers: Airbus Defense and Space, Orbital ATK, Thales Alenia Space and Space Systems Loral Inc.

The Group has made commitments with satellite manufacturers and with other suppliers for the acquisition of satellites or for the provision of services and acquisitions of fixed assets relating to the monitoring and control of satellites. The Group considers that it is not dependent on suppliers other than satellite manufacturers and launch operators.

The limited number of suppliers in these areas could therefore have a significant negative impact on the Group's business, financial situation and results.

The Group is 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.

The satellites operated by the Group may experience failures or malfunctions in-orbit

Satellites are sensitive to the external environment. Once they are in orbit, malfunctions may occur for various reasons and reduce their remaining operating life and/or permanently or intermittently reduce their transmission capacity, which could have a considerable adverse impact on the Group's business, financial situation and results.

In the event of a satellite failure or in-orbit malfunction, the Group may not be able to guarantee continuity of service for all its clients by using redundant equipment or back-up capacity on another satellite, particularly if there is a lack of available satellite capacity suitable for the needs of the customers concerned. Similarly, the Group may not be able to guarantee continuity of service for all customers at that orbital position by successfully launching a replacement satellite or one capable of carrying out the tasks of the defective satellite.

In the event of a satellite failure or in-orbit malfunction, the Group may have difficulty in retaining its customers (who could terminate or renegotiate their capacity allotment agreements) and might not be able to enter into new capacity allotment agreements on satisfactory terms. In such an event, the satellite may need to be impaired.

For the fully-owned satellites with the highest revenue contribution, In-orbit insurance takes into account not only the net book value of the satellites but also the revenues generated. The policies cover the partial losses and/or deemed total losses of the insured satellites under certain conditions. In spite of total or partial insurance coverage, a failure or loss of one or more of the Group's satellites could have a significant negative impact on its business, financial situation and results.

Furthermore, this insurance programme does not protect the Group against losses such as opportunity cost, interruption of business, delayed activations, image losses or, to a certain extent, losses of revenues and potential asset impairments lower than retention levels.

Finally, insurance companies could challenge the causes of the failure or malfunction or the amount of the indemnity. The Group cannot guarantee that, in the event of a proven failure or malfunction on any of its satellites covered under insurance programmes, insurers would compensate the Group within a reasonable timeframe or for the amount claimed by the Group. A lack of compensation, late compensation or partial compensation of losses sustained could have a significant adverse impact on the Group's business, financial situation and results.

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 deemed total losses of the insured satellites, which itself could lead to an increase in the Group's exposure to the consequences of a failure or malfunction in-orbit.

In addition, the Group covers the launch of its satellites through a launch-plus-one-year after entry into service insurance.

The Group might not be able to obtain this additional cover or launch insurance for the other satellites currently under construction, or for future satellites, on satisfactory terms. This situation could result from a reduction in the supply of insurance products and services or a substantial increase in launch insurance premiums due, in particular, to launch failure statistics across the whole industry. This could have a significant negative impact on the Group's business, financial situation and results.

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 Prospectus, the Group uses capacity on five satellites belonging to third parties which are recognised as assets in its consolidated balance sheet: Express-AM6[1], Express-AMU-1[2], Express-AT1 and Express-AT2 are owned by RSCC and ASTRA 2G[3] by SES.

Furthermore, the Group also leases capacity from Yahsat (on the Al-Yah 2 satellite).

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.

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.

A substantial percentage of the Group's revenue is generated by Government Services, which depend on the global political and economic context

Over the last few years, the Group has generated a significant portion of its revenues (12% of the Group's revenues for the financial year ended 30 June 2018) in the Government Services market segment. This segment includes the direct or indirect supply of services to governments, especially in the United States, generally on the basis of one-year capacity allotment agreements renewable every year. Obtaining and/or renewing capacity allotment agreements in this segment depends to a great extent on the international political and economic context. As a result, the Group cannot be certain that it will be capable of continuing to generate a comparable level of revenues from the Government Services segment.

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[1] Capacity operated by Eutelsat on Express-AM6 is operated under the name EUTELSAT 53A

[2] Capacity operated by Eutelsat on Express-AMU1 is operated under the name EUTELSAT 36C.

[3] Capacity operated by Eutelsat on ASTRA 2G is operated under the name EUTELSAT 28G.

Any failure to obtain new contracts or any termination, non-renewal or renewal under less favourable terms of such contracts could have a negative impact on the Group's business, financial position and results.

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 the Group could take over end-user contracts from distributors. In some cases such customers could have less robust financial resources than traditional distributor-customers, which could increase the risk of outstanding debts and thereby have an 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 leased by distributor-customers. Thus, a larger proportion of the Group's new capacity agreements may involve only a fraction of a transponder rather than an entire transponder. If an end user customer using a fraction of a transponder defaulted on payments or failed to comply with other contractual commitments with the Group, the Group might not be able to discontinue services provided to that customer without interrupting service for all customers using the same transponder. This could have a negative impact on the Group's business, financial situation and results.

Distributors which resell resources to end-users might overestimate market demand and be unable to resell capacity to which they have committed to. In this case they could either return capacity to the Group or resell unused capacity to direct customers at lower prices. This could have a negative impact on the Group's business, financial situation and results.

Fixed Broadband services rely on building a base of individual subscribers to Internet services served via a network of distributors and re-sellers. This business-to-business-to-consumer model does not generate a backlog, and its continued success remains uncertain.

The Group is exposed to risks inherent in the international nature of its customer base

The Group provides satellite telecommunications services to customers in a very large number of 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. In particular, the Group has been impacted, in recent months, by a more difficult economic environment currently affecting certain Latin American countries as three expansion satellites covering these regions (EUTELSAT 117 West B, EUTELSAT 115 West B and EUTELSAT 65 West A) have entered into service in recent years.

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 difficulties in recovering payment for clients' use of satellite capacity. In this respect, the standard contracts entered into with customers provide for suspension or interruption of services in the event of payment default.

The in-house Credit Management team of the Financial Department has exclusive responsibility for checking payments. In the event of a dispute, it contacts the Legal Department which handles any litigation with the support of specialised law firms.

During the past financial year, the Group continued to be impacted by the tough economic environment in certain areas for certain applications. As a consequence, customers located in geographical areas deemed to be potentially the most exposed to the impact of the economic downturn are monitored closely.

As of 30 June 2018, the net book value of impairment of receivables was €83 million (compared to €60 million as of 30 June 2017).

Moreover, the Group considers that healthy receivables are not a material risk, apart from the possibility of customers located in geographical areas deemed to be potentially the most exposed to the impact of the economic crisis.

Risks inherent to the Fixed Satellite Services (FSS) sector

The Group faces competition from other satellite operators 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 as well as Inmarsat for certain applications. These competitors offer greater capacity and geographical coverage than the Group, and may have access to more financial resources.

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. Several projects for low-orbit constellations are also underway and could represent additional competition for the Group in certain Fixed Data or Connectivity applications. 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.

Competition from High-Throughput Satellites or constellations targeting mostly Fixed Data applications (approximately 10% of Group revenues for the financial year ended 30 June 2018) is bringing a significant amount of new capacity at a lower cost per Gigabit. This could lead to an oversupply situation and higher than expected pricing pressure in particular for Fixed Data applications and 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 (fibre optic, 4G) for most of its services, particularly broadband Internet access but also TV broadcasting services (TV on IP, DTT). Heightened competition could result in greater pricing pressure 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 have a significant negative impact on the Group's business, financial position and results.

The Group is dependent on a limited number of 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 2018, the Group's 10 largest customers represented 31% of its revenues. Some of the Group's major customers could decide to terminate their contracts, not to renew them, or to renew them on terms that are less favourable to the Group. This could have a negative impact on its business, financial position and results.

Moreover, some of the Group's major customers, particularly those located in emerging markets, could encounter financial difficulties that could result in late payments, unpaid debts or bankruptcy, which could lead to termination of the relevant capacity agreements, and if the Group is unable to replace these defaulting customers with new customers, this could have a negative impact on the Group's business, financial position and results.

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 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 negative impact on its business, financial situation and results.

Technological changes could render the Group's satellite telecommunications system obsolete

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.

The Group is subject to risks from legal proceedings.

The Group is involved in litigation in the ordinary course of business and could become involved in additional legal and arbitration disputes in the future which may involve substantial claims for damages or other payments. The outcome of currently pending or potential future proceedings is difficult to predict with any certainty. In the event of a negative outcome of any material legal or arbitration proceeding, whether based on a judgment, award or a settlement, the Group could be obliged to make substantial payments or lose the right to exploit certain key orbital positions or bandwidths. In addition, the cost related to litigation and arbitration proceedings may be significant. If any of these risks materializes, the Group's business, financial condition and results of operations could be materially adversely affected.

Changes in fiscal regulations and any tax audits of the Group could lead to additional tax liabilities.

Changes in tax laws could adversely affect the Group's tax position, including its effective tax rate or tax payments. In addition, European, French and other international tax laws and regulations are extremely complex and are subject to varying interpretations. The Group often relies on generally available interpretations of tax laws and regulations in the jurisdictions in which it operates. The

Group cannot be certain that the relevant tax authorities are in agreement with its interpretation of these laws. If the Group’s tax positions are challenged by relevant tax authorities, the imposition of additional taxes could require it to pay taxes that it currently does not collect or pay or increase the costs of its services to track and collect such taxes, which could increase the Group’s costs of operations and have a negative effect on its business, financial condition, results of operations and cash flow.

The Group is subject to routine tax audits by various local tax authorities. Such tax audits may result in additional tax and interest payments which would negatively affect the Group’s financial condition and results of operations.

Risks relating to the Group's strategic development

The Group’s development is closely tied to future demand for satellite services which might not materialise

The Group’s development depends, amongst others, on future demand for Video Applications, which is partly linked to the expected development of DTH (Direct-to-Home) broadcasting in emerging countries, high-definition television (HDTV) and satellite-based Internet access. This growth in demand may not materialise. Moreover, the Group might not be in a position to make the investments necessary at the appropriate time to meet this demand. In particular, with HDTV consuming more satellite capacity than is the case with the current satellite TV broadcasting standards, 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 audio-visual 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, certain television channels, broadcasting platform operators and cable TV operators have experienced financial difficulties as a result of declining advertising revenue and global economic slowdown. Finally, the competition from new online Video Distribution platforms could affect the Group’s customers in certain geographies. The Group cannot guarantee that the audio-visual industry, which is an important part of its end-user base, will not be similarly affected by a sluggish world economy or increased competition, 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.

A consolidation among satellite TV broadcast platform operators and/or cable operators and could 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 or by improved image quality, 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 consists of developing Connectivity applications (especially broadband Internet solutions). The success of this strategy 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, the cost of terminals or distribution issues. Furthermore, the Group might not be able to provide broadband Internet services that satisfy market demand or offer competitive prices, especially in the event of any failure involving its satellites.

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 could be insufficient in some frequency bands which could have a significant negative impact on the Group's ability to meet its customers' needs in these bands.

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 lower than those in Europe. This 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 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 one of them might not meet its obligations (particularly those regarding its equity investments) and the difficulty of 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.

The Group has undertaken new and innovative projects, the success of which is not guaranteed

The Group has made major investments in new infrastructure including the KA-SAT satellite, 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. As a result of the purchase of the KONNECT VHTS satellite, the Group invested in the next generation of HTS satellites (VHTS satellites) for Fixed or Mobile Connectivity will bring an increased capacity. The Group also procured the innovative software-defined "Eutelsat Quantum" class of satellite and subsequently ordered the first satellite which is expected to be launched in 2019. Finally, during the financial year ended 30 June 2018, the Group ordered KONNECT VHTS, a next-generation VHTS satellite system to support the development of its European fixed broadband and in-flight connectivity businesses.

The development of these new assets depends greatly on the demand prospects 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 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.

The Group could be exposed to additional risks in the event of acquisitions.

The Group has made and could make in the future, acquisitions. These acquisitions could be paid for in cash or in shares. Acquisitions may strain the Group's management and financial resources and involve a certain number of risks, which could have a significant negative impact on the Group's business, financial situation and results. Risks associated with acquisitions include the following:

- the Group may not find suitable acquisition candidates;
- the Group may not plan or manage an acquisition efficiently;
- the Group may face competition for acquisitions;
- the Group may incur substantial costs, delays or other operational or financial problems in integrating acquired businesses, in adapting the Group's services to the requirements of the local market of the acquired business and local business practices, and the ability to predict the Group's performance may be reduced if the Group has less experience in the market of the acquired business than in the markets in which it previously operated;
- increased investments may be needed in order to further grow by acquisition and in order to gradually enter new markets or strengthen the Group's position in existing markets;
- the Group may incur impairment charges or unforeseen liabilities, or encounter other difficulties with completed acquisitions;
- the Group may not be able to retain key personnel or the customer contracts of acquired businesses; and
- the Group may encounter unanticipated events, circumstances or legal liabilities related to the acquired businesses or the acquired customer base.

In addition, there can be no assurance that, following its integration into the Group, an acquired business will be able to maintain its customer base consistent with expectations or generate the expected margins or cash flows or achieve anticipated synergies or other expected benefits. Although the Group analyses each acquisition based on reasonable assessments, these assessments are subject to a number of assumptions and estimates concerning markets, profitability, growth, interest rates and valuations. There can be no assurance that the Group's assessments of and assumptions regarding acquisition candidates will prove to be correct, and actual developments may differ significantly from the Group's expectations.

Furthermore, acquisitions of companies expose the Group to the risk of unforeseen obligations to public authorities or to other parties with respect to employees, customers, suppliers and subcontractors of acquired businesses and real estate owned or leased by acquired businesses. Such obligations may have a material adverse effect on the Group's business, results of operations or financial condition.

The Group may also face risks in relation to any divestments it may undertake. Among the risks associated with such divestments, which could materially adversely affect the Group's business, results of operations and financial condition, are the following:

- divestments could result in losses or lower margins;
- divestments could result in impairments on goodwill and other intangible assets;
- divestments may result in the loss of qualified personnel; and
- the Group may encounter unanticipated events or delays and retain or incur legal liabilities related to the divested business with respect to employees, customers, suppliers, subcontractors, public authorities or other parties.

Financial risks

The Group could be subject to new financing requests regarding the financial guarantee it provides to IGO's Closed Pension Fund

Before Eutelsat S.A. was set up and prior to the transfer by IGO of its operating activities, the IGO managed a pension fund (the **Closed Pension Fund**) for its staff members. The rights of the Closed Pension Fund's beneficiaries were fixed, and management of the fund and the corresponding assets were assigned to a Trust, which was also charged with managing the associated pension liabilities.

As of 30 June 2018, the defined benefit obligation of the Trust's pension liabilities amounted to €215.8 million in Eutelsat Communications' consolidated financial statements, and the fair value of its assets was €136.4 million. 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 net defined benefit obligation 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.

During the financial year ended 30 June 2017, the financial guarantee was called for an amount of €35.9 million. This amount was evaluated on the basis of the projections of the Trust, taking into account the future market evolutions. In March 2017, an agreement was reached with the Trust for nine annual payments of €4.0 million spread between 30 June 2017 and 30 June 2025. These sums could vary depending on the future financial positions established annually.

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 financial situation and results.

Issuer's credit ratings may not reflect all risks.

One or more independent credit rating agencies may assign credit ratings to the Issuer. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this Prospectus, and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold Bonds and may be revised or withdrawn by the rating agency at any time.

The Group manages liquidity risk.

As of 30 June 2018, liquidity remains strong, with undrawn credit lines of €450 million and cash of €705 million. The Group complied with all of the covenants on its various credit facilities.

The Group believes that it is not exposed to any significant liquidity risk.

In particular, the net debt to EBITDA ratio (as per the covenants definition) stood at 2.46 as of 30 June 2018 (2.66 as of 31 June 2017). Net debt as defined in the credit facilities agreement is excluding intragroup loans, thus resulting in €2,671 million as of 30 June 2018 and €3,043 million as of 30 June 2017.

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 January 2019 (€800 million), January 2020 (€930 million), June 2021 (€500 million), and October 2022 (€300 million).

(see "*Information about the Issuer – Financial indebtedness of the Issuer prior to the issue of the Bonds*").

The Group has a high level of debt

As of 30 June 2018, the Group's consolidated net debt was €2,902 million.

The Group's high leverage could:

- make it difficult for the Group to meet commitments regarding its debt;
- limit its ability to obtain loans or raise additional equity capital;
- increase its vulnerability in an unfavourable economic or industry environment;
- limit its 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.

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 necessary capital 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.

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:

(i) Moody's Investor Service (with the Eutelsat Communications S.A.'s debt rated Ba1/Stable Outlook and Eutelsat S.A.'s debt rated Baa3/Stable Outlook);

(ii) Standard & Poor's (with Eutelsat Communications S.A.'s debt rated BBB-/ Watch Neg and Eutelsat S.A.'s debt rated BBB/Watch neg);

(iii) Fitch Ratings (with Eutelsat S.A.'s debt rated BBB/Stable Outlook).

During the financial year ended 30 June 2018, the three rating agencies confirmed and maintained their ratings and outlooks. On 11 September 2018, Standard & Poor's placed Eutelsat's rating on watch negative pending portfolio review.

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.

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.

Regulatory risks

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 audio-visual services in compliance with relevant international agreements, including the European Convention on transfrontier television and national regulations; and
- the pan-European coverage of the satellite system and compliance with the principles of non-discrimination and fair competition in defining its strategy and conducting its business.

With a view to allowing Eutelsat Communications 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 Eutelsat Communications made certain commitments to EUTELSAT IGO.

Moreover, to facilitate reporting to EUTELSAT IGO on Eutelsat S.A.'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.

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.

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 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 two special 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.

The Group's provision of satellite telecommunications services is subject to certain specific legislative and regulatory provisions

The satellite telecommunications industry in which the Group operates is governed by extensive regulation. 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. 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 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**). 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. This is the case with the 3.4-3.8 GHz band, which cannot be used in France for Fixed Satellite Services since 2008.

In particular, on the occasion of the next World Radio-communications Conference in 2019 (WRC-19), the agenda includes certain frequency bands that have been identified for satellite usage, such as Q/V Bands. Discussions will therefore take place at the end of 2019 for the possible identification of future mobile networks such as 5G. These bands are essential for the operation of future satellite systems, and in particular satellites such as KONNECT VHTS. Any change in the international regulatory framework could potentially have an impact on the Group's ability to operate in an optimal fashion in these frequency bands.

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 investment 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.

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.

Since 10 December 2010, the Group has been subject to new regulations under the French Space Operations Act

The French Space Operations Act (the **Act**) governing space operations was published in France's Journal officiel on 4 June 2008, and its two 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.

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 equivalent 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 and €70 million 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 (European economic area) 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.

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

The Group is subject to strict regulation 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 the protection of minors and the avoidance of incitement to hatred or violence on grounds of race, sex, religion, habits or nationality.

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. 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.

Any competent regulatory authority in Europe could issue an order to interrupt broadcasting of new 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 negative impact on the Group's business, financial situation and results.

This risk can vary from one member state to another, with certain legislations adopting more flexible policies within the limits authorised by the community framework, and each regulator adopting its own interpretation of adherence to the principles.

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.

Finally the "Audiovisual Media Services" directive is due to be revised in 2016. Any changes, subsequently implemented within national legislations, could relate to the subsidiary criteria of determination of competence for non-European channels broadcast via satellite, as well as revisiting the principle of the country of origin. Should these revisions lead to the adoption of non-operational criteria to determine the competent regulator, or to a more fragmented regulatory environment, they could have an adverse effect on the financial condition and the results of the Group. Nevertheless, Eutelsat is consulted on such matters by the group of European regulators (ERGA), and has already had the opportunity to formulate propositions aimed at clarifying and simplifying the application of subsidiary principles, while at the same time protecting its activities from a for adverse future regulatory environment.

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.

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.

The Group is exposed to market risks, principally in terms of currency and interest rates

The Group is exposed to market risks, principally in terms of currency and interest rates, and the Chief Financial Officer actively manages this risk exposure using various derivative instruments. The goal is, where appropriate and possible, 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 does not sell assets it does not possess or does not know it will subsequently possess.

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, which represented 38% of revenues in the financial year ended 30 June 2018. As a result, fluctuations in exchange rates may have a negative impact on the Group's results.

Moreover, considering that the 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 may be denominated in U.S. dollars. These contracts may involve significant amounts, generally in excess of USD50 million, whose payment may be phased over time.

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. For example in the financial year ended 30 June 2015, the general economic environment in Russia, and in particular the sharp fall in the value of the rouble put pressure on Eutelsat's Russian customers with euro-denominated contracts. Eutelsat accepted to renegotiate with its Russian clients with the aim of temporarily alleviating some contract terms. These fluctuations could 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 U.S. dollars.

In order to hedge the risks of fluctuating foreign exchange rates, the Group may carry out forward sales or 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 or may not be able to hedge all of its contracts denominated in U.S. dollars.

Moreover, the Group's clients located in emerging countries may encounter difficulties in obtaining euros or U.S. dollars, because of currency controls, or may face a strong decrease of the euro-equivalent of revenues generated in local currencies. This could significantly affect their ability to pay in euros or in U.S. dollars, thereby exposing the Group to additional exchange rate risks.

Finally, the Group owns Satélites Mexicanos, with accounts in U.S. dollars. EUR/USD exchange-rate variations could therefore generate a translation risk when the Group consolidates the accounts of this subsidiary.

In order to hedge the translation risk, the hedging policy of the Group consists in creating liabilities denominated in the currency of the cash-flows generated by these assets. Hedging instruments include currency derivatives (cross-currency swaps) documented as hedges of net investments in foreign operations. The Group implemented foreign exchange swaps for a notional amount of 500 million euros to hedge its net investment in Satmex.

Interest rate risk

The Group manages its exposure to interest rate volatility by maintaining a substantial portion of its debt at fixed rates (Eutelsat S.A. bond issues) and by pre-hedging its closest refinancing needs

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.

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 2018, the Eutelsat S.A.'s banking syndicate comprises eight 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.

2 RISK FACTORS RELATING TO THE BONDS

The Bonds may not be a suitable investment for all investors.

Each potential investor in the Bonds must determine the suitability of that investment in light of its own situation. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its own financial situation, an investment in the Bonds and the impact that any such investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear the risks of an investment in the Bonds, including any currency exchange risk due to the fact that the potential investor's currency is not the Euro;

- understand thoroughly the terms of the Bonds and be familiar with the behaviour of the financial markets and any relevant indices;

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the risks of such investment; and

- consult its own advisers as to legal, tax and related aspects of an investment in the Bonds.

Potential Conflicts of Interest

Certain of the Managers, the Calculation Agent and their respective affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may have performed (or may in the future perform) services for, or may have provided (or may in the future provide) financing to, the Issuer and its subsidiaries in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates or any entity related to the Bonds. Certain of the Managers and their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the Bonds offered hereby. Any such short positions could adversely affect future trading prices of the Bonds offered hereby. The Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For the avoidance of doubt, the term "affiliates" includes also parent companies.

The Managers and the Calculation Agent will receive fees, commissions and expenses reimbursement for their services in the issue of the Bonds.

Risks related to the structure of the Bonds

Set out below is a brief description of the principal risks relating to the structure of the Bonds.

The Bonds are subject to early redemption by the Issuer for taxation reasons

An early redemption feature of Bonds is likely to affect their market value. During any period when the Issuer may elect or be obliged to redeem Bonds in accordance with Condition 5(b) of the "*Terms and Conditions of the Bonds – Redemption for Taxation Reasons*", the market value of those Bonds generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

An investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Bonds being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider investment risk in light of other investments available at that time.

The Bonds may be redeemed prior to maturity

The Issuer reserves the right to purchase Bonds in the open market or otherwise at any price in accordance with applicable regulations. Such transactions shall have no impact on the normal repayment schedule of outstanding Bonds, but they decrease the yield of the Bonds so purchased and then redeemed by the Issuer prior to their stated maturity and potentially reduce the liquidity of the Bonds.

The Issuer may, at its option:

(i) at any time or from time to time, during a period of three months preceding the Maturity Date, redeem the Bonds, in whole or in part, in accordance with Condition 5(f) of the "*Terms and Conditions of the Bonds – Redemption and Purchase – Residual Maturity Call Option*". Such redemption options would be exercised at the principal amount of the Bonds together with interest accrued to, but excluding, the date of redemption;

(ii) redeem, in whole or in part, the then outstanding Bonds at any time prior to the Maturity Date, at the Optional Redemption Amount, in accordance with Condition 5(d) of the "*Terms and Conditions of the Bonds – Redemption and Purchase – Make Whole Redemption by the Issuer*"; or

(iii) redeem, at any time, prior to the Maturity Date, in whole only but not in part, at par plus accrued interest, if 80 per cent. of the initial aggregate principal amount of the Bonds have been redeemed or purchased and cancelled, in accordance with Condition 5(e) of the "*Terms and Conditions of the Bonds – Redemption and Purchase – Clean-up Call Option*". There is no obligation for the Issuer to inform the Bondholders if and when this percentage has been reached or is about to be reached, and the Issuer’s right to redeem will exist notwithstanding that immediately prior to the serving of a notice in respect of the exercise of this option, the Bonds may have been trading significantly above par, thus potentially resulting in a loss of capital invested.

Moreover, the yields received upon redemption may be lower than expected, and the redeemed face amount of the Bonds may be lower than the purchase price for the Bonds paid by the Bondholder. As a consequence, part of the capital invested by the Bondholder may be lost, so that the Bondholder in such case would not receive the total amount of the capital invested.

The Issuer may choose to redeem the Bonds at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the Bonds and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at the time.

Interest rate risk on the Bonds

The Bonds bearing interest at a fixed rate, investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

The exercise of the Change of Control Put Option in respect of a significant number of Bonds may affect the liquidity of the Bonds in respect of which such Put Option is not exercised

Depending on the number of Bonds in respect of which the Put Option (as defined in "*Terms and Conditions of the Bonds*") is exercised in conjunction, if applicable, with any Bonds purchased by the Issuer and cancelled, any trading market of the Bonds in respect of which such Put Option is not exercised may become less liquid or illiquid. In addition, investors may not be able to reinvest the moneys they receive upon such early redemption in securities with the same yield as the redeemed Bonds.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange risk and interest rate risk.

Market value of the Bonds

The market value of the Bonds will be affected by the creditworthiness of the Issuer and a number of additional factors, including, but not limited to, the volatility of market interest, yield rates, interest rates, currency exchange rates and inflation rates and the time remaining to the maturity date.

The value of the Bonds depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchange on which the Bonds are traded. The price at which a Bondholder will be able to sell the Bonds may be at a discount, which could be substantial, from the issue price or the purchase price paid by such Bondholder. There can be no assurance that events in France, in Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Bonds or that economic and market conditions will not have any other adverse effect.

An active trading market for the Bonds may not develop

An investment in the Bonds should be considered primarily with a view to holding them until their maturity. The Bonds are new securities for which there is currently no established trading market. There can be no assurance that an active trading market for the Bonds will develop, or, if one does develop, that it will be maintained. If an active trading market for the Bonds does not develop or is not maintained, the liquidity and the market or trading price of the Bonds may be adversely affected.

The trading market for the Bonds may be volatile and may be adversely impacted by many events

The secondary market for debt securities is influenced by economic and market conditions and, to varying degrees, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in France, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of the Bonds or that economic and market conditions will not have any other adverse effect. Developments and changes in securities analysts' recommendations regarding the sectors in which the Issuer operates may also influence and bring volatility to the market of the Bonds.

The value of the Bonds may go down as well as up and an investor may not be able to sell the Bonds for the amount invested in them.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Bonds in Euro. This presents certain risk relating to currency conversions if an investor's financial activities are denominated principally in a currency unit (the **Investor's Currency**) other than the Euro. These include the risk that exchange rate may significantly change (including changes due to devaluation of the Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (1) the Investor's Currency-equivalent yield on the Bonds, (2) the Investor's Currency-equivalent value of the principal payable on the Bonds and (3) the Investor's Currency-equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate, the market price of the Bonds or certain investors' right to receive interest or principal on the Bonds.

Risks related to the Bonds generally

Modification and waiver

The Terms and Conditions of the Bonds contain provisions for collective decisions to consider matters affecting their interests generally to be adopted either through a general meeting (the **General Meeting**) or by consent following a written consultation (the **Written Unanimous Decision**). These provisions allow defined majorities to bind all Bondholders including Bondholders who did not attend, were not represented at the relevant meeting or did not consent to the Written Unanimous Decision and Bondholders who voted in a manner contrary to the majority. Collective decisions may deliberate on proposals relating to the modification of the conditions of the Bonds subject to the limitation provided by French law and the Terms and Conditions of the Bonds.

No voting rights

The Bonds do not give the Bondholders the right to vote at meetings of the shareholders of the Issuer.

No limitation on issuing debt

There is no restriction in the Bonds on the amount of debt which the Issuer may incur. Any such further debt may reduce the amount recoverable by the Bondholders upon liquidation or insolvency of the Issuer.

Credit ratings may not reflect all risks

The credit ratings assigned to the Bonds may not reflect the potential impact of all risks related to the structure, market, additional factors discussed above or other factors that may affect the value of the Bonds.

An investment in the Bonds involves taking credit risk on the Issuer. If the financial situation of the Issuer deteriorates it may not be able to fulfil all or part of its payment obligations under the Bonds, and investors may lose all or part of their investment.

The price of the Bonds will also depend on the creditworthiness, or perceived creditworthiness of the Issuer. If the creditworthiness, or the perceived creditworthiness of the Issuer deteriorates, the value of the Bonds may decrease and investors may lose all or part of their investment.

Change of law

The Conditions of the Bonds are based on the laws of France in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial or administrative decision or change to the laws of France or official application or interpretation of the laws of France or administrative practice after the date of this Prospectus.

Taxation

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the jurisdiction where the Bonds are transferred or other jurisdictions, or in accordance with any applicable double tax treaty. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, ownership, disposal and redemption of the Bonds. Only these advisors are in a position to duly consider the specific situation of the potential investor. This paragraph has to be read in conjunction with the taxation section of this Prospectus. A Bondholder's effective yield on the Bonds may be diminished by the tax impact on that Bondholder of its investment in the Bonds.

European financial transaction tax (FTT)

The European Commission published on 14 February 2013 a proposal (the **Commission's Proposal**) for a Directive for a common financial transactions tax in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **Participating Member States**). However, in March 2016, Estonia officially indicated that it would no longer be a Participating Member State.

The Commission's Proposal has very broad scope and could, if introduced, impose a tax at a rate not lower than 0.1% generally determined by reference to the amount of consideration paid in respect of certain dealings in the Bonds (including second market transactions) in certain circumstances.

Under the Commission's Proposal, the FTT could apply to persons both within and outside of the Participating Member States. Generally, it would apply to certain dealings in the Bonds where at least one party is a financial institution, and at least one party is established in a Participating Member State. A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a Participating Member State.

The mechanism by which the FTT would be applied and collected is not yet known, but if the FTT or other similar tax is adopted, transactions in debt securities would be subject to higher costs, and the liquidity of the market for debt securities may be diminished.

The FTT proposal remains subject to discussions between the Participating Member States. It may therefore be altered prior to any implementation. Additional Member States may decide to participate and/or Participating Member States may decide to withdraw. Prospective holders of the Bonds are advised to seek their own professional advice in relation to the FTT.

French Insolvency law

Under French insolvency law, holders of debt securities (i.e. "obligations" within the meaning of French law) are automatically grouped into a single assembly of holders (the **Assembly**) including all such debt securities (including the Bonds) in case of the opening in France of safeguard (*procédure de sauvegarde*), accelerated safeguard (*procédure de sauvegarde accélérée*), accelerated financial safeguard (*procédure de sauvegarde financière accélérée*) or judicial reorganization proceedings (*procédure de redressement judiciaire*) with respect to the Issuer.

The Assembly deliberates on the proposed safeguard, accelerated safeguard, accelerated financial safeguard or judicial reorganization proceedings which may, *inter alia*:

- increase the liabilities (*charges*) of the Bondholders or holders of equivalent debt securities (*obligations*)) by rescheduling due payments and/or partially or totally writing off their claim;
- establish an unequal treatment between holders of the Bonds or equivalent debt securities (*obligations*) if justified by their differences in situation; and/or
- convert, in whole or in part, the Bonds or equivalent debt securities (*obligations*) into securities that give or may give right to share capital (subject to the relevant shareholder consent).

Decisions of the Assembly will be taken by a two-thirds majority (calculated as a proportion of the Bonds and equivalent debt securities (*obligations*) held by the holders expressing a vote). No quorum is required at the Assembly.

For the avoidance of doubt, the provisions relating to the representation of the Bondholders described in this Prospectus will not be applicable to the extent they do not comply with compulsory insolvency law provisions that apply in these circumstances.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Bonds are legal investments for it, (2) the Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Bonds. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

Neither the Issuer, the Managers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the subscription or acquisition of the Bonds by a prospective investor in the Bonds, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

SELECTED FINANCIAL INFORMATION OF EUTELSAT S.A.

The tables below provide selected financial information from the Issuer's consolidated balance sheets, income statements, EBITDA calculations and statements of consolidated cash flows in compliance with IFRS for the last two (2) financial years ended 30 June 2017 and 30 June 2018. The Issuer's 2016-17 Financial Statements and 2017-18 Financial Statements have been audited by Ernst & Young Audit and Mazars.

The main accounting principles used by the Issuer in preparing its consolidated financial statements for the last two financial years are set out in Notes 3 and 4 of the notes to the Issuer's 2016-17 Financial Statements and 2017-18 Financial Statements.

Total shareholder's equity stood at €2,137 million at 30 June 2018 compared to €2,217 million at 30 June 2017. Financial year 2016-17 opening shareholder equity has been restated to adjust the Satélites Mexicanos' deferred tax positions, leading to a negative net impact of €56.3 million, with no impact on the income statement as of 30 June 2017.

Selected financial information from the Consolidated Balance Sheets of the Issuer (Eutelsat S.A.)

(in € millions)	For the year ended (Audited)		
	30 June 2017	**30 June 2018**	**Change**
Total of non-current assets	5,579	5,488	(91)
Total current assets	835	1,094	+259
Assets held for sale	301	-	(301)
Total assets	**6,715**	**6 582**	**(133)**
Total shareholders' equity	2,217	2,137	(80)
Total non-current liabilities	4,109	3,158	(951)
Total current liabilities	389	1,287	+898
Total liabilities and shareholders' equity	**6,715**	**6 582**	(133)
NET DEBT(1)	**3,267**	**2,902**	**(365)**

(1) Net debt includes all bank and bond debt, Intra-group loans, debt associated with long-term leases and export credit agencies, as well as the foreign exchange portion of cross-currency swap instruments, less cash and marketable securities (net of credit balances with banks).

Selected financial information from the Consolidated Income Statements of the Issuer (Eutelsat S.A.)

(in € millions)	For the year ended (Audited)		
	30 June 2017	**30 June 2018**	**Change**

REVENUES	1,481	1,411	-5%
Operating costs	(99)	(97)	-2%
Selling, general and administrative expenses	(240)	(230)	-4%
Depreciation and amortisation	(488)	(462)	-6%
Other operating income and expenses	14	(19)	N/A
OPERATING INCOME	**668**	**604**	-10%
Net financial items	(125)	(103)	-17%
CONSOLIDATED NET INCOME	**398**	**313**	-22%
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**401**	**316**	-21%

Selected financial information from the Consolidated Statements of Cash Flow of the Issuer (Eutelsat S.A.)

(in € millions)	For the year ended (Audited)		
	30 June 2017	**30 June 2018**	**Change**
Net cash flows from operating activities	966	866	(100)
Net cash flows used in investing activities	(352)	(63)	+289
Net cash flows used in financing activities	(1,359)	(503)	+856
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(745)**	**299**	+1,044

Other Selected Financial Information: EBITDA

(in € millions)	For the year ended (Audited)		
	30 June 2017	**30 June 2018**	**Change**
Revenues	1,481	1,411	-5%
Operating expenses[(1)]	(339)	(327)	-4%
EBITDA[(2)]	**1,143**	**1,084**	-5%
EBITDA margin (*as a percentage of revenues*)	77.1	76.9	-0.2 pts

(1) Operating expenses are defined as operating costs plus selling, general and administrative expenses.

(2) EBITDA is defined as operating income before depreciation and amortisation and other operating revenue and expenses.

EBITDA is not a GAAP measure and as such it is not audited or reviewed by the auditors. EBITDA does not constitute a measure of financial performance. It should not be compared to operating income, net income or cash flow from operating activities. Nor should it be used as an indicator of profitability or liquidity. Likewise, it should not be used as an indicator of past or future operating results. EBITDA is calculated differently from one company to another, and accordingly the information given in this Prospectus about EBITDA should not be compared to EBITDA information reported by other companies.

Order Backlog Evolution

(in € billions)	For the year ended	
	30 June 2017	**30 June 2018**
Value of contracts (*in € billions*)	5.2	4.6
Portion relating to Video Applications	85%	83%

As of 30 June 2018, the Group's order backlog totalled €4.6 billion or around 3.2 times annual revenues, compared with €5.2 billion at 30 June 2017, an evolution which primarily reflects the integration of Noorsat. For further information on how the backlog is calculated please refer to "*Business Overview – Customers – Order backlog*" below.

Alternative Performance Measures

In addition to the data published in its accounts, this document includes certain alternative performance for Eutelsat S.A, measures which the Group deems relevant for measuring its financial performance. These indicators are the object of reconciliation with the consolidated accounts.

EBITDA, EBITDA margin and Net debt / EBITDA ratio

EBITDA reflects the profitability of the Group before Interest, Tax, Depreciation and Amortization. It is a key indicator in the Fixed Satellite Services Sector. The table below shows the calculation of EBITDA based on the consolidated P&L accounts for FY 2016-17 and FY 2017-18:

Twelve months ended June 30 (€ millions)	**2017**	**2018**
Operating result	668	604
+Depreciation and Amortization	488	462
- Other operating income and expenses	(14)	19
EBITDA	**1,143**	**1,084**

The EBITDA margin is the ratio of EBITDA to revenues. It is computed as follows:

Twelve months ended June 30 (€ millions)	2017	2018
EBITDA	1,143	1,084
Revenues	1,481	1,411
EBITDA margin (as a % of revenues)	77.1	76.9

The Net debt / EBITDA ratio is the ratio of net debt to last-twelve months EBITDA. It is computed as follows:

Twelve months ended June 30 (€ millions)	**2017**	**2018**
Last twelve months EBITDA	1,143	1,084
Closing net debt as per covenant definition(1)	3,043	2,671
Net debt / EBITDA	**2.66**	**2.46**

1 Net Debt as per covenant definition is equal to Eutelsat S.A. Group net debt (€3,267 million as of 30 June 2017 and €2,902 million as of 30 June 2018) minus Intercompany loan (€224 million as of 30 June 2017 and €232 million as of 30 June 2018)

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with this Prospectus and that have been filed with the CSSF in Luxembourg and shall be incorporated in, and form part of, this Prospectus:

(a) the Issuer's consolidated financial statements for the financial year ended 30 June 2017 in the English language (the **2017 Financial Statements**) which include a free translation of the statutory auditors' audit report for the financial year ended 30 June 2017[4]; and

(b) the Issuer's consolidated financial statements for the financial year ended 30 June 2018 in the English language (the **2018 Financial Statements**) which include a free translation of the statutory auditors' audit report for the financial year ended 30 June 2018[5],

save that any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

The financial statements of the Issuer and the free translation of the auditors' reports related thereto are uncertified English translations and were originally issued in French and are provided solely for the benefit of English speaking users.

Copies of the documents incorporated by reference in this Prospectus will be available on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of Eutelsat Communications in the section Investors/ Eutelsat S.A. (http://www.eutelsat.com/en/investors/eutelsat-sa-bond-holders.html).

The Issuer will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which are incorporated herein by reference unless such documents have already been supplied to such person. Written or oral requests for such documents should be directed to the Issuer at its principal office set out at the end of this Prospectus. In addition, such documents will be available, without charge, from the principal office of the Fiscal Agent (as defined below).

Any information incorporated by reference that is not listed in the cross reference table below but included in the documents incorporated by reference above is considered as additional information and is not required by the relevant schedules of the Commission Regulation No 809/2004, as amended.

The information incorporated by reference in this Prospectus shall be read in conjunction with the following cross-reference table:

[4] For the avoidance of doubt, the free translation of the statutory auditors' report for the financial year ended 30 June 2017 is subject to the Responsibility Statement on page 3 of this Prospectus.

[5] For the avoidance of doubt, the free translation of the statutory auditors' report for the financial year ended 30 June 2018 is subject to the Responsibility Statement on page 3 of this Prospectus.

	2017 Financial Statements (English Translation)	2018 Financial Statements (English Translation)
Historical Financial Information		
Free Translation of Audit Reports[1]	Pages 51 to 58	Pages 51 to 57
Consolidated balance sheet	Page 3-4	Pages 3-4
Consolidated income statement	Page 5	Page 5
Comprehensive income statement	Page 6	Page 6
Consolidated statement of cash flows	Page 7	Page 7
Consolidated Statement of changes in shareholders' equity	Page 8	Page 8
Accounting policies and explanatory notes	Pages 9 to 51	Pages 9 to 48

[1] The page references for the Free Translation of Audit Reports refer the electronic document of the Financial Statements filed with the CSSF as documents incorporated by reference, and not to the physical document issued by the statutory auditors.

TERMS AND CONDITIONS OF THE BONDS

The following is the text of the terms and conditions that, subject to their issue, shall be applicable to the Bonds. The text of the terms and conditions will not be endorsed on physical documents of title but instead will be constituted by the following text.

The issue of €800,000,000 2.000 per cent. bonds due 2 October 2025 (the **Bonds**) has been authorised by a resolution of the Board of Directors (*Conseil d'administration*) of Eutelsat S.A. (the **Issuer**) dated 24 April 2018 and a decision of Mr Rodolph Belmer, *Directeur général* of the Issuer dated 25 September 2018. The Issuer will enter into an agency agreement dated 28 September 2018 (as amended or supplemented from time to time, the **Agency Agreement**) with CACEIS Corporate Trust, as fiscal agent and paying agent (the **Fiscal Agent**, and with any additional or substitute paying agents, the **Paying Agents**) and as calculation agent (the **Calculation Agent**). Copies of the Agency Agreement are available for inspection during usual business hours at the specified offices of the Paying Agents. The Bondholders (as defined below) are deemed to have notice of all the provisions of the Agency Agreement relating to their rights. References to **Conditions** are, unless the context otherwise requires, to the numbered paragraphs below.

In these Conditions, references to "day" or "days" are to calendar days unless the context otherwise specifies.

1 Form, Denomination and Title

The Bonds are issued in dematerialised bearer form (*au porteur*) in the denomination of €100,000 each and will at all times, in compliance with Articles L. 211-3 *et seq*. and R. 211-1 *et seq*. of the French *Code monétaire et financier*, be evidenced by book-entries (*inscription en compte*) in the books of the Account Holders. No physical documents of title (including *certificats représentatifs* pursuant to Article R. 211-7 of the French *Code monétaire et financier*) will be issued in respect of the Bonds.

The Bonds will, upon issue, be registered in the books of Euroclear France, which shall credit the accounts of the Account Holders.

Account Holder means any authorised financial intermediary institution entitled to hold accounts directly or indirectly on behalf of its customers with Euroclear France, and includes Euroclear Bank SA/NV (**Euroclear**) and the depositary banks for Clearstream Banking S.A. (**Clearstream**).

Title to the Bonds shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of the Bonds may only be effected through, registration of the transfer in such books. References to **Holders of Bonds** or **Bondholders** shall be construed as references to the persons whose names appear in the books of Account Holders as the persons entitled to the Bonds.

2 Status of the Bonds

The obligations of the Issuer under the Bonds in respect of principal, interest and other amounts, constitute direct, unconditional, unsecured (subject to Condition 3) and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future direct, unconditional, unsecured and unsubordinated obligations of the Issuer.

3 Negative pledge

So long as any of the Bonds remain Outstanding (as defined below), the Issuer shall not, and shall procure that none of its Material Subsidiaries (as defined below), create or permit to subsist any Security (as defined below) over its assets or revenues to secure (i) any Relevant Debt (as defined below) or (ii) any guarantee or indemnity in respect of any Relevant Debt unless, at the same time or prior to such time, the Issuer's obligations under the Bonds are secured equally and rateably with such Relevant Debt or such guarantee or indemnity in respect of any Relevant Debt, or are given the benefit of such other security, guarantee or arrangement as shall be approved by the *Masse* (as defined below) of the Bondholders.

For the purposes of these Conditions:

EBITDA means, in respect of any relevant determination period the consolidated net income (loss) before net financial charges, tax, depreciation and amortization, other operating expenses and income from associates (as such term is defined under IAS 28).

Material Subsidiary means at any time, any subsidiary of the Issuer:

(a) whose EBITDA (consolidated in the case of a subsidiary which itself has subsidiaries) is then ten (10) per cent. or more of the consolidated EBITDA of the Issuer and its subsidiaries taken as a whole (in each case after giving effect, on a pro forma basis, to acquisitions and disposals taking place during the financial period to which the relevant financial statements referred to below relate); or

(b) whose total assets (consolidated in the case of a subsidiary which itself has subsidiaries) are then ten (10) per cent. or more of the consolidated total assets of the Issuer and its subsidiaries taken as a whole,

all as determined by reference to the most recent annual (audited if available) or (if prepared) interim financial statements of such subsidiary and the most recent annual audited or interim financial statements of the Issuer, provided that if any Material Subsidiary sells, transfers or otherwise disposes of all or substantially all of its undertaking or assets (whether by a single transaction or a number of related transactions) to any of the Issuer's other subsidiaries (each a **Transferee**), it shall no longer be a Material Subsidiary on the date of the relevant sale, transfer or disposal and each Transferee (if it is not already a Material Subsidiary) shall be deemed to become a Material Subsidiary on the date of the relevant sale, transfer or disposal, until the Material Subsidiaries are next determined on the basis of the annual audited financial statements referred to above.

Outstanding means, in relation to the Bonds, all the Bonds issued other than: (i) those which have been redeemed in accordance with the Conditions, (ii) those in respect of which the date for redemption in accordance with Conditions has occurred and the redemption monies (including all interest accrued on such Bonds to the date for such redemption and any interest payable under Condition 4(c) after such date) have been duly paid to the Fiscal Agent, (iii) those which have been purchased and cancelled as provided in Condition 5, and (iv) those in respect of which a Put Option has been validly exercised within the Put Period as provided in Condition 5(c).

Relevant Debt means any present or future indebtedness for borrowed money in the form of, or represented by, bonds or notes (*obligations*) or other debt securities (including *titres de créance négociables*) which are for the time being, or are capable of being, quoted, admitted to trading or ordinarily dealt with any stock exchange, over-the counter market or other securities market.

Security means a mortgage, pledge, lien, assignment by way of security, hypothecation or other security interest or encumbrance, or other agreement or arrangement conferring security or having a similar effect (but excluding any *opération de crédit-bail* or *location financière*) and securing any obligation of any person.

4 Interest

(a) Accrual and Interest Payment Dates

Each Bond bears interest on its principal amount at a rate of 2.000 per cent. *per annum* (the **Rate of Interest**) from, and including, 2 October 2018 (the **Issue Date**) to, but excluding, 2 October 2025 (the **Maturity Date**) payable annually in arrears on 2 October of each year (an **Interest Payment Date**) commencing on 2 October 2019.

Each Bond will cease to bear interest from the date for redemption, unless payment of principal is improperly withheld or refused on such date or unless default is otherwise made in respect of such payment.

(b) Interest Periods

The period from (and including) the Issue Date to (but excluding) the first Interest Payment Date and each successive period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date is referred to as an **Interest Period**.

Interest will be calculated on an (Actual/Actual (ICMA)) basis. Where interest is to be calculated in respect of a period which is shorter than an Interest Period, it shall be calculated by applying the Rate of Interest to the principal amount of each Bond and multiplying the product by a fraction whose numerator is the number of days in the relevant period, from (and including) the date from which interest begins to accrue to (but excluding) the date on which interest becomes payable, and whose denominator is the number of days in the Interest Period in which the relevant shorter period falls.

(c) Default interest

If any amount due and payable by the Issuer under the Conditions is not paid on its due date (the **Unpaid Amount**), interest shall continue to accrue on the Unpaid Amount at the Rate of Interest, in accordance with this Condition 4.

5 Redemption and Purchase

The Issuer may not redeem the Bonds except in accordance with the following provisions of this Condition 5.

(a) Redemption at maturity

Unless previously redeemed or purchased and cancelled as provided below, the Bonds will be redeemed in full at their principal amount in a single instalment on the Maturity Date.

(b) Redemption for taxation reasons

(i) If by reason of a change in the laws or regulations of the French Republic, or any political subdivision therein or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a judgment by a court of competent jurisdiction), becoming effective on or after the Issue Date, the Issuer would on the occasion of the next payment of principal or interest due in respect of the Bonds, not be able to make such payment without having to pay additional amounts, the Issuer may, at any time, subject to having given not more than sixty (60) nor less than thirty (30) days' prior notice to the Bondholders (which notice shall be irrevocable), in accordance with Condition 10, redeem the Bonds (in whole but not in part) at their principal amount plus accrued interest up to (but excluding) their effective redemption date provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding or deduction for French taxes or, if such date has passed, as soon as practicable thereafter.

(ii) If the Issuer would, on the occasion of the next payment of principal or interest in respect of the Bonds, be prevented by French law from making payment to the Bondholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall, upon giving not less than seven (7) days' prior notice to the Bondholders in accordance with Condition 10, redeem the Bonds (in whole but not in part) at their principal amount plus accrued interest up to (but excluding) their effective redemption date provided that the due date for redemption of which notice hereunder shall be given shall be no earlier than the latest practicable date on which the Issuer could make payment of the full amount of principal and interest payable without withholding or deduction for French taxes or, if such date has passed, as soon as practicable thereafter.

(c) Redemption following a Change of Control

If at any time while any of the Bonds remain Outstanding, (i) a Change of Control occurs and (ii) a Negative Rating Event in respect of that Change of Control is deemed to have occurred and is not cured before the last day of the Change of Control Period (a **Put Event**), then each Bondholder shall have the option (the **Put Option**) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) all (but not some only) of the Bonds held by such Bondholder at their principal amount together with (or, where purchased, together with an amount equal to) accrued interest to (but excluding) the Optional Redemption Date (as defined below).

Promptly upon the Issuer becoming aware of the occurrence of a Put Event, the Issuer shall give notice to the Bondholders in accordance with Condition 10, specifying the nature of the Change of Control, the circumstances giving rise to it and the procedure for exercising the Put Option contained in this Condition 5(c) (the **Put Event Notice**).

Each Bondholder will have the right to require the Issuer to redeem or, at the Issuer's option, to purchase (or procure the purchase of) all of the Bonds held by it within a 40-day period (the **Put Period**) commencing on the first Business Day (as defined in Condition 6) following the expiry of the Change of Control Period. To exercise the Put Option, each Bondholder must transfer (or cause to be transferred by its Account Holder) its Bonds to be so redeemed or purchased to the account of the Fiscal Agent specified in the Put Option Notice (as defined below) for the account of the Issuer within the Put Period, together with a duly signed and completed notice of exercise in the form obtainable from the specified office of the Fiscal Agent (a **Put Option Notice**) and in which the relevant Bondholder will specify a bank account to which payment is to be made under this Condition 5(c). A Put Option Notice once given may not be revoked.

The Issuer shall, subject to the transfer of such Bonds to the account of the Fiscal Agent as described above, redeem or, at the option of the Issuer, purchase (or procure the purchase of) all of the Bonds in respect of which the Put Option has been validly exercised as provided above on the twentieth (20^{th}) Business Day (as defined in Condition 6) following the expiry of the Put Period (the **Optional**

Redemption Date). Payment in respect of any Bond so transferred will be made in Euro to the Euro-denominated bank account of the Holder specified in the Put Option Notice on the Optional Redemption Date via the relevant Account Holder.

For the purposes of this Condition:

A **Change of Control** occurs where, other than in connection with a Permitted Restructuring (as defined below) or a Permitted Change of Control (as defined below), (i) Eutelsat Communications S.A. ceases to own, directly or indirectly, at least 50% of the share capital and the voting rights of the Issuer (or the surviving entity following a Permitted Restructuring), or (ii) any person or group of persons acting in concert, as defined in Article L. 233-10 of the French *Code de Commerce*, directly or indirectly owns or acquires more than 50% of the share capital and voting rights of Eutelsat Communications S.A.

Change of Control Period means, in relation to a Change of Control, the period commencing on the date of the first public announcement of the occurrence of the relevant Change of Control, and ending on (i) the date which is 120 days (inclusive) after such public announcement or (ii) the date which is 180 days (inclusive) after such public announcement if, at the end of the period stated in sub-paragraph (i) above, either one or both of the Rating Agencies (as defined below) have officially placed the Bonds under consideration for rating review.

Existing Major Shareholder means the Bpifrance Participations (formerly Fonds Stratégique d'Investissement) and/or any person controlled (as defined in Article L. 233-3 I of the French *Code de Commerce*) by it.

A **Negative Rating Event** will be deemed to have occurred in respect of a Change of Control:

(i) in circumstances where on the day immediately preceding the date of a Potential Change of Control the credit rating previously assigned to the Bonds by each Rating Agency is an investment grade rating (BBB-/Baa3 or better or their equivalent), if the credit rating assigned to the Bonds by at least two Rating Agencies, whether at the invitation of the Issuer or by each Rating Agency's own volition, is reduced to BB+/Ba1 (or their equivalent), or below, on or after the date of a Potential Change of Control but before the expiry of the Change of Control Period, (*i.e.*, at least one Rating Agency has not assigned a reduced credit rating to the Bonds as described in this sub-paragraph (i)), and, after the date of such reduction but before the expiry of the Change of Control Period, both Rating Agencies have not assigned to the Bonds a credit rating at least at the level of the credit rating assigned to the Bonds on the day immediately preceding the date of such Potential Change of Control;

(ii) in circumstances where on the day immediately preceding the date of a Potential Change of Control, the credit rating previously assigned to the Bonds by at least two Rating Agencies is below investment grade (BB+/Ba1 or below or their equivalent), if the credit rating assigned to the Bonds by at least two Rating Agencies, whether at the invitation of the Issuer or by each Rating Agency's own volition, is reduced by at least one full rating notch on or after the date of a Potential Change of Control but before the expiry of the Change of Control Period, (*i.e.*, at least one Rating Agency has not assigned a credit rating below investment grade to the Bonds as described in this sub-paragraph (ii)), and, after the date of such reduction but before the expiry of the Change of Control Period, such Rating Agencies have not assigned to the Bonds a credit rating at least at the level of the credit rating assigned to the Bonds on the day immediately preceding the date of such Potential Change of Control;

(iii) if the credit rating previously assigned to the Bonds by at least two Rating Agencies, whether at the invitation of the Issuer or by each Rating Agency's own volition, is withdrawn on or after the date of a Potential Change of Control but before the expiry of the Change of Control Period, (*i.e.*, at least one Rating Agency has not withdrawn its credit rating assigned to the Bonds as described in this sub-paragraph (iii)), and, after the date of such withdrawal but before the expiry of the Change of Control Period, such Rating Agencies have not assigned to the Bonds a credit rating at least at the level of the credit rating assigned to the Bonds on the day immediately preceding the date of withdrawal; or

(iv) if the credit ratings assigned to the Bonds by at least two of the Rating Agencies, whether at the invitation of the Issuer or by each Rating Agency's own volition, had been withdrawn by at least two Rating Agencies prior to the date of a Potential Change of Control, (*i.e.*, at least one Rating Agency has not withdrawn its credit rating assigned to the Bonds as described in this sub-paragraph (iv)), and, on or after the date of a Potential Change of Control but before the expiry of the Change of Control Period, neither of the two Rating Agencies has assigned to the Bonds a credit rating at least at the level of the credit rating assigned to the Bonds on the day immediately preceding the date of withdrawal.

provided that:

- in the case of sub-paragraphs (i), (ii) and (iii) above, each relevant Rating Agency publicly announces, or confirms in writing to the Issuer, the Fiscal Agent or any Bondholder, that any such reduction or withdrawal is due, wholly or in part, to the relevant Change of Control; and

- if at any time the Issuer is rated by less than three Rating Agencies, a Negative Rating Event shall be deemed to have occurred in respect of a Change of Control if (x) in the case of sub-paragraph (i) above, the credit rating assigned to the Bonds by at least one (or the sole) Rating Agency, whether at the invitation of the Issuer or by such Rating Agency's own volition, is reduced to BB+/Ba1 (or their equivalent) on the conditions set out in sub-paragraph (i) above; or (y) in the case of sub-paragraph (ii) above, the credit rating assigned to the Bonds by at least one (or the sole) Rating Agency, whether at the invitation of the Issuer or by such Rating Agency's own volition is reduced by at least one full rating notch on the conditions set out in sub-paragraph (ii); or (z) in the case of sub-paragraphs (iii) and (iv) above, the credit rating assigned to the Bonds by at least one (or the sole) Rating Agency, whether at the invitation of the Issuer or by such Rating Agency's own volition, is withdrawn on the conditions set out in sub-paragraphs (iii) and (iv) above, respectively.

Permitted Change of Control means any transaction where the Existing Major Shareholder acting individually or in concert (*personnes agissant de concert*, as defined in Article L. 233-10 of the French *Code de Commerce*) owns or acquires directly or indirectly more than 50% of the share capital and voting rights of the Issuer (or the surviving entity following a Permitted Restructuring).

Permitted Restructuring means any merger (*fusion),* demerger *(scission*) or asset contribution (*apport partiel d'actifs*) between, or involving, the Issuer and Eutelsat Communications S.A. or any entity held directly or indirectly by Eutelsat Communications S.A., provided that Eutelsat Communications S.A. owns more than 50% of the share capital and voting rights of such entity and, if the Issuer is not the surviving entity, all the Issuer's liabilities and obligations under the Bonds are transferred and assumed by such surviving entity.

Potential Change of Control means the first public announcement or statement, made by the Issuer, or any of its direct or indirect parent companies, or any actual or potential bidder(s), or any of their respective advisers on their behalf, relating to any potential Change of Control.

Rating Agency means Standard & Poor's Credit Market Services Europe Limited (**S&P**) or its successor and/or Moody's Investors Service Ltd (**Moody's**) or its successor and/or Fitch Ratings (**Fitch**) (or, if either or all of these agencies cease to exist or publish ratings generally or if the Issuer so decides, any alternative internationally recognised rating agency or agencies which has, at the request of the Issuer, assigned a credit rating to the Bonds or to the Issuer's long-term senior unsecured and unsubordinated indebtedness).

(d) Make Whole Redemption by the Issuer

The Issuer will, subject to compliance by the Issuer with all relevant laws, regulations and directives and having given not less than thirty (30) nor more than sixty (60) calendar days' notice in accordance with Condition 10 to the Bondholders (which notice shall be irrevocable and shall specify the date fixed for redemption), have the option to redeem the Bonds, in whole or in part, at any time prior to their Maturity Date (the **Optional Make Whole Redemption Date**) at their Optional Redemption Amount (as defined below) together with any accrued and unpaid interest up to, but excluding, the Optional Make Whole Redemption Date.

The **Optional Redemption Amount** will be calculated by the Calculation Agent and will be an amount in Euro rounded to the nearest cent (half a cent being rounded upwards) being the greater of (x) one hundred (100) per cent. of the Principal Amount (as defined below) of the Bonds so redeemed and (y) the sum of the then present values on the Optional Make Whole Redemption Date of (i) the Principal Amount (as defined below) of the Bonds and (ii) of the remaining scheduled payments of interest of the Bonds for the remaining term of the Bonds (determined on the basis of the interest rate applicable to such Bond from but excluding the Optional Make Whole Redemption Date (therefore excluding any interest accruing on such Bond to, but excluding, such Optional Make Whole Redemption Date)), discounted to the relevant Optional Make Whole Redemption Date on an annual basis (Actual / Actual ICMA) at the Early Redemption Rate plus the Early Redemption Margin.

Early Redemption Margin means + 0.30 per cent. *per annum*.

Early Redemption Rate means the average of the four (4) quotations given by the Reference Dealers of the mid-market annual yield to maturity of the Reference Benchmark Security on the fourth (4^{th}) business day in Paris preceding the Optional Make Whole Redemption Date at 11.00 a.m. (Central European time (CET)).

If the Reference Benchmark Security is no longer outstanding, a Similar Security will be chosen by the Calculation Agent after prior consultation with the Issuer if practicable under the circumstances, at 11.00 a.m. (Central European time (CET)) on the third (3^{rd}) business day in Paris preceding the Optional Make Whole Redemption Date, quoted in writing by the Calculation Agent to the Issuer.

Principal Amount means €100,000.

Reference Benchmark Security means the German government bond (bearing interest at a rate of 0.17 per cent. *per annum* and maturing on 15 August 2025 with ISIN DE0001102382.

Reference Dealers means each of the four (4) banks (which for the avoidance of doubt may include the Global Coordinator or the Managers) selected by the Calculation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues.

Similar Security means a reference bond or reference bonds issued by the German Government having an actual or interpolated maturity comparable with the remaining term of the Bonds that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Bonds.

(e) Clean-up Call Option

In the event that eighty (80) per cent. or more of the initial aggregate nominal amount of the Bonds have been redeemed or purchased and cancelled, the Issuer may, at its option, at any time, subject to having given no more than thirty (30) not less than fifteen (15) calendar days' prior irrevocable notice to the Bondholders in accordance with Condition 10, redeem the outstanding Bonds, in whole (but not in part), at their principal amount plus accrued interest up to (but excluding) the date fixed for redemption.

(f) Residual Maturity Call Option

The Issuer may, on giving not less than fifteen (15) nor more than thirty (30) calendar days' irrevocable notice in accordance with Condition 10 to the Bondholders redeem, at any time or from time to time during a period of three (3) months preceding the Maturity Date, the Bonds, in whole or in part, at par together with interest accrued to, but excluding, the date fixed for redemption.

All Bonds in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

(g) Partial Redemption

In the case of a partial redemption of the Bonds under Condition 5(d) or 5(f), the redemption shall be effected by reducing the nominal amount of the Bonds in proportion to the aggregate nominal amount redeemed.

(h) Purchases

The Issuer, any of its subsidiaries and/or its affiliates, may at any time purchase any Bonds for cash consideration or otherwise (including, without limitation, by means of an exchange offer) in the open market or otherwise, at any price and on any conditions, in accordance with any applicable laws and regulations. If purchases are made by tender, tenders must be available to all Bondholders alike on the same terms. All Bonds so purchased by the Issuer may be held and resold in accordance with applicable laws and regulations for the purpose of enhancing the liquidity of the Bonds.

(i) Cancellation

All Bonds which are (i) redeemed or (ii) purchased for cancellation by or on behalf of the Issuer will forthwith be cancelled in accordance with the rules and procedures of Euroclear France.

6 Payments

(a) Payments to Bondholders

On each date on which the Issuer is required to make a payment under the Bonds, payment shall be made in Euro by transfer to the account of the relevant Account Holder for the benefit of the relevant Bondholder. Payment by the Issuer to the relevant Account Holder shall constitute an effective discharge of the Issuer to the extent of such payment.

(b) Payments on Business Days

If the due date for payment of any amount in respect of any Bond is not a Business Day, payment shall not be made until the next following Business Day and the Bondholders shall not be entitled to any interest or other sums in respect of such postponed payment.

For the purpose of these Conditions:

A **Business Day** means any day on which the TARGET System is operating and commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in Paris and Luxembourg.

TARGET System means the Trans-European Automated Real-Time Gross Settlement Express Transfer 2 System or any system that replaces it.

(c) Payments subject to law

All payments are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 8 below.

(d) Fiscal Agent, Calculation Agent and Paying Agent

The name of the initial Fiscal Agent and Paying Agent and its specified office are set forth below:

Fiscal and Principal Paying Agent

CACEIS Corporate Trust
14, rue Rouget de Lisle
92862 Issy les Moulineaux Cedex 9
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, Calculation Agent and/or appoint additional or other Paying Agents or approve any change in the office through which any such Paying Agent acts, provided that there will at all times be (i) a Fiscal Agent having a specified office in a European city, (ii) so long as the Bonds are admitted to trading on the regulated market of the Luxembourg Stock Exchange and to the extent that the rules of that exchange so require, a Paying Agent having a specified office in Luxembourg (which may be the Fiscal Paying Agent) and (iii) so long as any Bond is outstanding, a Calculation Agent.

Any termination or appointment shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not more than forty-five (45) nor less than thirty (30) calendar days' notice thereof shall have been given to the Bondholders by, or on behalf of, the Issuer in accordance with Condition 10.

In the absence of wilful default, bad faith or manifest error, no liability shall attach to any of the Paying Agents in connection with the exercise or non-exercise by it of its powers, duties and discretions under these Conditions.

7 Events of Default

Each Bondholder may, upon written notice to the Issuer and the Fiscal Agent given before all defaults shall have been cured, cause all (but not some only) of the Bonds held by it to become immediately due and payable at their principal amount, together with any accrued interest thereon, as of the date on which such notice for payment is received by the Fiscal Agent without further formality, if any of the following events (each an **Event of Default**) shall occur:

(a) the Issuer fails to pay or, in the case of a purchase of any Bonds under Condition 5(c), to procure the payment of, any amount of principal or interest in respect of the Bonds or any of them within ten (10) days of the due date for such payment; or

(b) the Issuer defaults in the performance or observance of any of its other obligations under or in respect of any of the Bonds and (except where such default is incapable of remedy) such default has not been cured within thirty (30) days after each of the Issuer and the Fiscal Agent receives written notice specifying such default by the Holder of any such Bonds; or

(c) (i) any other present or future indebtedness of the Issuer or any of its Material Subsidiaries for borrowed money becomes due and payable prior to its stated maturity as a result of a default thereunder, or (ii) any such indebtedness is not paid when due, or (iii) any guarantee or indemnity given by the Issuer or any of its Material Subsidiaries for, or in respect of, any such indebtedness of others is not honoured when due and called upon, provided, in each case, that the relevant aggregate amount of the indebtedness, guarantee or indemnity in respect of which one or more of the preceding events has occurred exceeds, whether individually or in the aggregate, €50,000,000 (or its equivalent in any other currency); or

(d) (i) the Issuer suspends or ceases to carry on all or substantially all of its business, or (ii) sells or otherwise disposes of all or substantially all of its assets, or (iii) an order is made or an effective resolution is passed for its winding-up, dissolution or liquidation, unless:

(x) such suspension, cessation, sale, disposal, winding-up, dissolution or liquidation is made or takes place in connection with a merger, demerger, consolidation, amalgamation or other form of corporate reorganisation (together, **Merger**) with any other corporation, where all the Issuer's liabilities under the Bonds are transferred to and assumed by such other corporation; and

(y) (A) the Merger is a *fusion*, a *scission* or an *apport partiel d'actifs* falling within Articles L. 236-1 *et seq*. of the French *Code de commerce*; or

(B) for any Merger other than a Merger referred to in paragraph (A) above, the corporate credit rating for long-term indebtedness assigned by S&P, Moody's or Fitch (each as defined in Condition 5(c)) to such other corporation immediately following the Merger is not lower than (1) BBB- or Baa3 or (2) if the corporate credit rating for long-term indebtedness assigned by such Rating Agency to the Issuer immediately prior to such Merger was higher than BBB- or Baa3, such credit rating; or

(e) (i) with respect to the Issuer or any of its Material Subsidiaries a judgment is issued for judicial liquidation (*liquidation judiciaire*) without ordering the continued operation of the business (*liquidation judiciaire sans poursuite d'activité autorisée par le tribunal*), or for a transfer of the whole of its business (*cession totale de l'entreprise à la suite d'un plan de cession*) pursuant to a judicial reorganisation (*redressement judiciaire*) as defined by Articles L.631-1 *et seq*. of the French *Code de commerce* or a judicial liquidation (*liquidation judiciaire*) as defined by Articles L.640-1 *et seq*. of the French *Code de commerce*, or the continued operation of the business authorized by the judicial liquidation proceedings ends, or (ii) the Issuer or any of its Material Subsidiaries is subject to equivalent legal proceedings, or in the absence of legal proceedings the Issuer or any of its Material Subsidiaries makes a voluntary conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors.

8 Taxation – Additional Amounts

(a) Withholding Tax

All payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within any jurisdiction or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

(b) Additional Amounts

If, pursuant to French laws or regulations, payments of principal, interest or other revenues in respect of any Bond become subject to withholding or deduction in respect of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed by or on behalf of France or any authority therein or thereof having power to tax, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the Holder of each Bond, after such withholding or deduction, will receive the full amount then due and payable thereon in the absence of such withholding or deduction; provided however, that the Issuer shall not be liable to pay any such additional amounts in respect of any Bond:

(i) to, or to a third party on behalf of, a Bondholder who is liable to pay such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with France other than the mere holding of such Bond; or

(ii) if such withholding or deduction is imposed under FATCA, which refers to (1) sections 1471 to 1474 of the United States Internal Revenue Code or any associated regulations or other official guidance; (2) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States and any other jurisdiction, which (in either case) facilitates the implementation of (1) above; or (3) any agreement pursuant to the implementation of (1) or (2) above with the United States Internal Revenue Service, the United States government or any governmental or taxation authority in any other jurisdiction; or

(iii) if the Bondholder has not supplied any information or declaration that has been requested by the Paying Agent in a reasonable and timely fashion and that is necessary to avoid or reduce such withholding or deduction; or

(iv) any combination of sub-paragraphs (i) through (iii) above.

Any references to these Conditions to principal and interest shall be deemed also to refer to any additional amounts which may be payable under the provisions of this Condition 8.

9 Representation of the Bondholders

The Bondholders will be grouped automatically for the defence of their respective common interests in a *masse* (hereinafter referred to as the ***Masse***). The Masse will be governed by the provisions Article L. 228-46 *et seq*. of the French *Code de commerce* with the exception of Articles L. 228-48, L. 228-65-I 1°, L. 228-71, R. 228-63, R. 228-67 and R. 228-69 of the French *Code de commerce and* as supplemented by this Condition.

(a) *Legal Personality*

The *Masse* will be a separate legal entity, by virtue of Article L. 228-46 of the French *Code de commerce* acting in part through one (1) representative (the **Representative**) and in part through collective decisions of the Bondholders (the **Collective Decisions**).

The *Masse* alone, to the exclusion of all individual Bondholders, shall exercise the common rights, actions and benefits which may accrue now or in the future with respect to the Bonds.

(b) *Representative*

The initial Representative shall be:

Association de représentation des masses de titulaires de valeurs mobilières (ARM)
Centre Jacques Ferronnière
32 rue Champ de Tir
CS 30812
44308 Nantes Cedex 3
France

The Representative shall be entitled to remuneration as agreed with the Issuer in a separate fee letter.

In the event of death, liquidation, incompatibility, resignation or revocation of the Representative, such Representative will be replaced by an alternative Representative, designated by a Collective Decision. The alternative Representative shall have the same powers as the Representative.

All interested parties will at all times have the right to obtain the name and the address of the Representative at the head office of the Issuer and at the offices of the Fiscal and Paying Agent.

(c) *Powers of the Representative*

The Representative shall (in the absence of any Collective Decision to the contrary) have the power to take all acts of management to defend the common interests of the Bondholders.

All legal proceedings against the Bondholders or initiated by them in order to be justifiable, must be brought against the Representative or by it, and any legal proceedings not brought in accordance with this provision shall not be legally valid.

The Representative may not interfere in the management of the affairs of the Issuer.

(d) *Collective Decisions*

Collective Decisions are adopted either in a general meeting (the **General Meeting**) or by consent following a written consultation (the **Written Unanimous Decision**).

In accordance with Article R.228-71 of the French *Code de commerce*, the rights of each Bondholder to participate in Collective Decisions will be evidenced by the entries in the books of the relevant Account Holder of the name of such Bondholder as of 0:00 Paris time, on the second (2nd) Business Day preceding the date set for the Collective Decision.

Collective Decisions must be published in accordance with Condition 9(e).

The Issuer shall hold a register of the Collective Decisions and shall make it available, upon request, to any subsequent holder of any of the Bonds.

(i) General Meeting

General Meetings may be held at any time, on convocation either by the Issuer or by the Representative. One or more Bondholders, holding together at least one-thirtieth (1/30) of Outstanding Bonds may address to the Issuer and the Representative a request to convene the General Meeting, together with the proposed agenda for such General Meeting. If such General Meeting has not been convened within two (2) months from such request, such Bondholder(s) may appoint one of themselves to petition the competent court in Paris to appoint an agent who will call the General Meeting.

General Meetings may deliberate validly on first convocation only if Bondholders present or represented hold at least a fifth (1/5) of the principal amount of the Bonds then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-thirds (2/3) majority of votes cast by Bondholders attending such General Meeting or represented thereat.

Notice of the date, hour, place, agenda and quorum requirements of any meeting of a General Meeting will be published as provided under Condition 10 not less than fifteen (15) calendar days prior to the date of the General Meeting on first convocation and six (6) calendar days on second convocation.

Each Bondholder has the right to participate in meetings of the *Masse* in person, by proxy, correspondence.

(ii) Written Unanimous Decision

At the initiative of the Issuer or the Representative, Collective Decisions may also be taken by a Written Unanimous Decision.

Such Written Unanimous Decision shall be signed by or on behalf of all the Bondholders without having to comply with formalities and time limits referred to in Condition 9(d)(i). Any such decision shall, for all purposes, have the same effect as a resolution passed at a General Meeting of such Bondholders. Such Written Unanimous Decision may be contained in one document or in several documents in like form each signed by or on behalf of one or more of such Bondholders and shall be published in accordance with Condition 9(e).

(e) Notice of Decisions

Decisions of the meetings must be published in accordance with the provisions set out in Condition 10 not more than ninety (90) days from the date thereof.

(f) Information to the Bondholders

Each Bondholder or representative thereof will have the right, during a fifteen (15) day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the meeting, which will be available for inspection at the principal office of the Issuer, at the offices of the Paying Agents and at any other place specified in the notice of meeting.

(g) Expenses

The Issuer will pay all reasonable expenses incurred in the operation of the *Masse*, including expenses relating to the calling and holding of Collective Decisions, and more generally all administrative expenses resolved upon by Collective Decisions of the Bondholders, it being expressly stipulated that no expenses may be imputed against interest payable on the Bonds.

(h) Single Masse

The Bondholders and the bondholders of any other series which have been assimilated with the Bonds of such first mentioned series in accordance with Condition 12, shall, for the defence of their respective common interests, be grouped in a single Masse.

10 Notices

Any notice to the Bondholders pursuant to these Conditions will be valid if (i) delivered to Euroclear France, Euroclear and/or Clearstream and published on the website of the Issuer (http://www.eutelsat.com/en/investors/eutelsat-sa-bond-holders.html), and for so long as the Bonds are cleared through such clearing systems or, if not so cleared, published in a leading English language daily newspaper having general circulation in Europe, and (ii) for so long as the Bonds are admitted to trading on the regulated market of the Luxembourg Stock Exchange and, to the extent so required by the Luxembourg Stock Exchange, published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*). Any such notice shall be deemed to have been given on the date of such delivery or publication or, if delivered more than once or on different dates, on the first date on which such delivery or publication is made.

For the avoidance of doubt, notices relating to the convocation of the Collective Decisions pursuant to Condition 9 and pursuant to Articles R.228-61, R.228-79 and R.236-11 of the French *Code de commerce* shall be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream and any other clearing system through which the Bonds are for the time being cleared and on the website of the Issuer (http://www.eutelsat.com/en/investors/eutelsat-sa-bond-holders.html).

11 Prescription

Claims against the Issuer for the payment of principal and interest in respect of the Bonds shall become prescribed five (5) years from the due date for payment thereof.

12 Further Issues

The Issuer may from time to time without the consent of the Bondholders issue further bonds to be consolidated and form a single series (*assimilées*) with the Bonds as regards their financial service, provided that such further bonds and the Bonds shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further bonds shall provide for such consolidation (*assimilation*). In the event of such consolidation, the Bondholders and the holders of any consolidated bonds (*obligations assimilées*) will for the defence of their common interests be grouped in a single *Masse* having legal personality.

13 No Hardship (*Imprévision*)

The Issuer and the Bondholders acknowledge that the provisions of Article 1195 of the French *Code civil* shall not apply to these Conditions.

14 Governing law and Jurisdiction

The Bonds and any non-contractual obligations arising out of or in connection with the Bonds are governed by and shall be construed in accordance with the laws of the Republic of France.

Any action against the Issuer in connection with the Bonds will be submitted to the exclusive jurisdiction of the Commercial Court (*Tribunal de Commerce*) of Paris.

USE OF PROCEEDS

The net proceeds of the issue of the Bonds (equal to the gross proceeds from the issue of the Bonds less the Managers' fees and commissions) are intended to be used by the Issuer, along with other sources of cash on balance sheet, to redeem at maturity the outstanding bonds issued on 14 December 2011 for a total principal amount of €800,000,000 bearing interest on its principal amount at a fixed rate of 5.000 percent per annum and due 14 January 2019.

The Issuer will temporarily invest the net proceeds of the Bonds in short-term, low-risk, liquid investments until they are used for their stated purpose.

INFORMATION ABOUT THE ISSUER

The Issuer

Business description

Eutelsat S.A. (**Eutelsat** or the **Issuer**) is a private fixed satellite operator involved in the design, establishment, operation and maintenance of satellite telecommunications systems covering a large geographical area (European Middle East and Africa region (**EMEA**), the Americas and a large part of the Asian continent). Eutelsat is incorporated as a limited liability company (*société anonyme*) under the laws of France. Eutelsat's headquarters are located in Paris, France.

At the date of this Prospectus, Eutelsat has operational capacity on 38 satellites in geostationary orbit to provide capacity to major international telecommunications operators or broadcasting companies, for TV and radio broadcasting services, both analogue and digital, for business telecommunications services, for multimedia applications and for messaging and positioning services.

Eutelsat will launch seven further satellites (EUTELSAT 5 WEST B, EUTELSAT 7C, EUTELSAT QUANTUM, KONNECT, EUTELSAT HOTBIRD 13F and EUTELSAT HOTBIRD 13 G), which are currently under construction with a launch expected before the end of calendar year 2021.

Formation and transfer of IGO activities

The activities of Eutelsat S.A. 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 of 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 laid out by the European Commission in its 1990 Green Paper which recommended that the 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.

The frequency allocations for the spectrum and orbital resources used by Eutelsat upon the transfer of activity for its satellite operations remain under the joint responsibility of the member countries of the IGO, and of the IGO.

Legal information about the Issuer

The Issuer is registered with the French *Registre du Commerce et des Sociétés de Paris* (Commercial and Corporate Registry of Paris) under number 422 551 176. The Issuer was incorporated on 15 April 1999 as a French limited liability company (*société anonyme*) for a period of 99 years, expiring on 15 April 2098.

Registered office, legal form, applicable legislation

Registered office

70, rue Balard
75015 Paris
France
Telephone: +33 (0)1 53 98 47 47

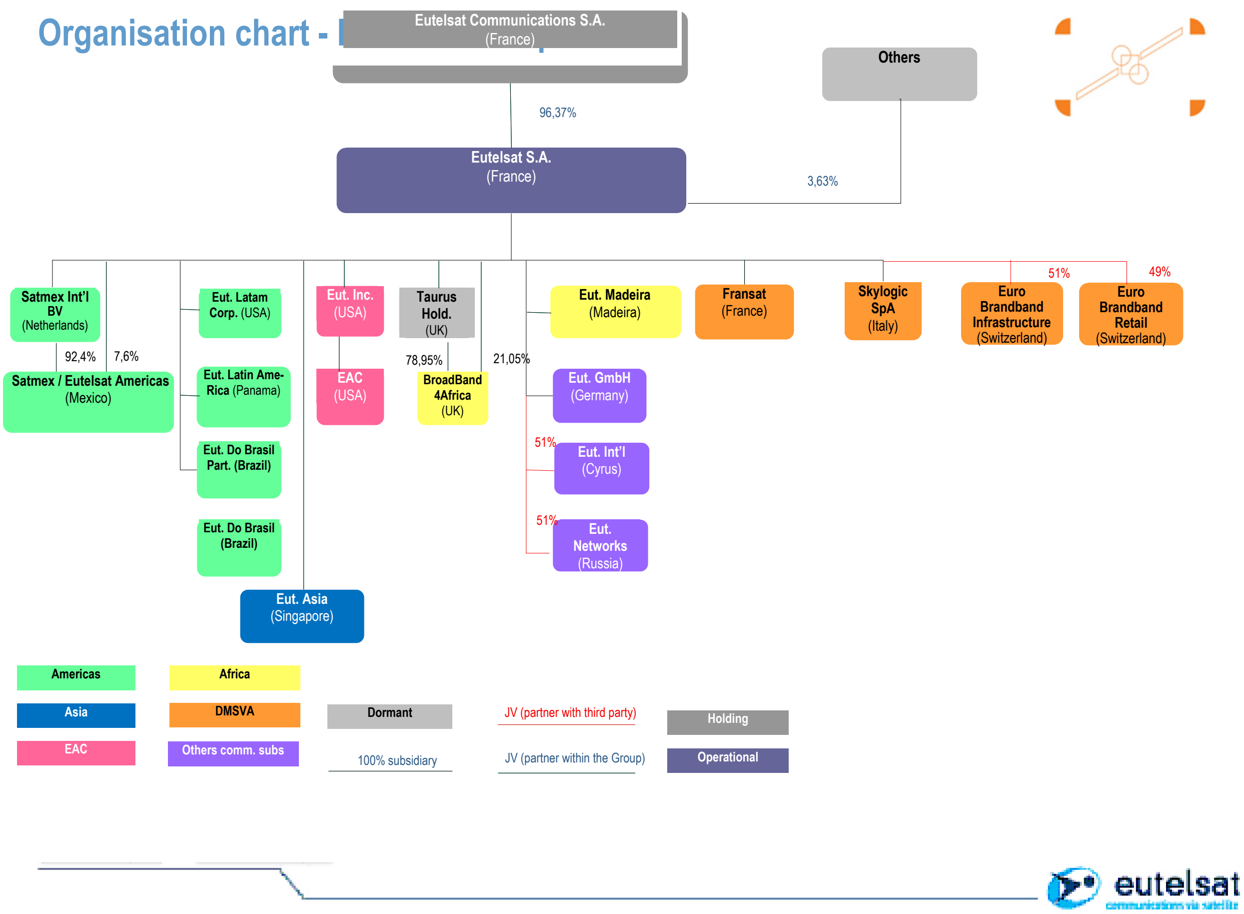
Legal form and applicable legislation

A limited liability company (*société anonyme*) under French law with a Board of Directors, governed by the provisions of Book II of the French Commercial Code.

Structure

Corporate structure

The simplified corporate structure below depicts the Group's operating organisation as of the date of this Prospectus.



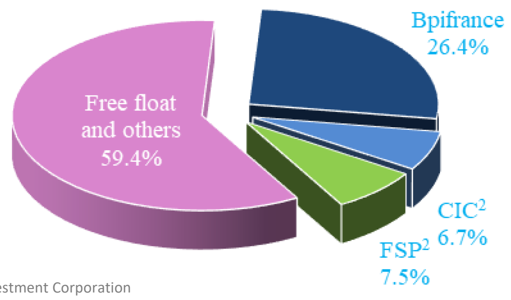
Eutelsat Communications S.A. (France)

Eutelsat Communications S.A., the indirect holding company of the Issuer, is a limited company (*société anonyme*) operating under the laws of France whose shares are listed on Euronext Paris. Its registered offices are at 70, rue Balard, 75015 Paris.

At the date of this Prospectus, the share capital of Eutelsat Communications totalled 232,774,635 ordinary shares.

As of 30 June 2018, the three largest strategic shareholders of Eutelsat Communications were Bpifrance Participations with 26.4% of the share capital, Fonds Stratégique de Participations (FSP) with 7.5% and China Investment Corporation (CIC) with 6.7%.

<u>Shareholder Structure of Eutelsat Communications as of 30 June 2018</u>



[1]China Investment Corporation
[2]Fonds Stratégique de Participations

At 30 June 2018, Eutelsat Communications directly held 96.4% of the share capital of the Issuer.

Services agreements between the Issuer and its holding entity and other related party agreements

Eutelsat Communications S.A. and its subsidiaries (including the Issuer) maintain contractual relationships in respect of the organisation and operations of the Group. These transactions mainly relate to the management services agreement, the split of common administrative expenses, centralised cash management and the existence of a tax group. In addition, the chargeback agreement entered into by Eutelsat Communications S.A. and certain of its subsidiaries (including the Issuer) in connection with the free share allocation plan and the associated Eutelsat Communications S.A. share buy-back programme remained in force.

Shareholders of the Issuer

The share capital of the Issuer comprises only ordinary shares. The table below sets out shareholder information for Eutelsat S.A. as of 30 June 2018

Shareholders	Number of shares	Percentage
EUTELSAT COMMUNICATIONS SA	976 384 527	96.4%
RSCC (Russia)	34 284 270	3.4%
Ministry of Telecom (Azerbaijan)	500 000	0.0%
Beltelcom (Byelorussia)	500 000	0.0%
Broadcasting Radiocommunications (Ukraine)	500 000	0.0%
Ministry of Transport, information and communication (Kazakhstan)	500 000	0.0%

Others	493 315	0.0%
Total number of shares	1 013 162 112	100.0%

Group employees

As of 30 June 2018 the Group had 998 employees.

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

	Average number of employees for the financial years ended 30 June	
	2017	**2018**
Operations	455	484
Commercial and administrative activities	534	523
TOTAL	**990**	**1,007**

Each year, Eutelsat S.A. prepares a labour audit report setting out key data in a single document, thereby making it possible to carry out an assessment of the company's labour profile. This report is prepared with reference to a calendar year. Each year, the Group's Work Council issues an opinion on this report. The 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*.

Financial indebtedness of the Issuer prior to the issue of the Bonds

Eutelsat S.A. financing structure is the following:

– €800 million seven year bonds issued on 7 December 2011 on the Luxembourg Stock Exchange, maturing on 14 January 2019. The bonds bear a coupon of 5.000%, were issued at 99.186% and are repayable in full at maturity at 100%. These bonds have completed the refinancing of Eutelsat Communications S.A. indebtedness;

– €300 million 10-year bonds issued on 1 October 2012 on the Luxembourg Stock Exchange, maturing on 10 October 2022. The bonds bear a coupon of 3.125%, were issued at 99.148% and are repayable in full at maturity at 100%;

– €930 million six-year bonds issued on 9 December 2013 on the Luxembourg Stock Exchange market and maturing on 13 January 2020. The 2020 bonds carry an annual coupon of 2.625%, were issued at 99.289%, and are redeemable at maturity at 100% of their principal amount;

– €500 million six-year bonds issued on 16 June 2016 on the Luxembourg Stock Exchange market and maturing on 23 June 2021. The 2021 bonds carry an annual coupon of 1.125%, were issued at 99.894%, and are redeemable at maturity at 100% of their principal amount;

- Two export credit facilities covered by Office National du Ducroire (ONDD) for a total amount of €209 million; of which €142.3 million were drawn at 30 June 2018. These credit facilities have a 11.5 year maturity and will mature on 17 May 2024 and 20 February 2024, respectively. They are repayable in 17 semi-annual instalments from February 2016 and May 2016, respectively. The first one, for an amount of €87 million (of which €57.7 million were drawn), bears interest at variable rate (rate based on 6-month EURIBOR and calculated at the facility signing date) and was used to finance a launcher. The second one, for an amount of €121 million (of which €84.6 million were drawn), bears interest at variable rate (rate based on six-month EURIBOR and calculated at the facility signing date) and was used to finance the construction of a satellite.

- A €450 million revolving credit facility signed on 28 April 2017 with a five-year term initially and two one-year extension options subject to lenders agreement, of which one has been exercised and approved. Amounts drawn for a maximum period of six months bear interest at EURIBOR (or LIBOR for amounts drawn in U.S. dollars) plus a 0.23% to 0.95% margin depending on Eutelsat S.A.'s long term rating assigned by S&P. The initial margin stands at 0.35%. A non-use fee is payable representing 35% of the applicable margin mentioned above. The agreement also provides for a 0.10% utilisation commission if less than 33.33% of the revolving credit facility is drawn, 0.20% for the portion equal to or exceeding 33.33% but lower than 66.67% and a 0.35% commission for any portion exceeding 66.67%. Furthermore, under this agreement, Eutelsat S.A. 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 4 to 1 (this ratio is tested on 30 June and 31 December each year).

- The credit agreements and the bond issues include neither a guarantee by the Group, nor the pledging of assets to the lenders, but they include restrictive clauses, subject to the usual exceptions contained in loan agreements, limiting the capacity of Eutelsat S.A. and its subsidiaries, in particular to:

  - grant security interests or guarantees;

  - enter into agreements resulting in additional liabilities;

  - grant loans and carry out certain types of investments;

  - enter into merger, acquisition, asset disposal, or lease transactions (with the exception of those carried out within the Group and expressly provided for in the loan agreement); and

  - modify the nature of the business of the Issuer or its subsidiaries.

The bond issues and the credit facilities allow each lender to request early repayment of all sums due in case of unregulated downgrading, of Eutelsat S.A. or bonds issued by Eutelsat S.A. respectively as a result of a change of control of Eutelsat S.A. or a change of control of Eutelsat Communications (other than control acquisition by the Group's reference shareholders). This provision does not apply in case of Group restructuring.

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

Issue costs incurred on issuing the bonds and export credits are amortised over the duration of the loans. As of 30 June 2018, these costs represent a balance of €12.1 million.

Eutelsat S.A. Board as of the date of this Prospectus

As at the date of the Prospectus, the Board of Directors of the Issuer was composed of 6 members as detailed in the table below.

In addition, a *Censeur*, namely the Executive Secretary of EUTELSAT IGO, appointed for a three-year term of office, as well as two representatives of the Work Council, are called to and may attend all meetings of the Board of Directors and express their points of view on any item on the agenda, however they may not take part in the vote.

Surname, first name, business address	Office held in Eutelsat S.A.	Other office and positions held in the Eutelsat Group over the past 5 years	Office and positions held outside the Eutelsat Group over the past 5 years
Dominique D'Hinnin Eutelsat Communications 70, rue Balard 75015 Paris France	Chairman of the Board	*Office in progress:* *In France* - Chairman of the Board of Eutelsat Communications (as of 8 November 2017) *Outside France* - None	*Office in progress:* *In France* - Edenred: Board member since 8 June 2017 (listed company) *Outside France* - Louis Delhaize SA (Belgium): Board Member (since 6 June 2017) - Prisa (Spain): Board Member since 6 May 2016 (listed company)
		Office and positions that have expired: *In France* - Permanent representative of FSP *Outside France* - None	*Office and positions that have expired:* *In France* - Marie-Claire Album and Holding Evelyne Prouvost: Board Member between 2014 and 2016 - Editions Amaury SA: Board Member between 2011 and 2013 - Canal+ France: Board Member between 2007 and 2013 - Price Waterhouse Coopers France: Advisory Board Member between 2009 and 2013 Outside France: - EADS: Board Member between 2007 and 2013

Jean d'Arthuys Eutelsat Communications 70, rue Balard 75015 Paris France	Board Member	*Office in progress:* *In France* - Board Member of Eutelsat Communications *Outside France* - None	*Office in progress:* *In France* - CEO of Triana - Managing Director of Cyrano, Chairman of Triana SAS - Board Member and CEO of Maison Lejaby SA - Board Member of L'Exception - Board Member of Indefilms *Outside France* - None
		Office and positions that have expired: *In France* - Permanent representative of Bpifrance Participations, Board Member of Eutelsat Communications (until 5 November 2015) - Permanent representative of Bpifrance Participations, Board Member of Eutelsat S.A. (until 5 October 2015) *Outside France* - None	*Office and positions that have expired: In France:* - President d'HEC Alumni - Member of the Supervisory Board of ST Microelectronics - Board Member of Talend - Board Member of Viadeo - Permanent representative of Bpifrance Participations - Board Member of Soprol - Board Member and Member of the Executive Committee of Bpifrance Participations *Outside France* - None
Bpifrance Participations 27-31 avenue du Général Leclerc 94710 Maisons Alfort Cedex France represented by **Stephanie Frachet**	Board Member	*Office in progress of the permanent representative, Stephanie Frachet* *In France* - Permanent representative of Bpifrance Participations, as Board Member of Eutelsat Communications (since 5 November 2015) *Outside France* - None	*Office in progress of the permanent representative, Stephanie Frachet: In France:* - Permanent representative of Bpifrance Participations, censor of Paprec - Permanent representative of Bpifrance Participations, censor of Verallia *Outside France* - Board member of Constellium (listed company on NYSE)
		Office and positions that have expired of the permanent representative, Stephanie Frachet: *In France* - None *Outside France* - None	*Office and positions of the permanent representative that have expired:* *In France:* - Permanent representative of Bpifrance Participations, Board member of Sarenza - Permanent representative of Bpifrance Participations, Board member of Cylande - Board member of Eurosic (listed company) *Outside France*

			- None
Rodolphe Belmer Eutelsat Communications 70, rue Balard 75015 Paris France	Board Member	*Office in progress:* *In France* - CEO and Board Member of Eutelsat Communications *Outside France* - Board Member and Chairman of Eutelsat Inc. (USA) (since 1 March 2016) - Board Member of Satélites Mexicanos S.A. de C.V. (Mexico) (since 1 March 2016) - Board Member of Eutelsat Networks (Russian Federation) (since 30 September 2016) - Board Member of Broadband for Africa (U.K.) (since 1 March 2016) - Manager of Euro Broadband Infrastructure (Switzerland) (since 3 March 2017) - Manager of Euro Broadband Retail (Switzerland) (since 3 March 2017)	*Office in progress:* *In France* - Member of the Supervisory Board of Mediawan (listed company) - Chairman of Auteurs Solidaires (as of January 2017) - Chairman of RBC (as of July 2015) - Chairman and Vice-chairman of Séries Mania (as of September 2017) - Director of Brut (as of 15 February 2018) *Outside France* - Non-executive director of Netflix (California) (as of February 2018)
		Office and positions that have expired: *In France* - Deputy CEO of Eutelsat S.A. (until 29 February 2016) - Deputy CEO of Eutelsat Communications (until 29 February 2016) *Outside France* - None	*Office and positions that have expired:* *In France* - Member of Management Board of Groupe Canal+ (until 3 July 2015) - CEO of Groupe Canal+ (until 3 July 2015) - Chairman of Cine Info (until 6 July 2015) - Board Member of Cine Info (until 6 July 2015) - Board Member of Sport+ (until 6 July 2015) - Chairman of the Board of Sport+ (until 6 July 2015) - Chairman of Vivendi Contents (until 6 July 2015) - Chairman of Flab Prod (until 6 July 2015) - Management Director of Flab Press (until 6 July 2015) - Board Member of Société d’Édition de Canal Plus (until 7 July 2015) - CEO of Société d’Édition de Canal Plus (until 7 July 2015)

			Outside France - Member of the Supervisory Board of TVN S.A. (Poland) (until 24 June 2015) - Board Member of Hispasat S.A. (Spain) (until 18 April 2018)
Paul-François Fournier Eutelsat Communications 70, rue Balard 75015 Paris France	Board Member	*Office in progress:* *In France* - Board Member of Eutelsat Communications *Outside France* - None	*Office in progress:* *In France* - Supervisory Board of Cornovum - Board Member of Parrot - Board Member Prodways Group - Board Member of Sigfox - Supervisory Board of Younited *Outside France* - None
		Office and positions that have expired: *In France* - None *Outside France* - None	*Office and positions that have expired:* *In France* - Board Member of the Wanadoo Group - Board Member of Bpifrance - Head of Innovation of Bpifrance *Outside France* - None
Dennis Pivnyuk Russian Satellite Communications Company 8, bld.6, 1st Goncharny pereulok, Moscow, 115172, Russia	Board Member	*Office in progress:* *In France* - None *Outside France* - None	*Office in progress:* *In France* - None *Outside France* - Chief Financial Officer and Deputy Director General of Russian Satellite Communications Company (RSCC) (Russia)
		Office and positions that have expired: *In France* - None *Outside France* - None	*Office and positions that have expired:* *In France* - None *Outside France* - None

BUSINESS OVERVIEW

Eutelsat S.A. (**Eutelsat** or the **Issuer**) is a private fixed satellite operator operating a fleet of 38 satellites in geostationary orbit and providing capacity on a global scale to customers including Broadcasters, Telecom Operators or service providers and governments. Applications served include Video, Fixed Data, Government Services, Fixed Broadband and Mobile Connectivity.

Eutelsat is incorporated as a limited liability company (*société anonyme*) under the laws of France. Eutelsat's headquarters are located in Paris, France.

Eutelsat will launch seven further satellites (EUTELSAT 5 WEST B, EUTELSAT 7C, EUTELSAT QUANTUM, KONNECT, EUTELSAT HOTBIRD 13F and EUTELSAT HOTBIRD 13 G), which are currently under construction with a launch expected before the end of calendar year 2021.

Group strategy

Adaptation of strategy in core business

Video Applications

The Group’s strategy for mature countries will consist in optimising the value of its assets by:

- increasing direct access to its customers when and where appropriate;
- integrating or reorganizing indirect distribution;
- stimulating HD and Ultra HD take-up by means of tailored pricing; and
- implementing more segmented pricing strategies.

There is a particular focus on optimising the value of the HOTBIRD position and on taking back unsold capacity from certain distributors thereby optimising distribution by increasing the proportion of sales made directly to Free-to-Air channels. Measures will also be taken to strengthen Eutelsat’s value proposition by attracting premium channels in different language pools, increasing sales of services and prioritising HD and UHD ramp-up through appropriate incentives. Finally, the implementation of a new pricing policy based on pricing per Mbps instead of pricing per Mhz aims at capturing part of the efficiency gains enabled by improved modulation formats.

At the same time, Eutelsat will continue to pursue growth opportunities in emerging countries by:

- leveraging on its existing in-orbit resources mainly in MENA, Russia and Africa and to a lesser extent in the Americas. For example, the Group integrated Noorsat, its main distributor in MENA, to rationalise Video distribution and favour HD ramp-up; and
- continuing to invest selectively, notably at the 7° East position. The launch of EUTELSAT 7C in 2018 will significantly improve coverage in sub-Saharan Africa where the Video market is expanding rapidly.

In emerging regions, the flexibility to increase prices will be prioritised over contract length to maximise the value of the customer portfolio.

Furthermore, in order to maximise return on capital and extract more value from Video assets, a design-to-cost approach (see above) allowing Capex optimization has been implemented in particular when replacement of in-orbit resources is required.

Eutelsat will support the digital revolution in all geographical regions by offering customers a range of innovative services including for example Smart LNB and a multi-screen delivery solution.

Fixed Data

In the context of price pressure and growing volumes described above, Eutelsat's priority will be to fill existing capacity by adapting its pricing policy.

The Group will also focus notably on the following opportunities

- less competitive geographies;
- complex networks and less price-sensitive customers, particularly those characterised by ground infrastructure made up of a large number of dispersed terminals;
- Opportunities in applications where satellite has untapped potential, such as agriculture and the Internet of Things; and
- Services to governments to enable them to expand their programmes aimed at reducing the digital divide (e.g., connecting schools and hospitals and public-private partnerships).

Contract length and volumes will be prioritised over price to secure orders. Furthermore given the market prospects for this segment and its desire to optimise return on investment, the Group does not envisage investing further in regular capacity destined for Fixed Data Services.

Government Services

Eutelsat will continue to work with the US Department of Defense with a view to growing sales in new sub-segments.

Eutelsat will also seek to expand its operations to other governments notably in Europe, the Middle-East and Asia as well as at new orbital positions when possible: for example, following the entry into service of EUTELSAT 172B in November 2017, EUTELSAT 172A was relocated at 174°East securing incremental business in coverage of Asia-Pacific.

To provide these services, the Group will use the following in-orbit resources:

- regular capacity satellite, notably at 3°East, 21°East, 33°East, 36°East, 70°East, 172°East, 174°East and 117°West orbital positions, which offer extended and quality coverage particularly adapted to these applications;
- EUTELSAT QUANTUM, the new software-based reconfigurable satellite, expected to be launched in 2019 will help to differentiate the value proposition. Customers will enjoy the flexibility of being able to programme dishes to configure coverage, bandwidth, power and frequencies. The applications enabled by this new concept in satellite technology are particularly suited to customers in the Government Services sector who are seeking operational flexibility;
- longer term KONNECT VHTS, the first VHTS satellite of the Group, expected to be launched in 2021, notably through a distribution agreement with Thales; and

- returning to growth by developing the core Video business and seizing longer-term opportunities in Connectivity.

Eutelsat's return is based on the development of the core Video business and the seizure of long-term opportunities in Fixed Broadband and Mobile Connectivity.

Pursuing growth in Video

Video via satellite will continue to grow and Eutelsat expects that in the longer term, Video distribution globally will mostly be split between satellite and IPTV. Additional sources of demand will be created as broadcasters outsource certain services. In this context, closer integration with the IP ecosystem and harnessing existing IP-based technologies will enable satellites to enhance the end-viewer experience, increasing customer loyalty and generating opportunities to sell additional services to broadcasters, pay television operators and advertisers, such as:

- improving the end-user experience through, for example, Connected Television, multi-screen delivery solutions and digital Connected Television programme guides;
- managing meta-data in order to target advertising; and
- compression, encryption and security.

These services will help to strengthen relations with customers while at the same time creating opportunities to generate additional revenues by capturing a share of the value created.

To this end, the Group will continue to implement an innovation policy. Recent innovations include the "Smart LNB" antenna for Direct-to-Home, designed mainly for emerging markets which allow broadcasters to operate linear television and connected TV services directly by satellite.

The Group has also developed SmartBeam, a solution for broadcasting native IP Video content to mobile terminals in homes and public places (e.g. hotels, shopping malls and airports) via satellite. Thanks to this solution, video platform operators can broadcast channels live in IP format via satellite by creating a network dedicated to all IP-native terminals, such as tablets and smartphones.

Russia's Tricolor TV, is the first to use SmartBeam allowing delivery of channels to mobile devices in public venues.

Seizing long-term growth opportunities in Fixed Broadband and Mobile Connectivity

Fixed Broadband

Eutelsat's initial aim is to optimise its existing and commissioned assets that are dedicated to Fixed Broadband, in particular:

- the KA-SAT satellite in Europe, in service since 2011;
- the HTS payload in Ka-band on EUTELSAT 36C covering Russia: broadband services kicked off in fall 2016 and a partnership has been implemented with Russian Pay-TV operator, Tricolor TV;
- a project to develop Broadband in Africa (KonnectAfrica), first with capacity leased from Yahsat, and subsequently with the launch of a dedicated satellite named KONNECT (previously named African Broadband Satellite). The Al-Yah 3 satellite started operations in August 2018; and

– the payload in Ka-band on EUTELSAT 65 West A covering Latin America which is fully leased.

Eutelsat will prepare for the mass-market adoption of this application by working on all the prerequisites : availability of an adapted capacity, both sufficient in terms of throughput and competitive in terms of industrial cost, low-cost terminals, distribution strategy, detailed analysis of each national market. A major step forward was achieved in 2017-18 in the Group's growth strategy with the procurement of KONNECT VHTS, a VHTS satellite which will support the development of its European fixed broadband and in-flight connectivity businesses. With a Ka-band capacity of 500 Gbps, KONNECT VHTS which is expected to be launched in 2021, will embark the most powerful on-board digital processor ever put in orbit, offering capacity allocation flexibility, optimal spectrum use, and progressive ground network deployment. The project will be launched with firm multi-year distribution commitments from Orange and Thales, two key European players and leaders in their businesses. A retail partnership was signed with Orange to address the fixed broadband market in European countries where the Group has a retail presence, and a distribution partnership was inked with Thales to serve notably the government connectivity services market.

In the meantime, Eutelsat continues to work with industrial partners to reduce the cost of terminals.

Mobile Connectivity

To capture the growth in Mobility the Group will adopt a step-by-step approach leveraging its existing assets, in particular its strong orbital positions:

– further development of in-flight Connectivity on KA-SAT. Several agreements to provide capacity to the SAS, Finnair, El Al and Icelandair fleets were signed with ViaSat;

– at 172° East where capacity was expanded with the entry into service in 2017-18 of EUTELSAT 172B which includes a payload dedicated to in-flight Connectivity over Asia-Pacific selected by Panasonic and China Unicom;

– at 3° East, where the Group signed a multi-year agreement with Taqnia for the lease of four steerable HTS Ka-band spotbeams on the EUTELSAT 3B satellite. This capacity will be used for in-flight Connectivity medium-/long-haul aircrafts of Saudi Arabian Airlines, covering flight paths from the Middle East to Europe; and

– at 10° East and 70° East and over the Americas.

Furthermore, Eutelsat will focus on securing the prerequisites ready for the transition to a mass market. From this perspective, the above-mentioned procurement of KONNECT VHTS is a significant milestone to ensure the appropriate capacity over Europe, allowing the delivery of a very-high speed experience in flight at competitive costs, thus addressing market needs.

The group is positioned as a supplier of satellite capacity on this segment, and does not seek, unlike some other players, to play the role of service provider.

In the meantime, Eutelsat is working with all stakeholders involved in Mobility markets, notably antenna manufacturers with a view to position itself on future markets such as connected cars.

Main markets - The Fixed Satellite Services (FSS) industry

Fixed Satellite Services (FSS) operators operate geostationary satellites (GEO) that are positioned in an orbit approximately 36,000 kilometres from the Earth in the equatorial plane. These satellites are particularly well-suited to transmitting signals to an unlimited number of fixed terrestrial antennae, which are permanently directed towards the satellite. They are therefore one of the most efficient and cost-effective means of communication for transmitting from one fixed point to an unlimited number of fixed points, as in the case of television broadcasting, for example. GEO satellites are also suitable for linking together a group of sites spread out over vast geographical areas (e.g. private business networks or retail outlets), as well as extending mobile telephone networks and Internet access to areas where terrestrial networks provide little or no coverage and establishing or restoring communications networks in emergency situations.

The growth of television in emerging markets, growing needs in terms of internet access, whether fixed or on the move, and the role of satellites in complementing terrestrial networks to enable access to digital services in all regions are three key growth drivers in the FSS industry.

According to Euroconsult, the FSS sector generated global revenues of USD11.3 billion at 31 December 2016.

A market with visibility

Eutelsat: a core player in the most resilient segments

Visibility on the FSS market is underpinned by several factors:

– satellites represent the most efficient and cost-effective technology for broadcasting content over large geographical areas;

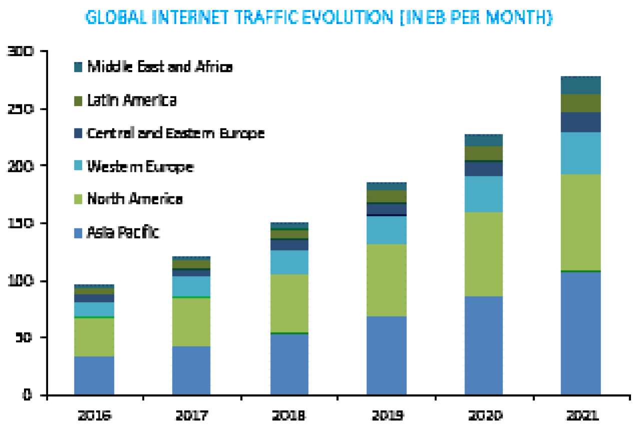
– barriers to entry are significant due to a complex international regulatory framework and the high level of investment and technical expertise required;

– customers, especially those in the Video broadcasting business, prefer to secure satellite capacity on a long-term basis; and

– long-term partnerships are encouraged due to the high costs involved in transferring services in the event of a change of satellite operator, particularly in Video broadcasting.

Video Applications, Eutelsat's core business, is highly resilient and its significant backlog provides visibility on future revenues.

Furthermore, as an infrastructure used to distribute content, satellite benefits from the trend of secular growth in usages and global data traffic.



Source : Cisco /VNI

An increase in usages driven by the digital revolution

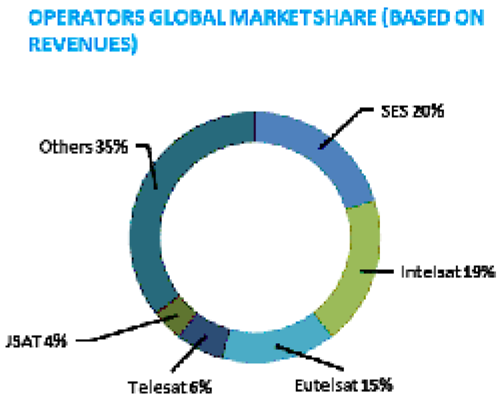
Eutelsat: a key player in the distribution of Video content

The television market is evolving. Larger television screens call for improvements in image quality, notably the development of High Definition and soon Ultra High Definition (UHD) which require additional bandwidth. Moreover, despite a growing trend towards the combined consumption of linear and Internet content, paving the way for connected television and multi-screen services, linear television remains the primary means to view video content.

In this context, satellite remains the distribution infrastructure enabling Free-to-Air or Pay-TV platforms to reach the largest audience at a competitive cost with best-in-class image quality.

A fast-changing and competitive environment

The three largest operators – Intelsat, SES and Eutelsat – together have 54% market share in the FSS sector.



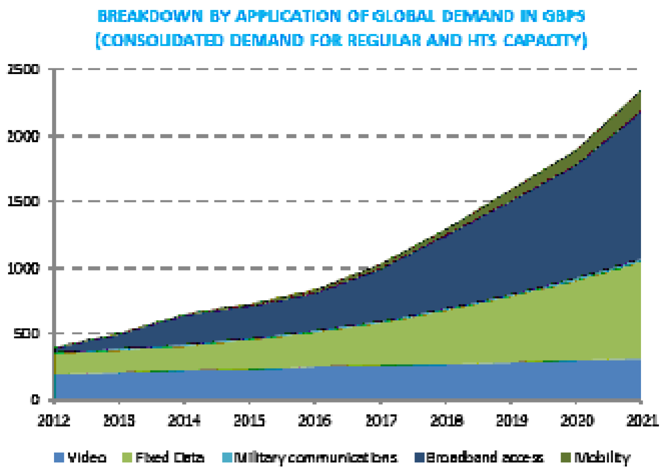
Source: Euroconsult 2017

At regional level, some operators have also implemented investment programmes with a view to expanding on their markets and competing with global operators. These programmes may encounter obstacles such as the high level of investment, expertise and commercial effort required and the complexity of the international regulatory environment. Finally, the arrival of HTS and subsequently VHTS satellites driven by technical innovation provides increased throughput at competitive costs for certain applications.

The emergence of regional operators, together with the expansion of established operators and technical innovation is reflected in an increase in the amount of satellite capacity on the market which differs depending on the applications. Whereas regular capacity supply – dedicated mostly to Video applications is progressing modestly and is forecast to grow by 1% between 2016 and 2021 according to Euroconsult, HTS capacity supply dedicated mostly to Fixed Data and Connectivity is expected to be multiplied by four over the same timeframe.

A dual market dynamic

- In the Fixed Satellite Services sector, the traditional businesses are Video, Fixed Data and Government Services. In the markets covered by the Group, and despite continued growth for Video in emerging markets, these activities are currently experiencing a slowdown in growth with broadly stable demand in developed markets (Europe) and an increase in supply which is weighing on pricing in Data Services. At the same time, new high-growth segments have emerged in recent years, the “Connectivity” businesses of Fixed Broadband and Mobile Connectivity, which present significant new opportunities for satellite operators.



Source : Euroconsult 2017

Core businesses – market prospects

Video

In 2016, Video was the largest segment of the FSS market, accounting for circa 4,000 transponders worldwide, equivalent to 59% of the volume of regular capacity available on the market (source: Euroconsult, 2017 edition). Overall the Video market is slightly growing driven by demand in emerging countries.

– The number of homes equipped with a satellite terminal should increase globally by some 50 million between 2017 and 2022 with the penetration of satellite-based television services rising from 26 to 28% of the global population (source: Digital TV Research).

– The number of channels broadcast by satellite worldwide has increased from over 30,000 to over 40,000 over the last five years and should exceed 46,000 by 2026 (source: Euroconsult, 2017 edition).

Market dynamics differ between developed and emerging countries.

In developed countries:

– The market is mature. In Europe in particular, trends should be broadly stable with HD and UHD ramp up offsetting improvement of compression and encoding format as well as end of certain simulcast channels.

– Requiring more satellite capacity as standard definition (a 36 Mhz transponder can broadcast more than 20 Standard Definition channels or around 9 HD channels in MPEG-4 format), the HD penetration rate on Eutelsat satellites has risen in one year from 17.2% to 21.0% in the past year. According to Euroconsult, the number of HD channels should increase at a weighted average annual rate of 10% in EMEA and Latin America over the 2016-2026 period to more than 10,000 channels by 2026.

– Ultra-High Definition technology is developing and suitable equipment is beginning to emerge. It is currently almost three times as bandwidth-hungry than HD, even factoring in the efficiency gains brought by the new HEVC compression format.

– Conversely, technological advances in the compression of television signals together with the discontinuation of simulcast channels have a negative impact on capacity requirements. The implementation of the DVB-S2 standard and the adoption of the MPEG-4 compression format will make it possible to broadcast up to twice as many channels per transponder, thereby optimising the use of bandwidth between television channels, which in turn reduces the cost of accessing satellite capacity for new entrants on the market. However, Eutelsat is more advanced on compression (with MPEG-4 channels representing 67% of the channels broadcast by the Group) than on HD penetration (with an HD penetration of 21.0%). Therefore future HD ramp-up should largely offset generalisation of MPEG-4.

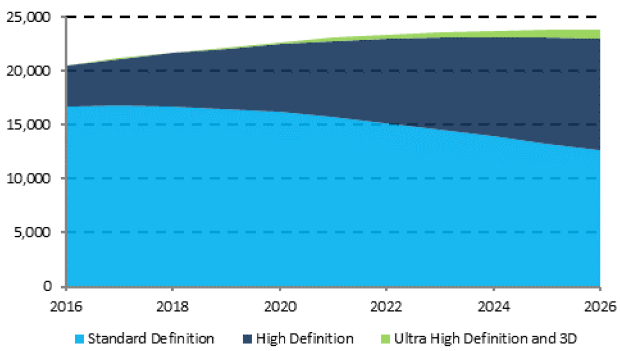
– The development of interactive platforms as a result of the emergence of new non-linear ways of watching television is prompting operators to design a new generation of "hybrid" terminals that combine access to both television and the Internet. Eutelsat's teams are involved in this process and are continuously working to enhance television services and supply of connected television services.

In emerging countries demand is growing. According to Euroconsult, between 2016 and 2021 demand for capacity for Video Applications will grow by 6% per year in Latin America, sub-Saharan Africa, the Middle East and North Africa, Russia and Central Asia. The key factor driving this growth is the increase in the number of channels broadcast which has more than doubled over the past five years. The potential for further growth is robust since, for example, there are currently only two channels per million inhabitants in sub-Saharan Africa, compared with more than 30 per million inhabitants in North America.

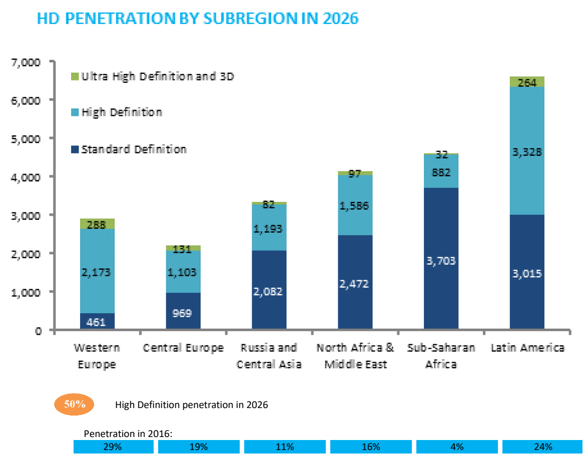
Moreover HD penetration is weaker than in mature countries. For example, in sub-Saharan Africa, HD penetration stands at just 4% compared with 29% in Western Europe (source: Euroconsult, 2017 edition). HD penetration is forecast to in these regions which will have an additional positive effect on demand.

Finally the rise of Digital Terrestrial Television ("DTT") in emerging countries, particularly in Africa, is creating opportunities for satellite operators to provide capacity for supplying terrestrial re-transmitters and ensure additional coverage for homes located in shadow areas.

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



Source: Euroconsult, 2017 edition

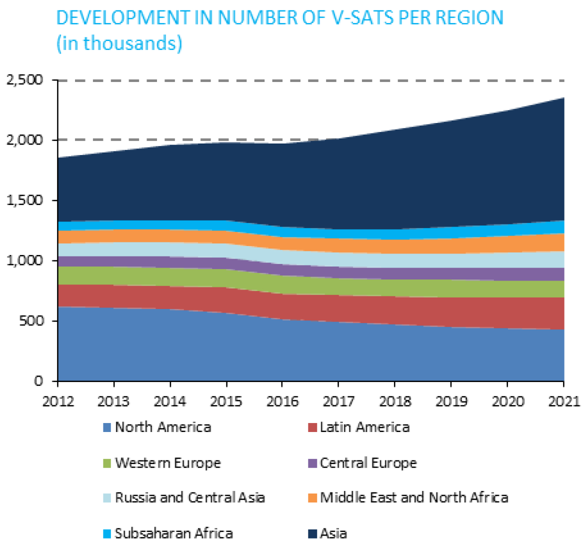


Source: Euroconsult, 2017 edition

Fixed Data

The Fixed Data market is composed of several segments: business networks, the interconnection of mobile networks and trunking.

– VSAT business networks: although fibre optic is currently penetrating urban areas, many rural and suburban areas are being left behind as they do not offer a sufficient return on investment for terrestrial operators. In many areas, in particular in emerging countries, satellite technology is therefore the optimal solution. Three sectors account for the majority of demand for this segment: the oil and gas industry, for connecting onshore and offshore drilling platforms; and the banking and retail sectors, for securely circulating financial and logistical data between different outlets. More than two million VSAT terminals for business networks are in operation globally and this is expected to continue to continue to grow as illustrated by the chart below.



Source : Euroconsult 2017

– **Interconnecting mobile networks and "trunking":** The market for **interconnecting mobile networks** is defined as the transmission of information (primarily voice at present and data in the future) between base stations (that connect directly to mobile terminals, such as mobile telephones) and their various network aggregation points. Satellite is one technology amongst others (such as fibre optic and microwave) for transmitting information between these points. It is concentrated in emerging countries, in particular Latin America and Southern Asia. In the medium term the development and the extension of data-greedy 3G/4G mobile networks should generate an additional demand for satellite capacity. However in the longer term satellite will come up against growing competition linked to the extension of terrestrial networks in this vertical.

The market for **interconnecting mobile networks** should gradually migrate towards new HTS capacities, which enables satellite operators to offer 3G/4G Data Services, (significantly increasing the volume of data transmitted). In the longer term, it too will also encounter growing competition linked to the extension of terrestrial networks.

- The "trunking" market is defined as the transmission of information (voice or data, also known as "IP trunking") between one national backbone network and another. This market is in decline in both volume and value in large part due to competition from fibre optic. Nevertheless, satellite technology still plays an important role in areas that are not connected to the terrestrial network or that have a poor connection to the network. There is also a specific market segment that helps to secure the network in countries where fibre optic is unreliable.

Overall demand is growing in volume notably thanks to increased Data traffic but is accompanied by a significant decline in prices caused by several factors:

- the amount of satellite capacity dedicated to fixed data has increased significantly and continues to grow;
- terrestrial networks are competing with satellite technology on this market segment; and
- the arrival of HTS satellites has led to a reduction in the production cost of capacity which in turn impacts prices.

As a result revenues for Fixed Data are expected to decline in the coming years albeit certain segments, particularly point-to-multipoint applications (which account for more than half of Eutelsat's Fixed Data revenues), should be more resilient in the short and medium term.

Government services

After several years of decline demand in volume in the military Government Services market has stabilised. In the medium-term demand will benefit from developments in security, surveillance, safety and IT systems in a context of increasing volumes of data exchanged and from the increasing use of commercial capacities by governments seeking to rationalise the spending.

Demand from the US Government, a key customer in this segment, has stabilized, albeit at much lower prices than before. There are growth opportunities in other regions such as Asia-Pacific or with other governments which may increasingly turn to commercial operators for their satellite capacities. Like Fixed Data, this segment will be impacted by the arrival of HTS capacity, although it is expected to migrate at a much slower pace. The quality of coverage as well as the flexibility allowed by operators to meet operational needs of governments will remain key differentiators.

The civil government services market also opens up opportunities, for example in offering additional services to connect public infrastructure (such as schools and hospitals) in remote regions.

Connectivity Applications – market prospects

The market for Connectivity Applications represents one of the greatest potential medium and long-term growth opportunities in the satellite segment.

Fixed Broadband

The number of homes equipped with a satellite terminal connected to the Internet has risen by 50% in five years to over 2.7 million worldwide (source: Euroconsult, 2017 edition). Mainly confined to the European and North-American markets at this stage, Satellite Broadband is expected to grow in the years ahead, notably expanding to new regions (Latin America, Africa, Russia…).

The development of the market for Fixed Broadband is driven by the following factors:

- In all geographical areas millions of homes will long remain out of reach of terrestrial infrastructures. Therefore, the satellite is the only way for them to have access to Internet, representing a highly significant addressable market for the FSS industry. In Europe for instance five million homes will still be deprived of fixed terrestrial Internet connection exceeding 10 Mbps and 4G indoor Connectivity in 2030 in spite of the investment programmes announced by governments and telecom operators. In most emerging countries the deployment of terrestrial networks is lagging behind mature countries, which means the addressable market in those countries is even more significant.

- The emergence of HTS satellites ("High Throughput Satellites") in the Ka frequency band significantly reduces the cost of access to satellite resources for connectivity services while offering a customer experience comparable to that of terrestrial technologies. The deployment early in the next decade of VHTS satellites ("Very High Throughput satellites") with dramatically increased capacity compared to the HTS satellites, will enable a far larger number of users to be provided with offers in terms of price and quality of service which will be comparable to very-high-speed via terrestrial networks, leading to a change in scale in these markets.

Mobile Connectivity

Broadband mobile communication is a market with strong growth potential.

In particular the provision of capacity for the in-flight Connectivity market is currently worth around €300 million and should exceed €1 billion by 2025. Demand in terms of volume is indeed expected to increase sharply on the back of the following factors:

- the continuous rise in air traffic with commercial aviation set to grow by 4.6% per year on average between now and 2034 (source: Airbus Global Market Forecast 2015-2034);

- passengers' growing demand for Connectivity, with an increase in the number of smart devices and the rise of more bandwidth-hungry usages, both of which are reflected in the exponential growth in data consumption per user;

- the desire of airlines to offer this new service as a way of differentiating themselves from competitors leading to an increased penetration of aircrafts equipped for in-flight connectivity services;

- the arrival of HTS satellite capacity (and subsequently VHTS capacity), giving access to larger capacities at a lower cost and enabling a very-high speed experience to be offered to passengers; and

- the proliferation of rotating flat dishes, reducing indirect costs (weight and maintenance).

The market for maritime satellite Connectivity is also expected to increase notably on the back of more bandwidth-hungry usages. However, the exposure of Eutelsat to this vertical is relatively limited.

Finally, mobile usages, thus far largely confined to the maritime and aviation sectors, will expand to encompass connected cars and land-based transport in the longer term as well as connected objects. There are therefore many opportunities for the satellite mobility market to diversify, and hence transition from niche to mass.

Group Activities

Core business

Video Applications

Accounting for 66% of Eutelsat's revenues, revenues for Video Applications stood at €897 million for the 2017-18 financial year.

Video Distribution ("Direct to Home")

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

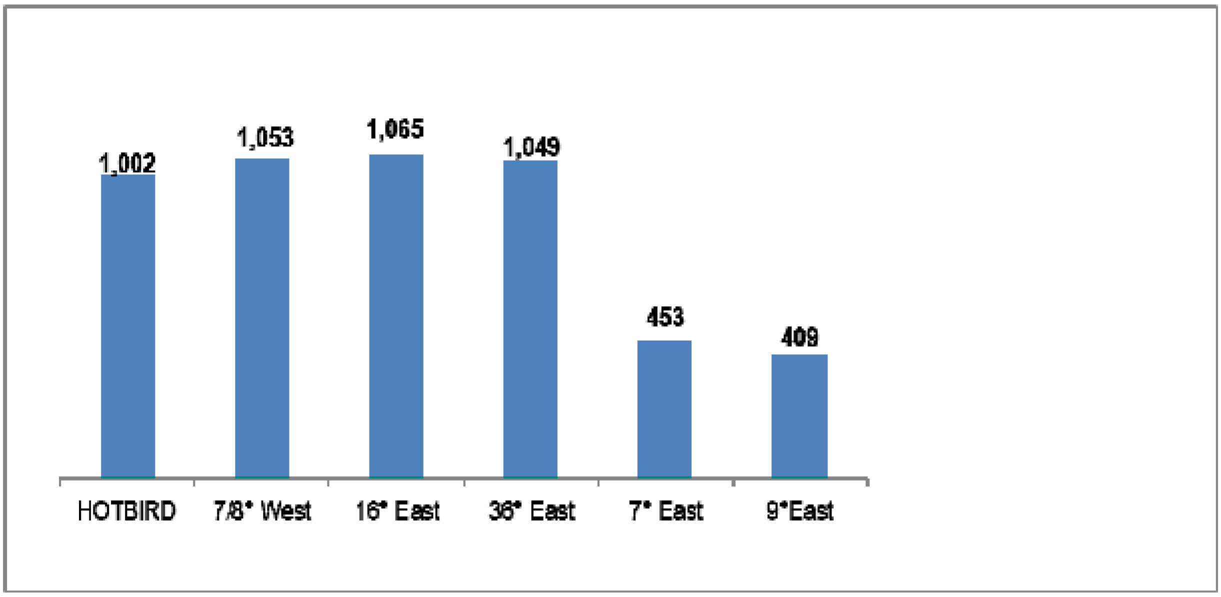
With 6,929 TV channels (including 1,455 in High Definition) broadcast via the Group's in-orbit resources as at 30 June 2018, Eutelsat is a market leader not only in Europe, but also in markets such as Russia, the Middle East, North Africa and sub-Saharan Africa where, thanks to its premium broadcasting orbital positions it benefits from the launch of new television channels and the surge in popularity of new broadcasting formats (High Definition, Ultra High Definition).

Eutelsat is a pioneer in the development of Ultra High Definition broadcasting: for example, the Group launched the HOTBIRD 4K1 demo channel, encoded in HEVC and broadcast at 50 frames per second with 10-bit colour depth. It was then Europe's first Ultra-HD channel in this new standard. At 30 June 2018, Eutelsat carried 14 unique UHD channels on its fleet in Europe, Russia and Turkey.

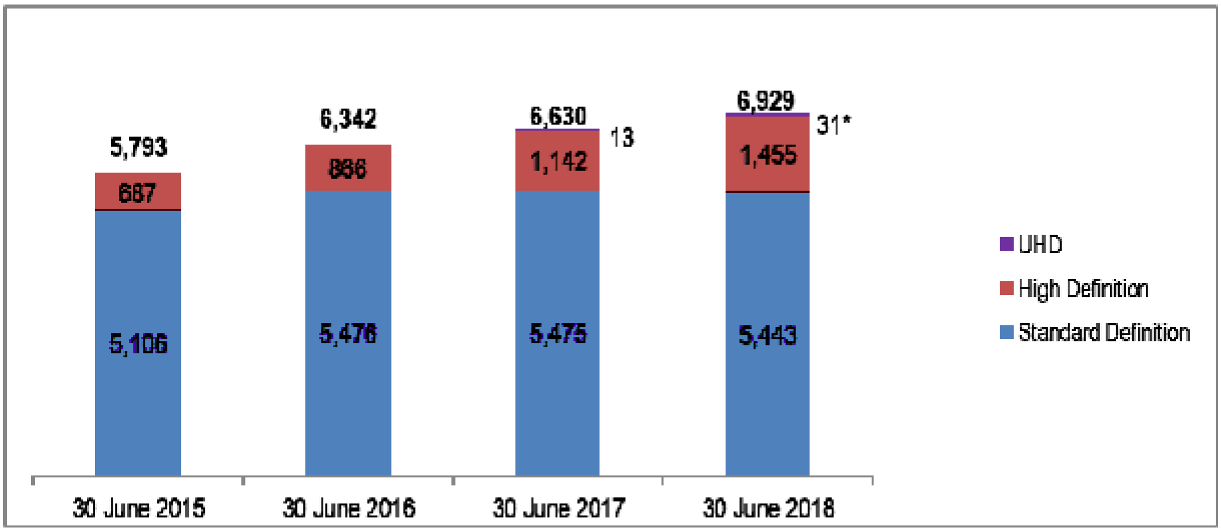
Eutelsat's business model is based on long-term relationships with its broadcasting customers, the opening of new in-orbit resources, the increase in programme offerings and in the numbers of antennae pointed at the Group's satellites.

The Group's customers for video distribution include leading broadcasters such as Sky Italia and Rai in Italy, nc+ and Cyfrowy Polsat in Poland, Nova and OTE in Greece, United Group (Total TV) and DigitAlb in the Balkans, DigiTurk in Turkey, Al Jazeera Sport, MBC and OSN in the Middle-East, TricolorTV and NTV+ in Russia, Multichoice Canal + Overseas and ZAP in Africa and Milicom in Latin America.

Channels broadcast on the Group's satellites at Eutelsat's main Video neighbourhoods



Number of channels on Eutelsat's fleet



Source: Eutelsat Communications.

** Of which 14 Unique UHD channels*

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

Direct-to-Home is the leading reception mode across the combined Europe, Russia, North Africa and Middle-East footprint. The number of Direct-to-Home households stood at 160 million.

Regarding DTH, cable, IPTV and DTT reception in the more mature Western European markets, 15 countries were surveyed, accounting for 179 million TV homes. DTH was confirmed as the main mode for TV reception in Western Europe, with 58 million, accounting for one in three homes.

In France, the Fransat service, which transmits free DTT channels via the EUTELSAT 5 West A satellite, is received by more than 2 million households.

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 also enable the establishment meshed networks which are used for the exchange of TV station programmes.

Elsewhere, the Group provides links for the transmission by broadcasters of current affairs programmes ("Satellites News Gathering" or SNG) in standard digital or in High Definition.

The Group's customers for this type of service include the European Broadcasting Union (EBU), Sky, Globecast, Arqiva, as well as video reporting professionals and sports federations.

In these applications, capacity can be allocated for occasional use or on a more permanent basis.

The group is therefore in a position to support professionals at each stage of the transmission of content, from the transfer of images captured on the spot right through to the reception of programs by the end-viewer, on a regional, national and global level.

Government Services

Government Services revenues amounted to €159 million in financial year 2017-18 and represented 12% of Group revenues.

Government missions require reliable global communications that can be rapidly deployed throughout the world. The Group's satellites enable a wide coverage with a strong quality of service and provide direct links between Europe, the Middle East, Africa, Asia and the Americas.

Whether operations are land-based, maritime, field, or air, demand for satellite services is generally driven by three key needs: interconnection of sites that are dispersed or located some distance from high-speed terrestrial routes, guaranteed immediate availability of capacity as well as security and reliability.

The Group addresses notably the needs in terms of satellite capacity required by intelligence, surveillance, safety, security and reconnaissance systems for the US administration. In order to better respond to satellite needs of government and institutional markets in EMEA region, Eutelsat has created Eutelsat Government EMEA, early 2015.

Fixed Data

Fixed Data revenues stood at €143 million for financial year 2017-18 and represented 10% of Eutelsat's revenues. On this segment Eutelsat's business is split between Corporate Networks, Mobile backhauling and Trunking.

Satellite corporate networks enable corporates to connect their network via satellite in remote areas thanks to VSAT (Very Small Aperture Terminals) terminals on the Ground. These verticals are served mostly indirectly via service providers but the main users include for example the oil and gas industry, banking or distribution. Corporate networks represent more than half of Eutelsat's Fixed Data Services revenues. Revenues related to non-military applications for governments or NGOs such as programs to reduce the digital divide (e-Education, e-health) are also classified in Fixed Data.

Within the mobile network (backhaul) and Internet backbone connection (trunking) verticals, customers are predominantly telecoms operators and Internet Service Providers (ISPs) seeking to connect their local platforms via satellites to international networks (Internet, voice) or extend their mobile networks in areas which are difficult to reach. Demand is strong in emerging markets (Africa, the Middle East, Latin America and Asia-Pacific) where the Group has a longstanding presence.

Connectivity

Fixed Broadband

Fixed Broadband revenues amounted to €87 million in financial year 2017-18 and represented 6% of Group revenues.

The Group offers Internet access solutions, notably IP Connectivity services.

Operating in Ka-band and covering Europe and the Mediterranean basin, the KA-SAT satellite offers, thanks to its 82-spotbeam architecture allowing frequency re-use, increased resources (90 Gbps throughput) compared to a traditional satellite at a significantly reduced cost per Gigabyte. This enables to offer Internet Access Services at a competitive cost in remote areas under-served by terrestrial Broadband networks.

The range of services for private individuals (Tooway) offers download speeds of 22 Mbps and upload speeds of 6 Mbps, as well as the benefit of highly significant download volumes. These offers are mostly 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 the framework of the partnership with ViaSat, this indirect approach is completed by a retail joint-venture (51% owned by ViaSat and 49% by Eutelsat) which is in charge of the direct commercialization of the Broadband Service to end-users in selected areas. In 2017-18, the first offers of this retail Joint-Venture have been launched in Scandinavian countries and in Poland.

A wide range of services for professionals are also commercialized on KA-SAT. The main markets targeted include Internet access markets for businesses and local authorities, the interconnection of private virtual networks, the security and safety of terrestrial networks by means of back-up satellite links and the deployment of remote surveillance solutions (SCADA). For example, KA-SAT is used at off-shore sites on the North, Baltic and Mediterranean Seas and can provide broadband access where there is a lack of terrestrial infrastructure for construction companies, event organisers, hotels and public safety organisations.

In addition, Eutelsat provides capacity in Ka-band for Broadband Internet access in Brazil on the EUTELSAT 65 West A satellite, with capacity fully sold to EchoStar and StarGroup. Eutelsat also provide Broadband Internet access services in Russia on the EUTELAT 36C satellite since fall 2016. Furthermore, capacity leased on the fleet of Yahsa will allow to ramp-up Broadband Internet access services in Sub-Saharan Africa in 2018-19 ahead of the availability of its own satellite which is expected to be launched in 2019 to serve this region.

Mobile Connectivity

Mobile Connectivity revenues amounted to €74 million in financial year 2017-18 and represented 6% of Group revenues. The capacity is used to provide Connectivity services on planes and to a lesser extent ships.

The Group has a portfolio of assets with capacity dedicated to Mobile Connectivity (in-flight or maritime) at 3° East, 10° East, 172° East and 117° West orbital positions as well as on the KA-SAT satellite. In the value chain, the Group is a raw capacity provider and its main customers are distributors /integrators such as Panasonic, GoGo, ViaSat, Taqnia or Speedcast which resell turnkey services to airlines or shipping companies.

Capacity on KA-SAT satellite, covering Europe and the Mediterranean basin will enable airlines to offers passengers top-quality Internet access throughout European airspace. For example, Eutelsat is providing capacity on KA-SAT for the fleets of Finnair, SAS, Icelandair and El Hal.

Furthermore, Eutelsat has signed a multi-year agreement with Taqnia for the lease of four steerable HTS Ka-band spotbeams on the EUTELSAT 3B satellite. This capacity will be used for in-flight Connectivity on 130 medium-/long-haul aircraft of Saudi Arabian Airlines, covering flight paths from the Middle-East to Europe.

End-November 2017 the EUTELSAT 172B satellite entered into service including notably a Ku-band HTS payload specifically designed for in-flight Connectivity over the Pacific region. This capacity has been fully leased on one hand by Panasonic Avionics Corporation as a platform for in-flight Connectivity and entertainment for airlines serving the Asia-Pacific area and on the Other by China Unicom to enhance inflight connectivity services across an area stretching from the West coast of North America to Asia, and down to Australia.

Satellites and coverage areas

As of the date of this Prospectus the Group has operational capacity on 38 satellites.

The tables below show the capacity (fully-owned and leased from third parties) operated as of 30 June 2018. Relevant events which took place between end-June 2017 and date of the present Prospectus are listed below.

Satellites capacity as of 30 June 2018

Fully owned capacity as of 30 June 2018

Name of satellite	**Orbital position**	**Geographic coverage**	**Nominal capacity** *(number of physical transponders)*	**Nominal (1) capacity** *(36 MHz-equivalent transponders / Spotbeams)*	**Launch date**	**Estimated end of operational use in stable orbit as of 30 June 2018 (2** *(calendar year)*
EUTELSAT 117 West A	116.8° West	Americas	40 Ku / 24 C	42 Ku / 24 C	March 2013	Q4 2035
EUTELSAT 117 West B	116.8° West	Americas	40 Ku	48 Ku	June 2016	Q4 2044
EUTELSAT 115 West B	114.9° West	Americas	32 Ku / 12 C	40 Ku / 24 C	March 2015	Q3 2042
EUTELSAT 113 West A	113° West	Americas	24 Ku / 36 C	24 Ku / 36 C	May 2006	Q2 2023

Name of satellite	Orbital position	Geographic coverage	Nominal capacity *(number of physical transponders)*	Nominal [(1)] capacity *(36 MHz-equivalent transponders / Spotbeams)*	Launch date	Estimated end of operational use in stable orbit as of 30 June 2018 [(2] *(calendar year)*
EUTELSAT 65 West A	65°West	Latin America	24 Ku / 10 C / 24 Ka	24 Ku / 15 C / 24 Ka	March 2016	Q2 2037
EUTELSAT 12 West B	12.5° West	Europe, Middle-East, Americas	26 Ku	31 Ku	September 2001	Q1 2019
EUTELSAT 8 West B	8° West	Middle-East, Africa ; Latin America	40 Ku / 10 C	42 Ku / 20 C	August 2015	Q3 2033
EUTELSAT 7 West A	7° West	Middle-East, North Africa	50 Ku	52 Ku	September 2011	Q2 2033
EUTELSAT 5 West A	5° West	Europe, Americas, Africa	35 Ku / 10 C	35 Ku / 14 C	July 2002	Q4 2019
EUTELSAT 3B	3° East	Europe, Middle-East, Africa	30 Ku / 12 C / 5 Ka	54 Ku / 23 C / 5 Ka	May 2014	Q2 2032
EUTELSAT 7A	7° East	Europe, Middle-East, Africa	42 Ku / 2 Ka	57 Ku / 6 Ka	March 2004	Q1 2021
EUTELSAT 7B	7° East	Europe, Middle-East, Africa	53 Ku / 3 Ka	70 Ku / 8 Ka	May 2013	Q3 2039
EUTELSAT 9B	9° East	Europe	50 Ku	47 Ku	January 2016	Q3 2038
EUTELSAT KA-SAT 9A	9° East	Europe, Mediterranean Basin	82 Ka spotbeams	82 Ka spotbeams	December 2010	Q2 2028
EUTELSAT 10A	10° East	Europe, Middle-East, Africa	42 Ku / 10 C	59 Ku / 20 C	April 2009	Q2 2023
EUTELSAT HOT BIRD 13B	13° East	Europe, North Africa, Middle-East	64 Ku	60 Ku	August 2006	Q1 2025
EUTELSAT HOT BIRD 13C	13° East	Europe, North Africa, Middle-East	64 Ku	60 Ku	December 2008	Q3 2024
EUTELSAT HOT BIRD 13E	13° East	Europe, North Africa, Middle-East	38 Ku	45 Ku	March 2006	Q3 2024
EUTELSAT 16A	16° East	Europe, Middle-East, Africa, Indian Ocean	53 Ku / 3 Ka	70 Ku / 8 Ka	October 2011	Q3 2027
EUTELSAT 21B	21.5° East	Europe, Middle-East, Africa	40 Ku	59 Ku	November 2012	Q3 2033
EUTELSAT 25B	25.5° East	Europe, North Africa, Middle-East	8 Ku / 7 Ka	8 Ku / 7 Ka	August 2013	Q4 2034
EUTELSAT 28E [(4)]	28.2/28.5° East	Europe	4 Ku	4 Ku	September 2013	Q3 2029

Name of satellite	Orbital position	Geographic coverage	Nominal capacity *(number of physical transponders)*	Nominal [1] capacity *(36 MHz-equivalent transponders / Spotbeams)*	Launch date	Estimated end of operational use in stable orbit as of 30 June 2018 [2 *(calendar year)*
EUTELSAT 28F [4]	28.2/28.5° East	Europe	4 Ku	4 Ku	September 2012	Lifetime in excess of 15 years
EUTELSAT 28G [4]	28.2/28.5° East	Europe	4 Ku	4 Ku	December 2014	Lifetime in excess of 15 years
EUTELSAT 33E	33° East	Europe, North Africa, Middle-East, Central Asia	64 Ku	60 Ku	February 2009	Q1 2024
EUTELSAT 36B	36° East	Europe, Middle-East, Africa	70 Ku	87 Ku	November 2009	Q4 2026
EUTELSAT 48D	48° East	Afghanistan, Central Asia	8 Ku	12 Ku	December 2008	Q4 2020
EUTELSAT 70B	70.5° East	Europe, Middle-East, Asia	48 Ku	92 Ku	December 2012	Q2 2032
EUTELSAT 172B	172° East	Asia-Pacific, Australia, New Zealand	40 Ku /14 C / 11 spotbeams	48 Ku / 24 C	June 2017	Q3 2036
EUTELSAT 174A	174° East	Asia-Pacific, Australia, New Zealand	20 Ku / 18 C	23 Ku / 24 C	December 2005	Q2 2022
EUTELSAT 70C	Currently being relocated		-	-	May 2000	Inclined orbit
EUTELSAT 59A	Currently being relocated		-	-	August 2002	Inclined orbit
EUTELSAT 33C	Currently being relocated		-	-	March 2001	Inclined orbit

(1) The number of transponders can vary from one year to the next as a result of relocations or reconfigurations. The figures are rounded to the nearest whole number.
(2) 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 2018).
(3) This satellite is leased to a third party
(4) In January 2014, in the framework of the settlement of a dispute with SES concerning the 28.5° East orbital position the Group contracted long-term satellite capacity on the SES satellite fleet at this orbital position. The number of transponders indicated is the number of transponders fully owned by Eutelsat on SES fleet.

Capacity leased from third parties as of 30 June 2018

Name of satellite	Orbital position	Geographic coverage	Nominal capacity *(number of physical transponders)*	Nominal capacity *(36 MHz-equivalent transponders / Spotbeams)*	Launch date	Estimated end of operational use in stable orbit as of 30 June 2016 *(calendar year)*
EUTELSAT 53A [1]	53° East	Europe, North Africa, Middle-East, Asia	4 Ku	6 Ku	October 2014	Q4 2029
Express-AT1 [1]	56° East	Siberia	21 Ku	19 Ku	March 2014	Q2 2029
Express-AT2 [1]	140° East	Far East Russia	8 Ku	7 Ku	March 2014	Q2 2029
EUTELSAT 36C[1]	36°East	Africa, Russia	52 Ku / 18 Ka	48 Ku / 18	December	Q2 2033

Name of satellite	Orbital position	Geographic coverage	Nominal capacity *(number of physical transponders)*	Nominal capacity *(36 MHz-equivalent transponders / Spotbeams)*	Launch date	Estimated end of operational use in stable orbit as of 30 June 2016 *(calendar year)*
				Ka	2015	
EUTELSAT 28G (2)	28.2/28.5° East	Europe	8 Ku	6 Ku	September 2014	Lifetime in excess of 15 years
YAHSAT 1B	47.6° East	Africa	16 Ka spotbeams	16 Ka spotbeams	April 2012	Lifetime in excess of 15 years

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

Main changes since 30 June 2017

– EUTELSAT 172B which was launched in June 2017 started to operate mid-November. Subsequently, EUTELSAT 172A was relocated to 174° East and renamed EUTELSAT 174A.

– The Al Yah 3 satellite, on which Eutelsat is leasing capacity for its Konnect Africa project, was launched on 25 January 2018. The mission experienced some challenges during the launch stages resulting in a revised flight plan. The satellite started operations in August 2018.

– EUTELSAT 31A reached the end of its operational life and was de-orbited in January 2018.

– EUTELSAT 16C reached the end of its operational life and was de-orbited in February 2018.

– EUTELSAT 36 WEST A has been relocated at 59.7° East and renamed EUTELSAT 59A.

– EUTELSAT 33C and EUTELSAT 59A now operate in inclined orbit.

– In August 2018, the Group sold its interest in the EUTELSAT 25B satellite operated at 25.5 degrees East to the co-owner of the satellite, Es’hailSat.

As of the date of this Prospectus the Group operates capacity on 38 satellites (of which two are in inclined orbit and six are in the framework of finance leases or operating leases).

Capacity evolution

The below table reflects the evolution of the capacity operated and utilized by the Group:

	30 June 2017	**30 June 2018**
Number of operational 36 MHz-equivalent transponders[6]	1,372	**1 427**
Number of utilized 36 MHz-equivalent	931	**971**

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

transponders[7]		
Fill rate	67.9%	**68.1%**

Note: Based on 36 MHz-equivalent transponders excluding high throughput capacity

Satellites ordered and under construction

Recent satellite orders

Procurement of KONNECT VHTS

The Group ordered the KONNECT VHTS satellite from Thales Alenia Space which is expected to launch in 2021. This satellite is expected to bring 500 Gbps of Ka-Band capacity over Europe to support the development of European Fixed Broadband and in-flight Connectivity businesses. Significant firm multi-year distribution commitments have been signed with Orange to address the Fixed Broadband market in European countries where the Group has a retail presence and Thales to address the government services market.

Procurement of HOTBIRD Constellation replacement

Eutelsat signed a Memorandum of Agreement (MoA) for the order of two larger new satellites from Airbus Defence and Space to replace the three existing satellites at its HOTBIRD flagship neighbourhood. These two new satellites are set to be launched in 2021.

Nominal launch program

Satellite[1]	Orbital position	Estimated launch (calendar year)	Main applications	Main geographic coverage	Physical Transponders/ Spot beams	36 MHz-equivalent transponders / Spot beams	Of which expansion
EUTELSAT 7C	7° East	Q1 2019	Video	Turkey, Middle-East, Africa	44 Ku	49 Ku	19 Ku
EUTELSAT 5 WEST B	5° West	Q1 2019	Video	Europe, MENA	35 Ku	35 Ku	None
EUTELSAT QUANTUM	To be confirmed	H2 2019	Government Services	Flexible	8 "QUANTUM" Beams	Not applicable	Not applicable
KONNECT	To be confirmed	H2 2019	Connectivity	Africa Europe	65 spot beams	75 Gbps	75 Gbps
KONNECT VHTS	To be confirmed	2021	Connectivity Government Services	Europe	~230 spot beams	500 Gbps	500 Gbps
EUTELSAT HOTBIRD 13F	13° East	2021	Video	Europe MENA	80 Ku[2]	73 Ku[2]	None
EUTELSAT HOTBIRD 13G	13° East	2021	Video	Europe MENA	80 Ku[2]	73 Ku[2]	None

[1] Chemical propulsion satellites (EUTELSAT QUANTUM, EUTELSAT 5 West B) generally enter into service 1 to 2 months after launch. Electric propulsion satellites (EUTELSAT 7C, KONNECT, KONNECT VHTS, EUTELSAT HOTBIRD 13F and EUTELSAT HOTBIRD 13G) between 4 and 6 months. [2] «nominal capacity corresponding to the specifications of the satellites. Total operational capacity at the HOTBIRD orbital position will remain unchanged with 102 physical transponders (95 36 Mhz equivalent transponders) operated, once regulatory, technical and operational constraints are taken into account."

Satellite and communications control

The majority of 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.

7 Number of 36 MHz-equivalent transponders utilized on satellites in stable orbit.

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 traffic on the space segment ("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 for 30 June 2018, employed more than 100 specialist technicians and engineers for this purpose.

Eutelsat S.A.'s satellite and communications control activities are certified ISO 9001 (quality management system) and ISO 27001 (management of information security system).

Satellites under the responsibility of Eutelsat Americas (EUTELSAT 113 West A, 115 West B, 117 West A and 117 West B) are operated from the Group's control centres located in Iztapalapa, Mexico City (Mexico) and in Hermosillo (Mexico). These centres are redundant and have the same functions as the centres located in France. Their activities are also certified ISO 9001 and ISO 27001 from mid-2017. One additional satellite also under the responsibility of Eutelsat Americas (EUTELSAT 65 West A), is operated and monitored via specific facilities installed near São Paolo, Brazil, with the French facilities acting as backup for satellite control. The software and monitoring systems are equivalent to the systems existing at the other Eutelsat group centres.

Activities of the Satellite Control Centre

The Group managed the in-orbit satellites it owned at 30 June 2018 (including the four satellites falling under the responsibility of Eutelsat Americas), with support from a contractor for EUTELSAT 59A. Express-AT1, Express-AT2, Express-AM6 (on which the Group operates certain transponders under the name EUTELSAT 53A) and AMU-1 (on which the Group operates certain transponders under the name EUTELSAT 36C) are controlled by the RSCC, ASTRA 2E, ASTRA 2F and ASTRA 2G (on which certain transponders are operated by the Group respectively under the names EUTELSAT 28E, EUTELSAT 28F and EUTELSAT 28G) are controlled by SES.

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 French satellite control centre is connected to a telemetry, command and ranging (**TCR**) 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 a number of operators who provide capacity at their transmission/reception Earth stations. These contracts also cover the operation and maintenance of any 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 Caniçal in Madeira, Makarios in Cyprus, Fucino in Italy, near São Paolo in Brazil, Perth and Adelaide in Australia and Auckland in New Zealand. The different stations and control centres are all linked by a network of protected and redundant 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. For satellites controlled from Mexico, TCR stations are located on the same sites as the main control centres in Iztapalapa and Hermosillo.

The Rambouillet teleport may also be used for in-orbit positioning of new satellites joining the Group's fleet. Launch and Early Orbit Phase (**LEOP**) 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, some LEOP operations have been carried out from the Rambouillet site and in some cases the operations were performed directly by the satellite manufacturers depending on complexity and duration of the LEOP. For satellites controlled from Mexico, positioning operations were performed by the satellite manufacturer (Boeing and Loral). The most recently launch satellite of the Group, EUTELSAT 172 B launched on 1 June 2017, successfully underwent its in-orbit positioning, performed by the satellite manufacturer, Airbus Defence and Space, and entered into its commercial operations phase by late 2017.

Activities of the Communications Control Centres (CSC, EAS NOC)

Payload and capacity control is carried out for all satellites and transponders whose capacity is marketed by the Group, including satellites owned by other companies. The Managed Services and terrestrial delivery network that Eutelsat operates is also controlled from the same centres. For this purpose, the Group has a set of facilities at its Paris, Rambouillet, Iztapalapa and Hermosillo sites. In addition to these facilities, the Group has service contracts with operators of 15 sites worldwide, selected according to the geographical coverage of the satellites. These sites are in São Paulo (Brazil) and Benavidez (Argentina) for South America, Miami (U.S.A.) for North America, Berlin (Germany) for North Eastern Europe, Makarios (Cyprus) for the Eastern Mediterranean and Middle-East regions, Dubna (Russia), Hartebeesthoek (South Africa) for Sub-Saharan Africa, Singapore for the Far East, Yaoundé (Cameroon) for Western Africa, Dubai (United Arab Emirates) for beams covering North Africa and the Arabian peninsula, Mauritius for the Indian Ocean, Cagliari (Sardinia) – owned and operated by the Group's subsidiary Skylogic Mediterraneo S.r.l – for the Western Mediterranean and North Africa, Yamaguchi in Japan for the North of the Pacific Ocean and the West of Asia, Hawaii for Pacific Coverage and Noumea in New Caledonia for the South of the Pacific Ocean. 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, the Group also operates nine other sites dedicated to the control of KA-SAT.

All equipment is managed automatically and centrally by the Communications Control Centres (CSC and EAS NOC), based at the Rambouillet teleport since December 2007, with a back-up centre in Paris (CSC) except for the satellites managed by the EAS NOC in Mexico, Iztapalapa and Hermosillo. The centres are connected to each other and to each monitoring site *via* a network of protected and redundant data communication lines.

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 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 some of their back-up equipment.

Technical failures and loss of equipment in-orbit for Group-owned satellites

The EUTELSAT 59A 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 satellite 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 18 October 2015, EUTELSAT 33B suffered a loss of power *via* a power transfer assembly, a loss of power from the other on board power transfer assembly having already occurred on 16 June 2008. The satellite's communications mission was effectively immediately terminated. Continuity of service was provided to customers thanks to other resources on the Group's fleet. A similar situation occurred on EUTELSAT 70 D (first loss during January 2014 and second loss during August 2016). Technical investigation carried out jointly with the manufacturer, Thales Alenia Space, have been aimed to mitigate the risk of similar events on other satellites of similar design.

The performance of the EUTELSAT 48D 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 ended 30 June 2009.

In-orbit testing of EUTELSAT 10A's S-band payload belonging to Solaris Mobile Ltd. (which was a joint venture with SES Astra and which has since been sold) revealed an anomaly with this payload's coverage and power. This required further testing to be carried out with the manufacturer, Thales Alenia Space. As 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 ended 30 June 2009. This incident does not affect the non-S-band operations and performance of the satellite.

On 18 April 2012, the EUTELSAT 31A 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. Would the remaining transmitter have been lost, EUTELSAT 31A's mission would have been terminated, but in fact the satellite end-of-mission was reached during late 2017.

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 33E 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. EUTELSAT 70B experienced the same type of anomaly on 1 March 2014 and was followed by Eutelsat 7WA mid-2017.

Launch failures

Since it began its activities (including during 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 on the satellite's propulsion sub-system after its launch.

Furthermore, Spacecom's AMOS-6 satellite on which the Group was supposed to lease capacity was lost following a launch pad explosion on 1 September 2017.

Technical faults 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 availability of capacity 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.

Satellite end-of-life

After any 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 an 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.

Customers

As of 30 June 2018, the Group's top 10 customers accounted for 31% of its revenues (compared to 36% as of 30 June 2017). The top five customers represented approximately 20% of its revenues for the same period (compared to 23% as of 30 June 2017) and the top three 15% (unchanged). The evolution of the percentage represented by the top ten (and tops five) customers reflect mainly the integration of Noorsat and to a lesser extent the fact that revenues for certain distributors do not have to be aggregated anymore.

Order backlog

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

The order backlog is the expected future revenue under existing customer contracts, and includes both non-cancellable contracts and contracts that can be terminated, generally against the payment of termination fees.

The amount included in backlog represents the full service charge for the duration of the contract and does not include termination fees. In certain cases of breach for non-payment or customer financial distress or bankruptcy, we may not be able to recover the full value of certain contracts or termination fees. The contracted backlog includes 100% of the backlog the Group’s consolidated ownership interests, which is consistent with the accounting for the Group’s ownership interest in these entities.

The order backlog varies over time, based on the progressive recognition of revenues from these contracts and the conclusion of new contracts.

The evolution of the backlog is shown in the table below

	30 June 2017	**30 June 2018**
Value of contracts (in € billions)	5.2	**4.6**
In years of annual revenues based on the last financial year	*3.5*	***3.2***
Share of Video Applications	85%	**83%**

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. These various regulations fall into six categories:

- national regulations governing access to the radio frequency spectrum and their coordination 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.

RECENT DEVELOPMENTS

Disposal of Eutelsat's Interest in EUTELSAT 25B Satellite

In August 2018, Eutelsat sold its interest in the EUTELSAT 25B satellite operated at 25.5 degrees East to the co-owner of the satellite, Es'hailSat, for a consideration of €135 million.

Eutelsat's share of the satellite generated revenues of approximately €16 million in the video application for the financial year ended 30 June 2018.

The divestment of this non-core asset is in line with the Group's strategy of optimising its portfolio of businesses in the context of its policy of maximizing cash generation.

On-going litigations

In the course of its business activities, the Group is involved in legal actions and commercial disputes. The Group exercises its judgement to assess the risks incurred on a case-by-case basis and a provision is recorded to cover an expected outflow of resources. In cases viewed as unsubstantiated or insufficiently argued, no provision is recognised.

Eutelsat S.A., a company belonging to the tax consolidation group of which Eutelsat Communications S.A. is the parent company, underwent a tax audit in respect of the financial years ended 30 June 2012, 2013 and 2014. In December 2016, the company received a tax adjustment notification in respect of the financial periods ended 30 June 2013 and 30 June 2014. As a result of the pre-litigation appeals and subsequent discussions, the amounts claimed by the tax authorities were significantly reduced. There is still disagreement on certain tax adjustments, on which Eutelsat believes that it has solid defences. As a result, as of 30 June 2018, no provision had been recorded for these two tax reassessments. On 17 July 2018, a notice was sent to Eutelsat SA stating that a tax audit covering the financial periods ended 30 June 2015, 30 June 2016 and 30 June 2017 would start in early September 2018.

Indebtedness of the Issuer since 30 June 2018

As of 31 August 2018, non-current financial debt of the Issuer amounted to €2,064.5 million.

Credit rating

Eutelsat's rating placed by S&P on watch negative pending portfolio review

On 11 September 2018, S&P announced a review of its ratings on European global satellite operators, based on its view of weakening industry fundamentals and technology-led oversupply risks. Henceforth 'BBB/A-2' long- and short-term ratings on Eutelsat have been placed on CreditWatch with negative implications. The CreditWatch placement reflects the potential for a one-notch downgrade depending on the outcome of the sector review carried out by S&P, which is expected to be completed within the next two months.

On 30 August 2018, Moody's Investors Service Ltd reaffirmed Eutelsat SA's Baa3 long-term issuer and senior unsecured ratings and Eutelsat Communications SA's Ba1 senior unsecured bank credit facility rating, with a stable outlook.

On 9 January 2018, Fitch Ratings affirmed Eutelsat Communications S.A.'s (Eutelsat) Long-Term Issuer Default Rating (IDR) at 'BBB' and Eutelsat S.A.'s senior unsecured rating at 'BBB'. The Outlook on the IDR is Stable.

On 23 March 2018, S&P Global Ratings confirmed that its ratings on Eutelsat Communications S.A. (BBB/Stable/A-2) remain unchanged, with a BBB long-term and A-2 short-term issuer rating with a stable outlook.

Fourth quarter and full year 2017-18 results of Eutelsat Communications S.A., the controlling entity of the Issuer

In this subsection, the term "Group" shall refer to Eutelsat Communications S.A. and its consolidated subsidiaries.

- Fully delivering on all financial objectives
- Improving revenue trend throughout the year for the Operating verticals (-1.3%)
- Revenues of €1,408 million down 1.9% like-for-like[8] (-4.7% reported)
- EBITDA margin of 76.9% at constant currency, up from 76.7% in FY 17
- LEAP cost saving program ahead of plan
- Strong rise in Discretionary Free-Cash-Flow, up 11.9% at constant currency
- Recommended dividend of €1.27 per share, up 5%, 1.4 times covered by DFCF
- All financial objectives confirmed or upgraded for FY 2018-19 and beyond

Key Financial Data	FY 2016-17	FY 2017-18	Change
Revenues - €m	1,477.9	1,407.9	-4.7%
Revenues at constant currency and perimeter	1,471.3	1,443.0	-1.9%
EBITDA[9] - €m	1,133.6	1,076.9	-5.0%
EBITDA margin - %	76.7	76.5	-0.2 pts
EBITDA margin at constant currency - %	76.7	76.9	+0.2 pts
Group share of net income - €m	351.8	290.1	-17.5%
Financial structure			
Discretionary Free-Cash-Flow[10]	407.8	414.7	+1.7%
Discretionary Free-Cash-Flow at constant currency	407.8	456.2	+11.9%
Net debt - €m	3,640.7	3,241.6	-€399.1m
Net debt/EBITDA – X	3.2	3.0	-0.2 pts
Backlog – €bn	5.2	4.6	-11.9%

8 At constant currency and perimeter

9 Operating income before depreciation and amortisation, impairments and other operating income/(expenses).

10 Net cash-flow from operating activities – Cash Capex - Interest and Other fees paid net of interests received.

EBITDA, EBITDA margin, Net debt / EBITDA ratio, Cash Capex and Discretionary Free-Cash-Flow are considered as Alternative Performance Indicators. Their definition and calculation can be found in appendix 3 of this document.

IFRS 15 and IFRS 16 will be adopted in the Group's consolidated financial statements for the financial year beginning 1 July 2018.

HIGHLIGHTS OF THE YEAR

Fully delivering on all financial objectives:

- Revenues down 1.9% like-for-like, within our guidance range of -1% to -2%;
- LEAP cost-saving program ahead of track;
- EBITDA margin of 76.9% at constant currency, well above 76% target;
- Effective capex containment at €358 million, below the €420m average objective;
- Discretionary Free Cash Flow up 11.9% at constant currency despite tough comparison basis (+65% in FY 2016-17);
- Net Debt / EBITDA now in line with 3.0x target level; deleveraging accelerated by disposal of Hispasat stake for €302m;
- Recommended dividend of €1.27 per share, up 5%; 1.4 times covered by Discretionary Free Cash Flow;

Progressive improvement in trend in the operating verticals

- Operating verticals down 1.3% at constant currency and perimeter, with a progressively improving trend (-2.2% year-on- year in the second quarter, -1.1% year-on-year in the third quarter, -0.7% year-on-year in the fourth quarter);

Effective design-to-cost policy underpinning tangible reduction in Capex spend

- Replacement of the HOTBIRD constellation a strong illustration of effectiveness of design-to-cost policy;
- Capex outlook further lowered to €400 million average thanks to above-expectation delivery on design-to-cost;

Robust commercial performance underpinning return to slight growth in FY 2018-19

- In Video:
  - Well-oriented channel count, up 4.5% with HD penetration of 21.0%, up 3.8 points;
  - Positive outcome of contract renewals, notably Cyfrowy Polsat and TVN at the HOTBIRD position;
  - New business in Europe with SFR-Altice at 5°West , Mediaset at HOTBIRD and XtraTV at the 9°East orbital position as well as in several emerging broadcast markets, including Fiji on EUTELSAT 172B and the Caribbean region on EUTELSAT 117 WEST B;

- Absorption of Noorsat to optimise Video distribution in the MENA region.

– In Government Services:

  - Favourable outcomes of Fall 2017 and Spring 2018 renewal campaigns with the US Department of Defense;

  - Significant incremental business at the new 174° East orbital position;

  - Much of capacity on EUTELSAT QUANTUM reserved.

– In Mobile Connectivity:

  - Landmark MoU with China Unicom followed by the commercialization of the remaining HTS capacity on EUTELSAT 172B to UnicomAirNet;

  - Agreement with Taqnia for incremental capacity on EUTELSAT 3B and EUTELSAT 70B satellites;

  - These agreements and the double-digit revenue growth confirm the buoyancy of the Mobile Connectivity market.

Procurement of KONNECT VHTS to shape our Connectivity strategy

– Commercial launch of Konnect Africa targeted in the first quarter of financial year 2017-18;

– Procurement of KONNECT VHTS with significant multi-year distribution commitments with Orange and Thales.

REVENUES[11]

Revenues for FY 2017-18 stood at €1,407.9 million, down 1.9% like-for-like. On a reported basis, they were down 4.7%, reflecting a negative currency effect of 3.2 points and a positive perimeter effect of 0.4 points (impact of the acquisition of Noorsat partly offset by the disposal of Wins/DHI and DSAT Cinema). Overall revenues for the five operating verticals (ie excluding 'Other Revenues') were down 1.3% at constant currency and perimeter.

Revenues for the Fourth Quarter stood at €373.9 million. Year-on-year they were up 4.3% on a reported basis, and up by 7.6% on a like-for-like basis. Revenues of the five operating verticals were down by 0.7% at constant currency and perimeter, a trend which with has progressively improved throughout the year (-2.2% year-on-year in the second quarter, -1.1% year on year in the third quarter).

Quarter-on-quarter, revenues increased by 10.8% on a reported basis and by 11.0% on a like-for-like basis. Revenues of the five operating verticals were up by 0.3% at constant currency and perimeter (-0.4% in the second quarter versus the first quarter, -0.3% in the third quarter versus the second quarter).

Unless otherwise stated, all variations indicated below are on a like-for-like basis (at constant currency and perimeter).

Revenues by application

11 the share of each application as a percentage of total revenues is calculated excluding 'Other Revenues'.

In € millions	FY 2016-17	FY 2017-18	Change vs. reported revenues	Like-for-like change[12]
Video Applications	908.0	897.3	-1.2%	-0.7%
Government Services	176.1	158.9	-9.8%	-0.1%
Fixed Data	168.1	142.5	-15.2%	-10.1%
Fixed Broadband	96.2	86.7	-9.8%	-7.8%
Mobile Connectivity	74.6	74.4	-0.2%	+18.2%
Total Operating Verticals	1,422.9	1,359.8	-4.4%	-1.3%
Other Revenues[13]	55.0	48.1	-12.7%	-12.2%
Total revenues	1,477.9	1,407.9	-4.7%	-1.9%
EUR/USD exchange rate	1.09	1.19		

Core businesses

Video Applications (66% of revenues)

In FY 2017-18, Video Applications revenues were down 0.7% like-for-like to €897.3 million.

Revenues from Broadcast were slightly up excluding the impact of the end of the TV d'Orange contract at the HOTBIRD position, with a solid performance in key emerging markets, notably MENA at the 7/8° West orbital position and Russia at the 36°East and 56°East orbital positions.

Professional Video continued to decline reflecting ongoing pressure on point-to-point services.

Fourth Quarter revenues stood at €223.1 million, broadly flat year-on-year and down 0.8% quarter-on-quarter.

At 30 June 2018 the total number of channels broadcast by Eutelsat satellites stood at 6,929 (+299 year-on-year). High Definition penetration continued to increase, representing 21.0% of channels compared to 17.2% a year earlier, for a total of 1,455 channels, versus 1,142 a year earlier (+313).

Government Services (12% of revenues)

In FY 2017-18 Government Services revenues were stable like-for-like to €158.9 million reflecting predominantly the level of the previous two renewal campaigns with the US Department of Defense.

Fourth Quarter revenues amounted to €40.2 million, up 2.3% year-on-year. The negative base effect of a positive one-off in the Fourth Quarter of the previous year was more than offset by the first effects of the ramp-up of incremental business secured at the 174°East orbital position. On a quarter-on-quarter basis, revenues were up 5.8%.

Commercial activity was favourable throughout the year with a high level of renewals with the US Department of Defense both in Fall 2017 (c.95%) and Spring 2018 (above 95%) as well as the

12 At constant currency and perimeter. The variation is calculated as follows: i) FY 2017-18 USD revenues are converted at FY 2016-17 rates; ii) FY 2016- 17 revenues are restated from Wins/DHI and DSAT. FY 2017-18 revenues are restated from the net contribution of Noorsat.

13 Other revenues include mainly compensation paid on the settlement of business-related litigations, the impact of EUR/USD currency hedging, the provision of various services or consulting/engineering fees and termination fees.

commercialization of the vast majority of the operational transponders at the 174°East position, thereby paving the way for an improvement in trend for this application in FY 2018-19.

Fixed Data (10% of revenues)

In FY 2017-18, Fixed Data revenues were down 10.1% like-for-like to €142.5 million. They continued to reflect ongoing pricing pressure in all geographies and the absence of significant incremental volumes.

Fourth Quarter revenues stood at €34.2 million, down by 10.6% on a year-on-year basis. On a quarter-on quarter basis they were down 1.9%.

Eutelsat's cautious view on this vertical is unchanged and revenues are expected to continue to decline in FY 2018-19.

Connectivity

Fixed Broadband (6% of revenues)

In FY 2017-18 Fixed Broadband revenues stood at €86.7 million, down 7.8% year-on-year. Fourth Quarter revenues stood at €21.1 million, down by 7.5% on a year-on-year basis and by 1.9% quarter-on-quarter.

This performance reflected lower revenues for European Broadband in a context of scarcity of available capacity in Western Europe and slower than hoped-for progress by the retail joint-venture with ViaSat.

The launch of the commercial service in Africa on the Al-Yah-3 satellite and actions in Europe including yield management, differentiated offers and a strengthened focus on under-penetrated verticals should lead to a return to growth in FY 2018-19.

Mobile Connectivity (6% of revenues)

In FY 2017-18 Mobile Connectivity revenues stood at €74.4 million, up 18.2% year-on-year, reflecting the effect of the Taqnia contract signed last year, the contribution of EUTELSAT 172B - with capacity pre-sold to Panasonic - which entered service at end-November 2017, as well as continued growth on wide-beam capacity notably over the Americas.

Fourth Quarter revenues stood at €19.5 million, up 14.6% year-on-year and by 9.0% quarter-on-quarter.

Revenues in FY 2018-19 will benefit from start of the UnicomAirNet contract on EUTELSAT 172B in January 2019, the contribution of the new contract with Taqnia at several orbital positions, as well as the ongoing ramp up of capacity contracts on KA-SAT for the benefit of several European airlines.

Other revenues

In FY 2017-18, 'Other Revenues' amounted to €48.1 million compared with €55.0 million a year earlier. They included notably fees in respect of a small number of material technical and engineering contracts which materialized in the fourth quarter.

OPERATIONAL AND UTILIZED TRANSPONDERS

The number of operational 36 MHz-equivalent transponders stood at 1,427 at 30 June 2018, up 55 over 12 months, mainly reflecting the entry into service of EUTELSAT 172B end-November 2017 and subsequent relocation of EUTELSAT 172A at 174°East. The number of transponder utilized is up by 40 units year-on-year. As a result the fill rate stood at 68.1% compared to 67.9% a year ago.

	30 June 2017	30 June 2018
Number of operational 36 MHz-equivalent transponders[14]	1,372	1 427
Number of utilized 36 MHz-equivalent transponders[15]	931	971
Fill rate	67.9%	68.1%

Note: Based on 36 MHz-equivalent transponders excluding high throughput capacity

BACKLOG

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

At 30 June 2018, it stood at €4.6 billion, down 12% compared to 30 June 2017, reflecting mainly the impact of the integration of Noorsat (-€0.4 billion). Contracts added to the backlog during the year included notably renewals with Cyfrowy Polsat and TVN at HOTBIRD, the new contract with UnicomAirNet at 172°East as well as the new contract with Taqnia at several orbital slots.

The backlog was equivalent to 3.2 times 2017-18 revenues with 83% represented by Video.

	30 June 2017	30 June 2018
Value of contracts (in billions of euros)	5.2	4.6
In years of annual revenues based on last fiscal year	3.5	3.2
Share of Video Applications	85%	83%

PROFITABILITY

EBITDA stood at €1,076.9 million (€1,133.6 million at 30 June 2017), down 5.0%.

The "LEAP" cost savings plan is ahead of track, generating €24m of savings versus an objective of €15 million in FY 2017- 18.

As a result, despite lower 'Other' revenues with lower associated costs and the slightly dilutive impact of the integration of Noorsat, the **EBITDA margin** stood at 76.9% at constant rate (76.5% on a reported basis), compared to 76.7% last year.

Group share of net income stood at €290.1 million versus €351.8 million in 2016-17 a decrease of 17.5%. The net margin stood at 21%. This reflected mainly:

- The decrease in EBITDA;
- Lower depreciation and amortisation, down €26.9 million year-on-year, thanks to lower depreciation of satellites having ended their operational life or already fully depreciated which was not offset by the impact of satellites which entered service in the past 18 months (EUTELSAT 172B and EUTELSAT 117 WEST B);
- 'Other operating income' of -€18.5 million, reflecting notably the one-off accounting impact of the integration of Noorsat, compared with +€14.1 million a year ago which included the capital gain on Wins/DHI;

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

[15] Number of 36 MHz-equivalent transponders utilized on satellites in stable orbit.

– A financial result of -€105.2 million, more favourable than last year (-€130.9 million): it reflected on one hand lower net cost of debt (-€95.2 million versus -€125.7 million a year earlier) thanks mainly to the reimbursement of the €850 million bond in March 2017, and on the other, the evolution of 'Other financial income' (-€10.1 million versus - €5.2 million a year earlier) linked to a negative variation in foreign exchange gains and losses and in the fair value of financial instruments.

– A tax rate of 32.0% which reflected notably the recognition of a positive non-cash one-off related to deferred tax liabilities to take into account the future evolution of the French corporate tax rate. As a reminder last year's tax rate (24.8%) also reflected the partial tax-exemption of the capital gain in respect of the disposal of Wins/DHI.

DISCRETIONARY FREE-CASH-FLOW

Net cash flow from operating activities stood at €880.8 million compared to €982.9 million in 2016-17, down €102.1 million. This reflected mostly the decrease in EBITDA, slightly higher tax paid, relating to the timing of tax payments, as well as an unfavorable evolution in working capital compared to a demanding comparison base last year.

Cash Capex[16] amounted to €358.2 million compared to €414.4 million a year earlier, below the target of €420 million per annum on average over three years, reflecting the phasing of various satellite programmes as well as effective Capex containment. It included initial payments in respect of the KONNECT VHTS satellites and the HOTBIRD constellation replacement.

Interest and other fees paid net of interest received stood at €107.9 million (€160.7 million in 2016-17); the €52.8 million decrease reflected mainly the repayment of the €850 million bond in March 2017.

As a result, **Discretionary Free-Cash-Flow**[17] stood at €414.7 million at 30 June 2018, up by €6.9 million (or 1.7%) year-on- year. At constant currency it was up by 11.9%.

FINANCIAL STRUCTURE

At 30 June 2018 **net debt** stood at €3,241.6 million versus €3,640.7 million a year earlier, a €399.1 million reduction. Discretionary free cash-flow more than covered the dividend payment (€295.4 million including dividends paid to minority interests).

Equity divestments / investments (disposal of the stake in Hispasat and acquisition of Noorsat and minority interest in Broadband for Africa) generated a net cash inflow of €206.2 million, while the foreign exchange portion of the cross-currency swap - included in Net Debt - decreased by €16.1 million. Lower amount of export credit financing and financial leases contributed to the reduction in net debt for €57.4 million.

As a result, the net debt to EBITDA ratio stood at 3.0 times, a 0.2 point improvement on 30 June 2017.

At 30 June 2018 the weighted average maturity of the Group's debt stood at 2.2 years, compared to 3.0 years at 30 June 2017. The average cost of debt was 2.9% (after hedging), down from 3.1% in FY 2016-17.

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16 See Appendix 3 for the definition of this indicator.

17 See Appendix 3 for the definition of this indicator

Liquidity remains strong, with undrawn credit lines of €650 million and cash of €734 million.

DIVIDEND

On 31 July 2018 the Board of Directors agreed to recommend to Annual Meeting of Shareholders on 8 November 2018 a dividend of €1.27 per share compared to €1.21 last year (+5%), in line with the Group's commitment to serving a stable to progressive dividend.

The dividend will be paid on 22 November 2018, subject to the vote of the Annual Meeting of Shareholders.

IMPACT OF ADOPTION OF IFRS 15 AND IFRS 16

IFRS 15 and IFRS 16 will be adopted in the Group's consolidated financial statements for the financial year beginning 1 July 2018. The main impacts of IFRS 15 are related to the timing of revenue and cost recognition or reclassifications between revenues and costs for items such as marketing and technical contributions and for subscriber acquisition costs and terminals in the Fixed Broadband application.

The adoption of IFRS 16 will lead to the capitalization of short-term operating leases which were previously accounted as opex.

The Group will apply IFRS 15 retrospectively by restating the comparable period. IFRS 16 will be applied under the simplified retrospective method with no restatement of comparative periods.

Overall, the broad impact of IFRS 15 is estimated between -€15 and -€20 million on 2017-18 revenues (of which -€15 to -€20 million on Operating Verticals). IFRS 16 has no impact on revenues.

The combined impact of IFRS 15 and IFRS 16 is estimated at circa +1 point on the EBITDA margin and circa +€30m on Net Debt. It is estimated at between +€5m and+€10m on Cash Capex. There is no net impact on Discretionary Free Cash Flow.

OUTLOOK

Note: The less predictable nature 'Other Revenues' (ie revenues which are non-recurring and not related to the commercialization of capacity) leads us to exclude them from our revenue objectives as of FY 2018-19.

All elements of the financial outlook are confirmed or upgraded.

– **Revenues for the five operating verticals**[18] (at constant currency, perimeter and IFRS 15 accounting standards) are expected to return to slight growth from FY 2018-19.

– The **EBITDA margin** (at constant currency) is expected above 78% from FY 2018-19, taking into account the impact of IFRS 15 and IFRS 16 accounting standards.

[18] Excluding Other revenues. Reported revenues for the five operating verticals stood at €1,360 million in FY 2017-18. As a reminder, the impact of the adoption of IFRS 15 standard is estimated between -€15 and -€20 million on FY 2017-18 revenues for the five operating verticals."

– Our estimated Cash **Capex**[19] spend is reduced to an average of €400 million[20] per annum for the period July 2017 to June 2020 (versus €420 million previously) reflecting positive impact of design-to-cost policy.

– **Discretionary Free Cash Flow**[21] is expected to grow at a mid-single digit CAGR in the period July 2017[22] to June 2020 (at constant currency).

– The Group is committed to maintaining a sound financial structure to support its investment grade credit rating with a **net debt / EBITDA ratio** below 3.0x.

– It also reiterates its commitment to serving a stable to progressive dividend.

This outlook is based on the nominal deployment plan outlined hereunder.

FLEET DEVELOPMENTS

Nominal launch programme

The upcoming launch schedule is indicated below. Since the last quarterly update in May 2018, the launches of EUTELSAT 7C and EUTELSAT 5 WEST B have been postponed to Q1 2019 (versus Q4 2018 previously)

Satellite[23]	Orbital position	Estimated launch (calendar year)	Main applications	Main geographic coverage	PhysicalTransponders/ Spot beams	36 MHz-equivalent transponders / Spot beams	Of which expansion
EUTELSAT 7C	7° East	Q1 2019	Video	Turkey, Middle-East, Africa	44 Ku	49 Ku	19 Ku
EUTELSAT 5 WEST B	5° West	Q1 2019	Video	Europe, MENA	35 Ku	35 Ku	None
EUTELSAT QUANTUM	To be confirmed	H2 2019	Government Services	Flexible	8 "QUANTUM"Beams	Not applicable	Not applicable
KONNECT	To be confirmed	H2 2019	Connectivity	Africa Europe	65 spot beams	75 Gbps	75 Gbps
KONNECT VHTS	To be confirmed	2021	Connectivity Government Services	Europe	~230 spot beams	500 Gbps	500 Gbps
EUTELSAT HOTBIRD 13F	13° East	2021	Video	Europe MENA	80 Ku2	73 Ku2	None
EUTELSAT HOTBIRD 13G	13° East	2021	Video	Europe MENA	80 Ku2	73 Ku2	None

19 Including capital expenditure and payments under existing export credit facilities and long-term lease agreements on third party capacity.

20 Including impact of new IFRS 16 accounting standard.

21 Net cash-flow from operating activities – Cash Capex - Interest and Other fees paid net of interest received.

22 Discretionary Free-Cash-Flow of €407.8 million in FY 2016-17

23 Chemical propulsion satellites (EUTELSAT QUANTUM, EUTELSAT 5 West B) generally enter into service 1 to 2 months after launch. Electric propulsion satellites (EUTELSAT 7C, KONNECT, KONNECT VHTS, EUTELSAT HOTBIRD 13F and EUTELSAT HOTBIRD 13G) between 4 and 6 months. 2 «nominal capacity corresponding to the specifications of the satellites. Total operational capacity at the HOTBIRD orbital position will remain unchanged with 102 physical transponders (95 36 Mhz equivalent transponders) operated, once regulatory, technical and operational constraints are taken into account."

Procurement of KONNECT VHTS

Eutelsat ordered the KONNECT VHTS satellite from Thales Alenia Space. Expected to be launched in 2021, it will bring 500 Gbps of Ka-Band capacity over Europe to support the development of European Fixed Broadband and in-flight Connectivity businesses. Significant firm multi-year distribution commitments have been signed with Orange to address the Fixed Broadband market in European countries where the Group has a retail presence and Thales to serve notably the government market.

Procurement of HOTBIRD Constellation replacement

Eutelsat has signed a Memorandum of Agreement (MoA) for the procurement of two larger new satellites from Airbus Defence and Space to replace the three existing satellites at its HOTBIRD flagship neighbourhood. These two new satellites are set to be launched in 2021.

Changes in the fleet

- EUTELSAT 172B, which was launched in June 2017, started to operate mid-November. Subsequently, EUTELSAT 172A was relocated at 174° East and renamed EUTELSAT 174A.
- EUTELSAT 31A reached the end of its operational life and was de-orbited in January 2018.
- The Al Yah 3 satellite, on which Eutelsat is leasing capacity for its Konnect Africa project, was launched on 25 January 2018.
- EUTELSAT 16C reached the end of its operational life and was de-orbited in February 2018.
- EUTELSAT 36 WEST A has been relocated at 59.7° East and renamed EUTELSAT 59A.
- EUTELSAT 33C and EUTELSAT 59A now operate in inclined orbit.

CORPORATE GOVERNANCE

The Board of 31 July 2018 proposed, amongst others, the following resolutions to be submitted to the vote of shareholders present at the Annual General Meeting of 8 November 2018:

- Approval of the accounts;
- Dividend relating to Financial Year 2017-2018;
- Renewal of the mandates of Ross McInnes and Bpifrance Participations;
- Compensation of corporate officers and compensation policy;

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APPENDICES

Appendix 1: Additional financial data

Revenues by business application in the Fourth Quarter (€ millions)

In € millions	Q4 2016-17	Q4 2017-18	Actual change	Like-for-like change[24]
Video Applications	224.3	223.1	-0.5%	-0.1%
Government Services	44.8	40.2	-10.2%	+2.3%
Fixed Data	41.1	34.2	-16.7%	-10.6%
Fixed Broadband	23.4	21.1	-10.0%	-7.5%
Mobile Connectivity	18.9	19.5	+2.9%	+14.6%
Total operating verticals	352.5	338.1	-4.1%	-0.7%
Other Revenues	6.0	35.8	X 6.0	X 5.9
Total Revenues	358.5	373.9	+4.3%	+7.6%
EUR/USD exchange rate	1.08	1.21		

Extract from the consolidated income statement (€ millions)

Twelve months ended June 30	2017	2018	Change
Revenues	1,477.9	1,407.9	-4.7%
Operating expenses[25]	(344.3)	(331.0)	-3.9%
EBITDA	1,133.6	1,076.9	-5.0%
Depreciation and amortisation	(532.9)	(506.0)	-5.0%
Other operating income (charges)	14.1	(18.5)	Na
Operating income	614.8	552.5	-10.1%
Financial result	(130.9)	(105.2)	-19.6%
Income tax expense	(120.1)	(142.9)	+19.0%
Income from associates	(0.4)	(2.2)	X 5.9
Portion of net income attributable to non-controlling interests	(11.6)	(12.0)	+4.2%
Group share of net income	351.8	290.1	-17.5%

Change in net debt (€ millions)

Twelve months ended June 30	2017	2018
Net cash flows from operating activities	982.9	880.8
Cash Capex[26]	(414.4)	(358.2)
Interest and Other fees paid net of interests received	(160.7)	(107.9)
Discretionary Free Cash Flow	407.8	414.7
Acquisition / disposal of equity investments and subsidiaries	54.7	206.2
Distributions to shareholders (including non-controlling interests)	(266.2)	(295.4)

[24] At constant currency and perimeter. The variation is calculated as follows: i) Q4 2017-18 USD revenues are converted at Q4 2016-17 rates; ii) Q4 2017- 18 revenues are restated from the net contribution of Noorsat.

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

[26] See detailed calculation below

Twelve months ended June 30	2017	2018
Change in long-life leases and ECA debt[27]	140.0	57.4
Change in foreign exchange portion of the cross-currency swap	26.0	16.1
Other	3.8	-
Decrease (increase) in net debt	366.1	399.1

[27] Excluding amount to RSCC described in the Appendix 3 (€95.2 million) for financial year 2016-17.

Appendix 2: Quarterly revenues by application

Reported revenues

The table below shows quarterly reported revenues. Q1 2016-17 revenues are restated under the new classifications used since H1 2016-17 results.

In € millions	Q1 2016-17	Q2 2016-17	Q3 2016-17	Q4 2016-17	Q1 2017-18	Q2 2017-18	Q3 2017-18	Q4 2017-18
Video	226.5	228.9	228.1	224.3	223.3	225.9	225.0	223.1
Government Services	42.3	43.8	45.2	44.8	41.1	39.6	38.0	40.2
Fixed Data	43.4	41.4	42.1	41.1	37.1	36.3	34.9	34.2
Fixed Broadband	24.9	23.7	24.2	23.4	22.3	21.8	21.5	21.1
Mobile Connectivity	20.6	17.9	17.2	18.9	18.6	18.5	17.9	19.5
Total operating verticals	357.7	355.7	356.8	352.5	342.4	342.1	337.3	338.1
Other Revenues	27.1	14.5	7.5	6.0	6.8	5.4	0.1	35.8
Total	384.8	370.2	364.3	358.5	349.1	347.4	337.4	373.9

Proforma revenues

The table below shows quarterly proforma revenues for FY 2016-17 excluding revenues from Wins / DHI and DSAT Cinema.

In € millions	Q1 2016-17	Q2 2016-17	Q3 2016-17	Q4 2016-17	FY 2016-17
Video	226.5	228.7	228.1	224.3	907.7
Government Services	42.3	43.8	45.2	44.8	176.1
Fixed Data	43.4	41.4	42.1	41.1	168.1
Fixed Broadband	24.9	23.7	24.2	23.4	96.2
Mobile Connectivity	14.5	17.9	17.2	18.9	68.5
Total operating verticals	351.6	355.5	356.8	352.5	1,416.6
Other Revenues	27.1	14.5	7.5	6.0	55.0
Total	378.7	370.0	364.3	358.5	1,471.6

Appendix 3: Alternative performance indicators

In addition to the data published in its accounts, the Group communicates on three alternative performance indicators which it deems relevant for measuring its financial performance: EBITDA, cash capex and Discretionary free cash flow (DFCF). These indicators are the object of reconciliation with the consolidated accounts.

EBITDA, EBITDA margin and Net debt / EBITDA ratio

EBITDA reflects the profitability of the Group before Interest, Tax, Depreciation and Amortization. It is a key indicator in the Fixed Satellite Services Sector. The table below shows the calculation of EBITDA based on the consolidated P&L accounts for FY 2016-17 and FY 2017-18:

Twelve months ended June 30 (€ millions)	2017	2018
Operating result	614.8	552.5
+Depreciation and Amortization	532.9	506.0
- Other operating income and expenses	(14.1)	18.5
EBITDA	1,133.6	1,076.9

The EBITDA margin is the ratio of EBITDA to revenues. It is computed as follows:

Twelve months ended June 30 (€ millions)	2017	2018
EBITDA	1,133.6	1,076.9
Revenues	1,477.9	1,407.9
EBITDA margin (as a % of revenues)	76.7%	76.5%

At constant currency, the EBITDA margin would have stood at 76.9% as of 30 June 2018.

The Net debt / EBITDA ratio is the ratio of net debt to last-twelve months EBITDA. It is computed as follows:

Twelve months ended June 30 (€ millions)	2017	2018
Last twelve months EBITDA	1,133.6	1,076.9
Closing net debt[28]	3,640.7	3,241.6
Net debt / EBITDA	3.2	3.0

Cash Capex

The Group on occasion operates capacity within the framework of financial leases, or finances all or part of certain satellite programs under export credit agreements, leading to outflows which are not reflected in the item "acquisition of satellites and other tangible or intangible assets". Cash Capex including these two elements is published in order to reflect the totality of Capital Expenditures undertaken in any financial year.

Cash Capex therefore covers the acquisition of satellites and other tangible or intangible assets as well as payments in respect of export credit facilities and long term financial leases on third party capacity.

[28] Net debt includes all bank debt, bonds and all liabilities from long-term lease agreements and Export Credit Agencies as well as Forex portion of the cross-currency swap, less cash and cash equivalents (net of bank overdraft). Net Debt calculation is available in the Note 24.2 of the appendices to the financial accounts.

Cash Capex for FY 2016-17 was restated from the value of the payment owed in 2015-16 to RSCC in respect of lease of EUTELSAT 36C but paid effectively in FY 2016-1721[29] (€95.2m) which was already accounted for in 2015-16 cash capex.

The table below shows the calculation of Cash Capex for FY 2016-17 and FY 2017-18:

Twelve months ended June 30 (€ millions)	**2017**	**2018**
Acquisitions of satellites, other property and equipment and intangible assets	(393.0)	(298.8)
Repayments of ECA loans and long-term capital leases[30]	(153.9)[31]	(59.4)
Payment received from ViaSat[32]	132.5	-
Capex per financial outlook definition	(414.4)	(358.2)

Discretionary free cash flow (DFCF)

The Group communicates on Discretionary free cash flow which reflects its ability to generate cash after the payment of interest and taxes. DFCF generally and principally serves the dividend payment and debt reduction.

Discretionary free cash flow is defined as Net cash flow from operating activities less Cash Capex as well as interest and other financial costs, net of interest income.

The table below shows the calculation of Discretionary free cash flow for FY 2016-17 and FY 2017-18 and its reconciliation with the cash flow statement:

Twelve months ended June 30 (€ millions)	**2017**	**2018**
Net cash flows from operating activities	982.9	880.8
Acquisitions of satellites, other property and equipment and intangible assets	(393.0)	(298.8)
Repayment of Export credit facilities[33]	(62.9)	(23.7)
Repayment in respect of long-term leases[34]	(186.2)	(35.7)
Interest and other fees paid net of interest received	(160.7)	(107.9)
Payment received from ViaSat[35]	132.5	-
Payment to RSCC in respect of lease of EUTELSAT 36C included in FY 2015-16 Discretionary Free-Cash Flow	95.2	-
Discretionary Free-Cash Flow	407.8	414.7

At constant currency, the Discretionary Free-Cash Flow would have amounted to €456.2 million as of 30 June 2018.

29 In FY 2015-16 the payment was frozen in the context of the legal action brought against the Russian State by former Yukos shareholders.

30 Included in lines “Repayment of borrowings” and of “Repayment of finance lease liabilities” of cash-flow statement

31 Excluding payment to RSCC mentioned above (€95.2 million)

32 Included in the line “Transactions relating to non-controlling interests” of cash-flow statement

33 Included in the line “Repayment of borrowings” of cash-flow statement

34 Included in the line “ Repayment in respect of finance lease liabilities” of cash-flow statement

35 Included in the line “ Transactions relating to non-controlling interests “ of cash-flow statement

Appendix 4: restatement of comparative financial statements

Total shareholder's equity stood at €2,844 million at 30 June 2018 versus €2,911 million at 30 June 2017.

FY 2016-17 opening shareholder equity has been restated to adjust the Satelites Mexicanos' deferred tax positions, leading to a negative net impact of 56.3 million euros (ie circa 2% of total shareholder equity), with no impact on the income statement as of 30 June 2017.

TAXATION

The following is a general summary of the main French and Luxembourg withholding tax considerations pertaining to the Bonds. Comments which are included therein are reported only for information purposes and do not aim at giving a complete description of the tax rules that may affect the Issuer, or the Bonds or the Investors. This summary of the tax rules is based on the laws and regulation in force in France and in Luxembourg as of the date of this Prospectus, all of which are subject to change, possibly with retrospective effect, or to different interpretations. Accordingly, no opinion is expressed herein with regard to any system of law other than the laws of France as applied by the French courts or Luxembourg as applied by the Luxembourg courts as of the date of this Prospectus. Any Investor contemplating to acquire the Bonds should therefore consult its own tax adviser about the tax consequences that may arise for it as a result of the acquisition, the ownership or the disposal or redemption of the Bonds.

1 Taxation in France of interest and other assimilated revenues on the Bonds

Withholding tax

Holders of the Bonds who concurrently hold shares of the Issuer may also be impacted by other rules not described in this section.

According to Article 125 A III of the French *Code général des impôts*, payments of interest and other assimilated revenues made by a debtor with respect to a particular debt (including debt in the form of bonds) are not subject to withholding tax unless such payments are made outside France in a non-cooperative State or territory (*État ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a **Non-Cooperative State**), irrespective of the holder's residence for tax purposes. If such payments are made outside France in a Non-Cooperative State, a 75% withholding tax is applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*. The list of Non-Cooperative States is published by a ministerial executive order (*arrêté*) and is updated in principle at least once a year. This list was last published on 8 April 2016. A French Bill that aims to fight against tax fraud (*Projet de loi relatif à la lutte contre la fraude*) was released by the French government on 28 March 2018 and is under discussion before the French Parliament, and intends, if adopted in its current form and under certain conditions, to (i) expand the list of Non-Cooperative States to include the states and jurisdictions on the list set out in Annex I to the conclusions adopted by the Council of the European Union on 5 December 2017, as updated, (the **EU List**) and as a consequence, (ii) expand this withholding tax regime to certain states and jurisdictions included in the EU List.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other assimilated revenues on debt are not deductible from the debtor's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid on an account opened with a financial institution established in such a Non-Cooperative State (the **Deductibility Exclusion**). The above-mentioned French Bill would, if adopted in its current form, also expand this regime to the states and jurisdictions included in the EU List. Under certain conditions, any such non-deductible interest and other assimilated revenues may be re-characterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case they may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at rates of (i) 30% (to be aligned with the standard corporate income tax rate set forth in Article 219-I of the French *Code général des impôts* for fiscal years beginning as from 1 January 2020 and thus being reduced to 25% for fiscal years beginning as from 1 January 2022) for payments benefiting legal persons who are not French tax residents, (ii) 12.8% for payments benefiting individuals who are not French tax residents or (iii) 75% for payments made in a Non-Cooperative

State and in certain states and jurisdictions included in the EU List if the above-mentioned draft law is adopted in its current form (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty).

Notwithstanding the foregoing, Articles 125 A III and 238 A of the French *Code général des impôts* provide respectively that neither the 75% withholding tax set out under Article 125 A III of the French *Code général des impôts* nor, to the extent the relevant interest and other assimilated revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the Deductibility Exclusion and the related withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts* that may be levied as a result of such Deductibility Exclusion, will apply in respect of a particular debt if the debtor can prove that the main purpose and effect of such transactions was not that of locating the interest and other assimilated revenues in a Non-Cooperative State (the **Exception**). Pursuant to French tax administrative guidelines (*Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211, BOI-RPPM-RCM-30-10-20-40-20140211, and BOI-IR-DOMIC-10-20-20-60-20150320) (the **BOFIP**), an issue of bonds will benefit from the Exception without the issuer having to provide any evidence supporting the main purpose and effect of such issue of bonds, if such bonds are:

(i) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

(ii) admitted to trading on a French or foreign regulated market or multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider or any other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

(iii) admitted, at the time of their issue, to the operations of a central depositary or of a securities clearing and delivery and payment systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositaries or operators provided that such depositary or operator is not located in a Non-Cooperative State.

Therefore, payments of interest and other assimilated revenues made by or on behalf of the Issuer with respect to the Bonds will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts*, as construed by the French tax authorities under the BOFIP. Moreover, pursuant to the BOFIP, interest and other assimilated revenues paid by the Issuer on the Bonds will not be subject to the Deductibility Exclusion and as a result such interest and other assimilated revenues will not be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts* solely on account of their being paid or accrued to persons established or domiciled in a Non-Cooperative State or paid on an account opened with a financial institution established in such a Non-Cooperative State.

According to Article 125 A I of the French *Code général des impôts*, subject to certain exceptions, interest and similar revenues received by individuals fiscally domiciled in France within the meaning of Article 4 B of the French *Code général des impôts* are subject to a 12.8% withholding tax (*prélèvement forfaitaire non libératoire*), which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding at an aggregate rate of 17.2% on such interest and similar revenues received by individuals fiscally domiciled in France within the meaning of Article 4 B of the French *Code général des impôts*.

2 Luxembourg Taxation

Luxembourg does not provide for a withholding tax on interest payments under the Bonds unless the below exceptions apply.

Luxembourg resident individuals

Interest on holding, redemption and sale of the Bonds falling into the scope of the Luxembourg law dated 23 December 2005, as modified, is subject to a 10% withholding tax, which is final if the individual acts within the scope of his own private wealth management, without further formalities. This law applies when the beneficial owner is an individual resident in Luxembourg who receives interest income from a paying agent located in Luxembourg. Interest that is accrued once a year on savings accounts (short and long term) and which does not exceed €250 per person and per paying agent is exempted from the withholding tax.

In the event that the interest is paid to such individuals or to a residual entity securing the payment for the benefit of such individuals by a paying agent established in an EU Member State (other than Luxembourg) or one of the dependent and associated territories, the beneficiary may opt for the application of a 10% flat taxation in accordance with the law dated 23 December 2005 as subsequently amended, which is final if the Luxembourg resident individual is acting in the context of the management of his private wealth.

The paying agent, and not the Issuer, is responsible for the withholding tax levied in accordance with the above mentioned provisions. However, if the interest is paid by a paying agent established in an EU Member State (other than Luxembourg) or one of the dependent and associated territories, and the beneficiary opts for the application of a 10% flat taxation in accordance with the law dated 23 December 2005 as subsequently amended, such individual is responsible for the withholding tax levied.

Luxembourg non-residents

The EU Savings Directive has been repealed with effects as from 1 January 2016. Hence payments of interest by Luxembourg paying agents to non-resident individual and to certain residual entities are not subject to any Luxembourg withholding tax.

SUBSCRIPTION AND SALE

Crédit Agricole Corporate and Investment Bank and Société Générale (the **Global Coordinators**) HSBC Bank plc, Mizuho International plc and MUFG Securities EMEA plc (together with the Global Coordinators, the **Joint Bookrunners**) and Landesbank Hessen-Thüringen Girozentrale (the **Co-Lead Manager**, and together with the Global Coordinators and the Joint Bookrunners, the **Managers**) have, pursuant to a Subscription Agreement dated 28 September 2018 (the **Subscription Agreement**), jointly and severally agreed with the Issuer, subject to satisfaction of certain conditions, to subscribe or procure subscribers for the Bonds at the issue price of 99.400 per cent. of the principal amount of the Bonds, less any applicable commissions. The Issuer will also reimburse the Managers in respect of certain of their expenses, and has agreed to indemnify the Managers against certain liabilities incurred in connection with the issue of the Bonds. The Subscription Agreement may be terminated in certain circumstances prior to payment made to the Issuer.

General

No action has been taken by the Issuer or any of the Managers that would, or is intended to, permit a public offer of the Bonds or possession or distribution of this Prospectus (in preliminary, proof or final form) or of any other offering or publicity material relating to the Bonds (including roadshow materials and investor presentations) in any country or jurisdiction where any such action for that purpose is required. Accordingly, each Joint Bookrunner has undertaken that it will not, directly or indirectly, offer or sell any Bonds or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Bonds by it will be made on the same terms. It will also ensure that no obligations are imposed on the Issuer or any other Joint Bookrunner in any such jurisdiction as a result of any of the foregoing actions.

United States of America

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933 (the **Securities Act**) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the U.S. Securities Act (**Regulation S**) or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Each Joint Bookrunner hereby agrees that, except as permitted herein, it has not offered or sold the Bonds, and agrees that it will not offer or sell the Bonds (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of the Bonds as determined, and certified to the Issuer by the Managers, in the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Bonds from it during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons. Accordingly, neither it, its affiliates nor any person acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Bonds, and it and they have complied and will comply with the offering restrictions requirement of Regulation S.

In addition, until 40 calendar days after the commencement of the offering, an offer or sale of the Bonds within the United States by a dealer, whether or not it is participating in the offering, may violate the registration requirements of the Securities Act.

Terms used in this paragraph have the meanings given to them by Regulation S.

Prohibition of Sales to EEA Retail Investors

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the EEA. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

France

Each Joint Bookrunner has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Bonds to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Prospectus or any other offering material relating to the Bonds and such offers, sales and distributions have been and will be made in France only to (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (ii) qualified investors (*investisseurs qualifiés*), other than individuals, acting for their own account as defined in, and in accordance with Articles L.411-1, L.411-2, D.411-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*.

United Kingdom

Each Joint Bookrunner has represented and agreed that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of any Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

Republic of Italy

The offering of the Bonds has not been registered pursuant to Italian securities legislation and, accordingly, no Bonds may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Bonds be distributed in the Republic of Italy except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Article 34-*ter*, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (Regulation No. 11971); or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-*ter* of Regulation No. 11971.

Any offer, sale or delivery of the Bonds or distribution of copies of the Prospectus or any other document relating to the Bonds in the Republic of Italy under (a) or (b) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993 as amended (the **Banking Act**); and;

(ii) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the securities in the Republic of Italy; and

(iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

GENERAL INFORMATION

Authorisation

The Issuer has obtained all necessary consents, authorisations and approvals in France to issue and deliver the Bonds and perform its obligations under the Bonds.

The issue of the Bonds by the Issuer has been authorised in accordance with Article L.228-40 of the French *Code de Commerce* by a resolution of its *Conseil d'administration* (Board of Directors) made on 24 April 2018 and a decision of Mr. Rodolphe Belmer, *Directeur Général* of the Issuer, made on 25 September 2018.

Listing and admission to trading

Application has been made to the CSSF to approve this document as a prospectus for the purposes of the Prospectus Directive. Application has been made for the Bonds to be admitted to the Official List and traded on the Luxembourg Stock Exchange's regulated market on or about the Issue Date. The Luxembourg Stock Exchange regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive 2014/65/EU, as amended.

The Issuer's LEI code is 549300MCOOY1V7P2PG30.

The total expenses relating to the admission to trading of the Bonds are, in the aggregate, estimated to be approximately €2,080,000.

Clearing Systems

The Bonds have been accepted for clearance through Euroclear France, Clearstream, Luxembourg and Euroclear with the Common Code number 188904548. The International Securities Identification Number (ISIN) for Bonds is FR0013369493.

Euroclear France
66, rue de la Victoire
75009 Paris, France

Euroclear
1, boulevard Roi Albert II
1210 Saint-Josse-ten-Noode, Belgium

Clearstream Luxembourg
Clearstream Banking
42 Avenue JF Kennedy
L 1855 Luxembourg

No significant change

Except as disclosed in the section "Recent Developments", there has been no significant change in the financial or trading position of the Issuer or the Group since 30 June 2018.

No material adverse change

Except as disclosed in the section "Recent Developments", there has been no material adverse change in the prospects of the Issuer or the Group since the financial year ended 30 June 2018.

Litigation

Other than as disclosed in the section "Recent Developments" above, the Issuer is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer and/or the Group.

Material Contracts

There are, at the date of this Prospectus, no material contracts entered into, other than in the ordinary course of the Issuer's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Bondholders in respect of the Bonds.

No conflicts

As at the date of this Prospectus, there are no conflicts of interest which are material to the issue of the Bonds between the duties of the members of the administrative, management or supervisory bodies of the Issuer and their private interests and/or other duties and, in respect of the Issuer, no person involved in the issue of the Bonds has an interest material to the issue.

Auditors

Ernst & Young Audit (1/2, place des Saisons, 92400 Courbevoie – Paris – La Défense 1, France) and Mazars (61, rue Henri Regnault, 92400 Courbevoie, France) have audited, without qualification, in accordance with French professional standards the Issuer's accounts prepared in accordance with IFRS as adopted by the European Union for each of the two financial years ended on 30 June 2017 and 30 June 2018 as stated in their reports dated 1 August 2017 and 2 August 2018 respectively. An uncertified English translation of such reports is incorporated by reference in this Prospectus. Ernst & Young Audit and Mazars are the independent statutory auditors of the Issuer. Ernst & Young Audit and Mazars are regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorised as *Commissaires aux comptes* and belong to the *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

Yield

The yield of the Bonds is 2.093 per cent. per year as calculated as at the Issue Date on the basis of the issue price of the Bonds. It is not an indication of future yield.

Managers transacting with the Issuer

The Managers and their respective affiliates, including parent companies, engage and may in the future engage, in investment banking, commercial banking (including the provision of loan facilities) and other related transactions with the Issuer and may perform services for it, in each case in the ordinary course of business.

Documents available

Copies of consolidated accounts of the Issuer prepared in accordance with IFRS for the two financial years ended 30 June 2017 and 30 June 2018 and the latest annual reports of the Issuer relating to the annual accounts of the Issuer prepared in French GAAP and approved by the general meeting of the shareholders of the Issuer may be obtained without charge from the specified offices for the time being of the Fiscal Agent or any of the Paying Agents during normal business hours, so long as any of the Bonds is outstanding and are also available on the date of this Prospectus on the website of Eutelsat Communications in the section Investors/ Eutelsat S.A. Bond Holders (http://www.eutelsat.com/en/investors/eutelsat-sa-bond-holders.html).

For as long as any of the Bonds are outstanding the following documents may be inspected during usual business hours on any weekday (other than Saturdays, Sundays and public holidays), at the office of the Issuer, the Fiscal Agent or any of the Paying Agents:

(i) this Prospectus;

(ii) the Agency Agreement;

(iii) the constitutional documents of the Issuer (with a translation thereof into English); and

(iv) the audited consolidated annual accounts of the Issuer for the two latest financial years (which at the Issue Date comprise the Issuer's audited consolidated accounts for the financial years ended 30 June 2017 and 30 June 2018).

In addition, this Prospectus and each document incorporated by reference are available on the website of the Luxembourg Stock Exchange (www.bourse.lu).

GLOSSARY OF TERMS

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 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).

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).

High throughput satellite or payload (HTS)

Satellite or payload that provides more throughput than a classic satellite for the same amount of spectrum thanks to frequency reuse, thus with a lower cost per megabit.

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.

Low-orbit constellations and Medium-orbit constellations

Constellations of several tens, hundreds or thousands smaller satellites operating in an orbit lower than the geostationary orbit (approximately 36,000 kilometres above Earth's equator).

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 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.

Regular capacity

Capacity which is not HTS capacity (see above).

RF relay

Professional terrestrial RF link generally used between the studios of a radio or TV station and the antennae 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.

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 a satellite, 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.

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