EUTELSAT S.A.

€600,000,000 2.250 PER CENT BONDS DUE 13 JULY 2027

ISSUE PRICE: 99.822 PER CENT

*The €600,000,000 aggregate principal amount 2.250 per cent. bonds due 13 July 2027 (the **Bonds**, and each a **Bond**) of Eutelsat S.A. (the **Issuer**) will be issued on 13 June 2019 (the **Bond Issue**).*

*Each Bond will bear interest on its principal amount at a fixed rate of 2.250 per cent. per annum from (and including) 13 june 2019 (the **Issue Date**) to (but excluding) 13 July 2027, payable in Euro annually in arrears on 13 July of each year and commencing on 13 July 2020, as further described in "Terms and Conditions of the Bonds – Interest". There will be a long first coupon in respect of the first Interest Period from and including the Issue Date to but excluding the first Interest Payment Date (as defined herein).*

*Unless previously redeemed or purchased and cancelled in accordance with their terms and conditions, the Bonds will be redeemed at their principal amount on 13 July 2027 (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 or superseded, 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 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 S&P Global Ratings 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

HSBC | **SMBC Nikko**

Joint Bookrunners

Banca IMI | **Crédit Agricole CIB** | **Société Générale Corporate & Investment Banking**

Co-Lead Manager

Helaba

Date: 11 June 2019

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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 the European Securities and Markets Authority 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 (the **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; (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the **Insurance Distribution 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, SMBC Nikko Capital Markets Limited (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 has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading, 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 recently used and 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 31 December 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 and Al-Yah-3 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 half-year ended 31 December 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.

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.

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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.

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.

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 or 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 31 December 2018, the net book value of impairment of receivables was €101 million (compared to €83 million as of 30 June 2018).

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, in certain geographical areas / certain jurisdictions or for certain applications.

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 31 December 2018) is bringing a significant amount of new capacity at a lower cost per Gigabit. This has lead to an oversupply situation that could lead to 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 some of its services. Heightened competition could result in greater pricing pressure for satellite 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. 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 fixed or mobile 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 could give TV broadcast platform operators or cable operators greater bargaining power with satellite operators or their distributors, thereby causing increased pressure on prices or reduce demand. 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 for fixed or mobile usage). The success of this strategy will depend, in part, on continued growth in demand for Connectivity which is not guaranteed and is not easily predictable. Demand for Connectivity 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 Connectivity services that satisfy market demand or offer competitive prices, especially in the event of any failure involving its satellites.

If the demand for Connectivity 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 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. The Group procured KONNECT, a High Throughput Satellite, destined to be launched in the fourth quarter of 2019 and serve the fixed broadband vertical in Europe and Africa. 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 the second half of the year 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 which will bring increased capacity.

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 the IGO's Closed Pension Fund

Before Eutelsat S.A. was set up and prior to the transfer by the 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 increase by approximately 0.1 base point since 30 June 2018 in the reference interest rates used to determine the discounted value of the guarantee given to a pension fund and retirement benefits led to a decrease in these commitments of €3.2 million (€2.4 million after tax) as of 31 December 2018.

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 is exposed to interest rate risks and reform and regulation of "benchmarks" may adversely affect the pricing on certain of the Group's indebtedness.

A portion of our debt, including under the revolving credit facility, bears 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 Group may also enter into additional indebtedness bearing variable rates of interest in the future. These interest rates could rise significantly in the future. To the extent that interest rates were to increase significantly, our interest expense would correspondingly increase to the extent of the drawings, or our issuance of, such debt bearing variable rates of interest, reducing our cash flow and hindering our ability to make interest payments on the Bonds.

Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the **Benchmarks Regulation**) was published in the Official Journal of the EU on 29 June 2016 and mostly applies, subject to certain transitional provisions, from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of "benchmarks" (or, if non EU based, to be subject to equivalent requirements) (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). The scope of the Benchmark Regulation applies to so-called "critical benchmark" indices, such as LIBOR and EURIBOR.

On 27 July 2017, the Chief Executive of the UK Financial Conduct Authority (the **FCA**), which regulates LIBOR, announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR rates after 2021 (the **FCA Announcement**). Further, on 12 July 2018, the FCA announced that LIBOR may cease to be a regulated benchmark under the Benchmarks Regulation. The FCA Announcement indicates that the continuation of LIBOR on the current basis (or at all) cannot and will not be guaranteed after 2021. It is not possible to predict the effect of the FCA Announcement, any changes in the methods pursuant to which the LIBOR rates are determined and any other reforms to LIBOR, including to the rules promulgated by the FCA in relation thereto, that will be enacted in the United Kingdom, the United States or elsewhere, which may adversely affect the trading market for LIBOR based debt, or result in the phasing out of LIBOR as a reference rate for debt.

In addition, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its Working Group on Sterling Risk-Free Rates has been tasked with implementing a broad-based transition to the Sterling Overnight Index Average (**SONIA**) over the next four years across sterling bond, loan and derivative markets, such that SONIA is expected to be established as the primary sterling interest rate benchmark by the end of 2021.

Regarding similar efforts under the auspices of an industry-led group established in 2018 by the European Central Bank, the Financial Services and Markets Authority, the European Securities and Markets Authority and the European Commission, on 13 September 2018, the working group on euro risk-free rates recommended Euro Short-term Rate (**ESTER**) as the new risk-free rate. ESTER is expected to be published by the ECB by October 2019. In addition, on 21 January 2019, the working group on euro risk-free rates published a set of guiding principles for fallback provisions in new euro-denominated cash products (including bonds).

At this time, it is impossible to predict the effect of any such alternatives on the value of EURIBOR and LIBOR.

In addition, any changes announced by the FCA (including the FCA Announcement), ICE Benchmark Administration Limited as independent administrator of LIBOR or any other successor governance or oversight body, or future change adopted by such body, in the method pursuant to which the LIBOR rates are determined may result in a sudden or prolonged increase or decrease in the reported LIBOR rates. If similar methods were to be adopted in relation to EURIBOR rates, the level of interest payments on existing variable rate debt may be affected.

The Group manages liquidity risk.

As of 31 December 2018, liquidity remains strong, with undrawn credit lines of €450 million and cash of €672 million in addition to the €800 million allocated to the redemption at maturity of the January 2019 bond. 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 2.56 as of 31 December 2018 (2.77 as of 31 December 2017). Net debt as defined in the credit facilities agreement is excluding intragroup loans, thus resulting in €2,709 million as of 31 December 2018 and €3,040 million as of 31 December 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 2020 (€930 million), June 2021 (€500 million), October 2022 (€300 million) and October 2025 (€800 million). Finally, Eutelsat Communications, Eutelsat S.A.'s holding company, has a €600 million term loan maturing in March 2022.

(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 31 December 2018, the Group's consolidated net debt was €2,974 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 BB+ Stable Outlook and Eutelsat S.A.'s debt rated BBB-/Stable Outlook);

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

On 21 November 2018, Standard & Poor's downgraded its rating both for Eutelsat Communications S.A. to BB+/Stable Outlook and for Eutelsat S.A. to BBB-/Stable Outlook. On 14 January 2019, Fitch reiterated its BBB/Stable Outlook rating for Eutelsat S.A.'s senior unsecured debt. On 11 March 2019, Moody's reiterated its Ba1/Stable Outlook rating for Eutelsat Communications S.A. and Baa3/Stable Outlook rating for Eutelsat S.A..

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 specific 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.

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 could be exposed to the risk of non-compliance with the laws and regulations applicable to it, notably with regard to the fight against corruption and influence peddling, economic sanctions, the protection of personal data and competition law.

In the course of conducting its business in France and internationally, the Group is exposed to the risk of non-compliance with the laws and regulations applicable to it, notably with regard to the fight against corruption and influence peddling, economic sanctions, the protection of personal data and competition law. In the event of unethical practices or violations of the laws and regulations applicable to the Group by any employee, the risk could take the form of financial, administrative or criminal penalties and damage to the Group's reputation or image.

In order to reduce its exposure to the risk of corruption in particular, the Group has set up a compliance program aimed at preventing and detecting acts of corruption or influence peddling, coupled with control system to ensure their effectiveness. These actions are in accordance with Act 2016-1691 of December 9 2016 on transparency, the fight against corruption and the modernisation of economic life (the "Sapin II Act") and the recommendations of the Agence Française Anticorruption ("AFA"). Nevertheless, the Group cannot guarantee that the procedures and controls in place will prevent or detect all violations of the laws and regulations applicable to the Group by an employee; if it were to occur, such a violation could have a material adverse effect on the Group's business, financial situation, results and growth prospects.

Such violations can result in civil penalties, including fines, the denial of export privileges, injunctions, asset seizures, debarment from government contracts, the termination of existing contracts, revocations or restrictions of licenses, criminal fines or imprisonment. In addition, such violations could also negatively impact the Group's reputation and consequently its business. Moreover, any such violations by the Group's competitors, if undetected, could give them an unfair advantage when bidding for contracts. The consequences the Group may suffer as a result of the foregoing could have a material adverse effect on the Group's business, financial condition 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 40% of revenues in the half-year ended 31 December 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 when appropriate. 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 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 (the Issuer 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 31 December 2018, the Issuer's banking syndicate comprises seven 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 remain 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 for certain Bondholders depending on the purchase price of the Bonds.

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 money 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, 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 the view of 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 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)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT 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, the timing of which remains unclear. 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 and the half-year ended 31 December 2018. The Issuer's 2016-17 Financial Statements and 2017-18 Financial Statements have been audited by Ernst & Young Audit and Mazars. The Issuer's Half-Year Financial Statements for the half-year ended 31 December 2018 were subject to a limited review 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 €2,002 million at 31 December 2018 compared to €2,008 million at 31 December 2017.

Selected financial information from the Consolidated Balance Sheets of the Issuer (Eutelsat S.A.) [(1)]

(in € millions)	For the year ended (Audited)			For the half-year ended (Non-audited)		
	30 June 2017	**30 June 2018**	**Change**	**31 Dec. 2017**	**31 Dec. 2018**	**Change**
Total of non-current assets	5,579	5,488	(91)	5,383	5,349	(34)
Total current assets	835	1,094	+259	761	1,906	+1,145
Assets held for sale	301	-	(301)	301	-	(301)
Total assets	**6,715**	**6,582**	**(133)**	**6,444**	**7,256**	**+812**
Total shareholders' equity	2,217	2,137	(80)	2,008	2,002	(6)
Total non-current liabilities	4,109	3,158	(951)	3,989	4,003	+14
Total current liabilities	389	1,287	+898	447	1,251	+804
Total liabilities and shareholders' equity	**6,715**	**6,582**	(133)	6,444	7,256	+812
NET DEBT[(2)]	**3,267**	**2,902**	**(365)**	**3,272**	**2,974**	**(298)**

(1) Figures as of 30 June 2017, 31 December 2017 and 30 June 2018 are before application of IFRS 15 Standard.

(2) Net debt includes all bank and bond debt, Intra-group loans, liabilities associated with lease agreements 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)			For the half-year ended (Non-audited)		
	30 June 2017	**30 June 2018**	**Change**	**31 Dec. 2017**	**31 Dec. 2018**	**Change**
REVENUES	1,481	1,411	-5%	689	659	-4%
Operating costs	(99)	(97)	-2%	(46)	(43)	-7%
Selling, general and administrative expenses	(240)	(230)	-4%	(94)	(95)	+1%
Depreciation and amortisation	(488)	(462)	-6%	(232)	(235)	+1%
Other operating income and expenses	14	(19)	N/A	(10)	36	N/A
OPERATING INCOME	**668**	**604**	-10%	**307**	**322**	+5%
Net financial items	(125)	(103)	-17%	(56)	(50)	-11%
CONSOLIDATED NET INCOME	**398**	**313**	-22%	**162**	**178**	+10%
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**401**	**316**	-21%	**161**	**177**	+10%

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

(in € millions)	For the year ended (Audited)			For the half-year ended (Non-audited)		
	30 June 2017	**30 June 2018**	**Change**	**31 Dec. 2017**	**31 Dec. 2018**	**Change**
Net cash flows from operating activities	966	866	(100)	416	384	(32)
Net cash flows used in investing activities	(352)	(63)	+289	(86)	(15)	+71
Net cash flows used in financing activities	(1,359)	(503)	+856	(382)	396	+778
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(745)**	**299**	+1,044	(56)	767	+823

Other Selected Financial Information: EBITDA

(in € millions)	For the year ended (Audited)			For the half-year ended (Non-audited)		
	30 June 2017	**30 June 2018**	**Change**	**31 Dec. 2017**	**31 Dec. 2018**	**Change**
Revenues	1,481	1,411	-5%	689	659	-4%
Operating expenses[1]	(339)	(327)	-4%	(140)	(137)	-2%
EBITDA[2]	**1,143**	**1,084**	-5%	**550**	**522**	-5%
EBITDA margin (*as a percentage of revenues*)	77.1	76.9	-0.2 pts	79.7	79.2	-0.5pts

(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	**31 Dec. 2017**	**30 June 2018**	**31 Dec. 2018**
Value of contracts (*in € billions*)	5.2	4.7	4.6	4.6
Portion relating to Video Applications	85%	85%	83%	77%

As of 30 June 2018, the Group's order backlog totalled €4.6 billion or around 3.2 times annual revenues, compared to €5.2 billion at 30 June 2017, an evolution which primarily reflects the integration of Noorsat. As of 31 December 2018, the Group's order backlog totalled €4.6 billion or around 3.3 times annual revenues, broadly unchanged compared to end-June 2018. 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, and more generally the Telecom industry. The table below shows the calculation of EBITDA based on the consolidated P&L accounts for FY 2016-17 and FY 2017-18:

	For the year ended (Audited)		**For the half-year ended (Non-audited)**	
In € millions	**30 June 2017**	**30 June 2018**	**31 Dec. 2017**	**31 Dec. 2018**
Operating result	668	604	307	322
+Depreciation and Amortization	488	462	232	235
-Other operating income and expenses	(14)	19	10	(36)
EBITDA	**1,143**	**1,084**	**550**	**522**

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

	For the year ended (Audited)		**For the half-year ended (Non-audited)**	
In € millions	**30 June 2017**	**30 June 2018**	**31 Dec. 2017**	**31 Dec. 2018**
EBITDA	1,143	1,084	550	522
Revenues	1,481	1,411	689	659
EBITDA margin (as a % of revenues)	77.1	76.9	79.7	79.2

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

	For the year ended (Audited)		**For the half-year ended (Non-audited)**	
In € millions	**30 June 2017**	**30 June 2018**	**31 Dec. 2017**	**31 Dec. 2018**
Last twelve months EBITDA	1,143	1,084	1,098	1,058(1)
Closing net debt as per covenant definition(2)	3,043	2,671	3,040	2,709
Net debt / EBITDA	**2.66**	**2.46**	**2.77**	**2.56**

(1) Calculation based on EBITDA post application of IFRS 15 for the first half of fiscal year 2018-19 and on EBITDA before application of IFRS 15 for the second half of fiscal year 2017-18.
(2) Net Debt as per covenant definition is equal to the Issuer Group net debt (€3,267 million as of 30 June 2017, €2,902 million as of 30 June 2018, €3,272 million as of 31 December 2017 and €2,974 million as of 31 December 2018) minus Intercompany loan (€224 million as of 30 June 2017, €232 million as of 30 June 2018, €232 million as of 31 December 2017 and €264 million as of 31 December 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];

(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]; and

(c) the Issuer's consolidated financial statements for the six months ended 31 December 2018 in the English language (the **2019 Half-Year Financial Statements**) which include a free translation of the statutory auditors' audit report for the six months ended 31 December 2018.[6]

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. (https://www.eutelsat.com/sites/eutelsat-internet/home/investisseurs/eutelsat-sa.html#bonds).

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.

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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.

6 For the avoidance of doubt, the free translation of the statutory auditors' report for the six months ended 31 December 2018 is subject to the Responsibility Statement on page 3 of this Prospectus.

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

	2017 Financial Statements (English Translation)	2018 Financial Statements (English Translation)	2019 Half-Year Financial Statements (English Translation)
Historical Financial Information			
Free Translation of Audit Reports[1]	Pages 51 to 58	Pages 51 to 57	Pages 25 to 27
Consolidated balance sheet	Page 3-4	Pages 3-4	Pages 2-3
Consolidated income statement	Page 5	Page 5	Page 4
Comprehensive income statement	Page 6	Page 6	Page 5
Consolidated statement of cash flows	Page 7	Page 7	Page 6
Consolidated Statement of changes in shareholders' equity	Page 8	Page 8	Page 7
Accounting policies and explanatory notes	Pages 9 to 50	Pages 9 to 50	Page 8 to 24

[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 € 600,000,000 2.250 per cent. bonds due 13 July 2027 (the **Bonds**) has been authorised by a resolution of the Board of Directors (*Conseil d'administration*) of Eutelsat S.A. (the **Issuer**) dated 28 March 2019 and a decision of Mr Rodolph Belmer, *Directeur général* of the Issuer dated 6 June 2019. The Issuer will enter into an agency agreement dated 11 June 2019 (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 can be sent by CACEIS Corporate Trust to Bondholders by e–mail upon their request. 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 2.250 per cent. *per annum* (the **Rate of Interest**) from, and including, 13 June 2019 (the **Issue Date**) to, but excluding, 13 July 2027 (the **Maturity Date**) payable annually in arrears on 13 July of each year (an **Interest Payment Date**) commencing on 13 July 2020. There will be a long first coupon in respect of the first Interest Period from and including the Issue Date to but excluding the first Interest Payment Date.

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 on 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 S&P Global Ratings 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 +0.40 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 0.25 per cent. *per annum* and maturing on 15 February 2027 with ISIN DE0001102416.

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, interest and other revenues 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 (https://www.eutelsat.com/sites/eutelsat-internet/home/investisseurs/eutelsat-sa.html#bonds), and for so long as the Bonds are cleared through such clearing systems or, if not so cleared, published by the Issuer 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 the Issuer 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 (https://www.eutelsat.com/sites/eutelsat-internet/home/investisseurs/eutelsat-sa.html#bonds).

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 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 the outstanding bonds issued on 13 December 2013 for a total principal amount of €930,000,000 bearing interest on its principal amount at a fixed rate of 2.625 percent per annum and due 13 January 2020.

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 37 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 the Issuer 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 the Issuer (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

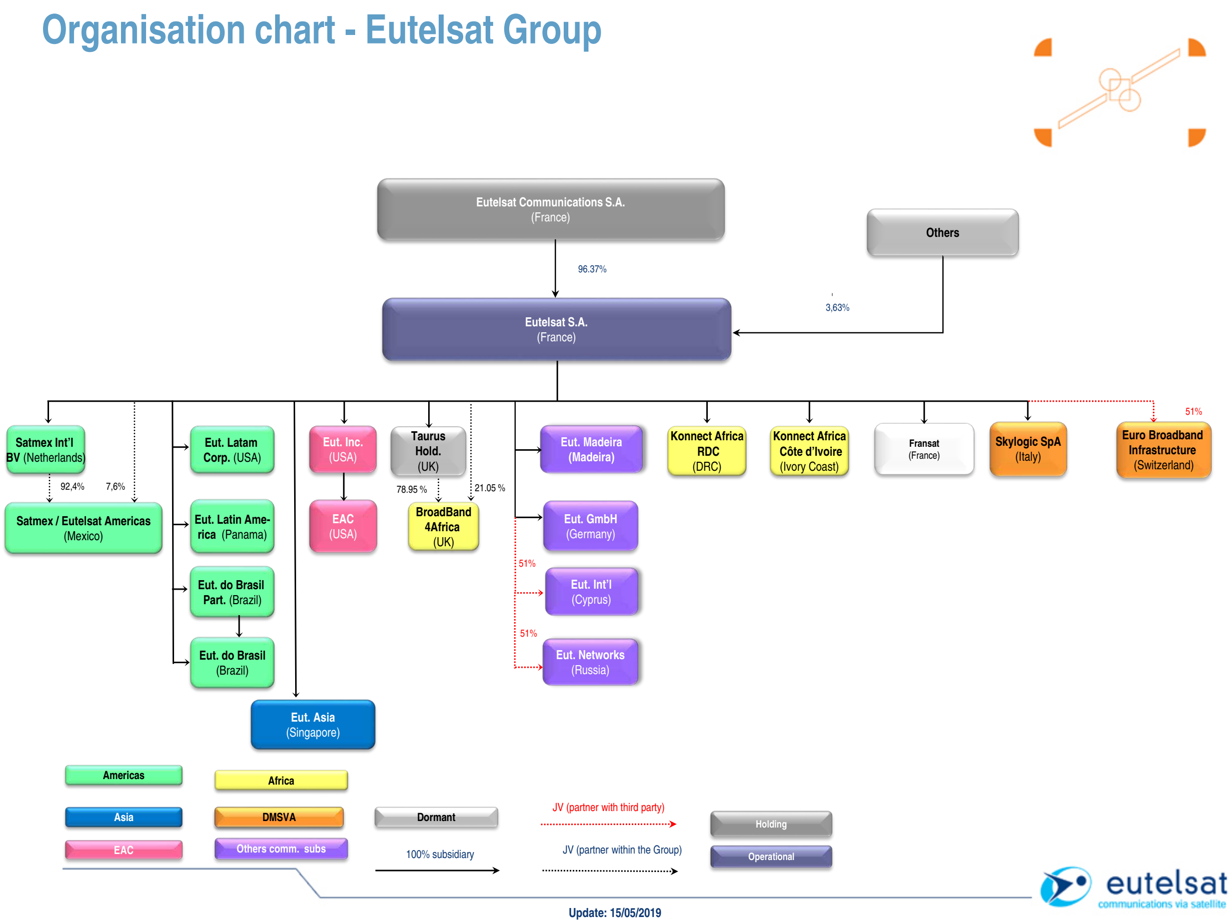
Legal form and applicable legislation

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.



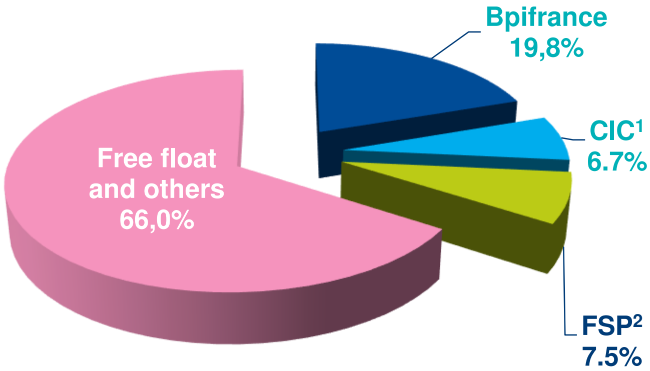
Eutelsat Communications S.A. (France)

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 28 February 2019, the three largest strategic shareholders of Eutelsat Communications were Bpifrance Participations with 19.8% of the share capital, Fonds Stratégique de Participations (FSP) with 7.5% and China Investment Corporation (CIC) with 6.7%.

Shareholder Structure of Eutelsat Communications as of 28 February 2019



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

At 28 February 2019, 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 the Issuer as of 28 February 2019:

Shareholders	Number of shares	Percentage
EUTELSAT COMMUNICATIONS SA	976 469 367	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, the Issuer 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 Economic and Social Council issues an opinion on this report. The report and the opinion of the Economic and Social 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

the Issuer financing structure is the following:

– €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;

– €800 million seven-year bonds issued on 25 September 2018 on the Luxembourg Stock Exchange, maturing on 2 October 2025. The bonds bear a coupon of 2.000%, were issued at 99.400% and are redeemable at maturity at 100% of their prinicipal amount;

– Two export credit facilities covered by Office National du Ducroire (ONDD) for a total amount of €209 million; of which €130.5 million were drawn at 31 December 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 €52.9 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 €77.6 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 both have 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 the Issuer'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, the Issuer is required to maintain a total net debt to annualised EBITDA ratio (as contractually defined and based on the consolidated financial statements of the the Issuer 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).

- A credit facility of up to €200 million composed of three tranches payable in June 2022, June 2023 and June 2024 respectively, bearing interest at a fixed rate plus a predefined margin. No amount from this credit facility has been drawn as of the date of this Prospectus.

- 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 the Issuer 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 the Issuer or bonds issued by the Issuer respectively as a result of a change of control of the Issuer 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 31 December 2018, these costs represent a balance of €17.5 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 Economic and Social 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

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
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:* - Censor of Paprec - Board member of Sulo (ex. Plastic Omnium Environment) *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

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
			company) - Permanent representative of Bpifrance Participations, Censor of Paprec - Permanent representative of Bpifrance Participations, censor of Verallia *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)	*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)

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
			- 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) - Manager of Euro Broadband Retail (Switzerland) (until 25 September 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 *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 - Supervisory Board of Younited *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	*Office and positions that have expired:* *In France* - None

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
		Outside France - None	*Outside France* - None

BUSINESS OVERVIEW

Eutelsat S.A. (**Eutelsat** or the **Issuer**) is a private fixed satellite operator operating a fleet of 37 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

In the face of the market environment, Eutelsat has implemented a two-step strategy in response to the recent slowdown in growth of its core businesses. The aim of the first step is to maximize the revenue generation of its businesses by adapting its operational and financial objectives. The second step consists in preparing to return to growth by building on Video and capturing the longer-term potential in Connectivity.

Maximising free cash flow generation

The maximisation of Discretionary free cash flow generation will be achieved through two sets of measures, financial and operational, aimed at optimizing the revenue generation of Eutelsat's core businesses (Video, Fixed Data and Government Services).

Financial Measures

Financial measures are structured around three areas:

- reducing Capex: Capex savings will be achieved without impacting the current deployment plan and associated future revenues. Savings will notably be driven by the implementation of a "design-to-cost" approach which has started to bear fruit since 2016-17 with the order to EUTELSAT 5 West B (in fall 2016) leading to savings in excess of 30% compared to the theoretical replacement cost of EUTELSAT 5 West A. More recently, the replacement of the HOTBIRD constellation is another example of this approach. Several other elements will also contribute to Capex reduction, in particular a focus on hosted payload and partnership or "condosats" opportunities when appropriate, the capitalisation on industry-wide efficiency improvements and the strict monitoring of Ground Capex;

- optimising the cost of debt which will allow for cumulative cash interest savings of around €50 million per year before tax compared to FY 2016;

- controlling operating costs with the implementation of "LEAP" cost-savings plan aimed at generating €30 million in annualised savings by 2018-19.

All these measures will help to grow the Group's free cash flow in the medium-term.

Furthermore, in order to maximise cash and accelerate deleveraging, Eutelsat has been streamlining its portfolio of assets with, in 2017-18, the closing of the disposal of its stake in Hispasat for a consideration of 302 million euros. In addition, in August 2018, the Group sold its interest in the EUTELSAT 25B satellite for a €135 million consideration. In 2016-17, the Group also sold its subsidiary Wins/DHI.

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 have also been 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;

- continuing to invest selectively, notably at the 7°East position. The launch of EUTELSAT 7C will significantly improve coverage and resources 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.

Fixed Data

In the context of the 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 in particular on the following opportunities:

- position itself to accompany the development of Telecom Operators by providing with a Capex-light solution to extend services beyond their terrestrial reach;

- 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 verticals where satellite has untapped potential, such as agriculture and the Internet of Things;

- 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 U.S. Department of Defense with a view to growing sales in new sub-segments.

Eutelsat is also seeking to expand its operations to other governments notably in Europe, the Middle-East and Asia as well as at new orbital positions when possible: fox 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 program 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.

Returning to growth by extracting more value from the core Video business and seizing longer-term opportunities in Connectivity

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

Extracting more value in Video

Video via satellite will continue to represent a pocket of growth 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;

– 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 is constantly innovating with recent innovations including 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 and the 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.

A significant milestone of this strategy has been achieved with the launch, in September 2018, of CIRRUS a hybrid satellite-OTT turnkey delivery solution which will enable broadcasters to offer a flexible, seamless content experience across multiple screens, representing a further step for Eutelsat in the integration of satellite into the IP ecosystems. Eutelsat CIRRUS will allow enhancing end-viewer experience and generating additional revenue opportunities.

Furthermore, on the Medium-term, Eutelsat is seeking to extract more value from its core Video business with the implementation of a design-to-cost approach allowing Capex optimization, in particular when the replacement of in-orbit resources is required, hence allowing better return on capital.

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 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. A retail partnership was signed with Orange including firm commitments 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, Icelandair, La Compagnie and Neos 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 several 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;

- at 10°East, 33°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 abovementionned 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 competive costs, thus adressing market needs.

While the main focus is the promising in-flight connectivity market, the Group’s global ressources allow it to be well positioned to seize opportunities in the VSAT maritime market.

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 and competition

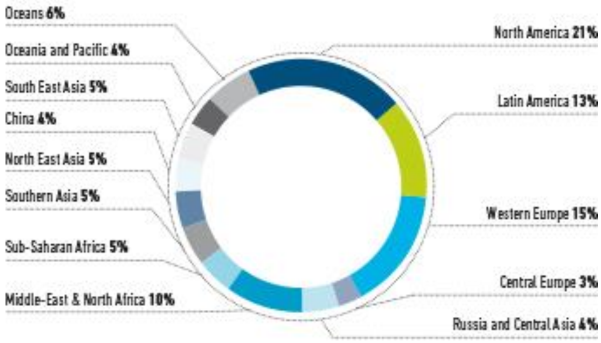
The Fixed Satellite Services (FSS) industry

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 10.9 billion U.S. dollars in 2018.

BREAKDOWN BY REGION OF REVENUE FOR FSS SECTOR



Source: Euroconsult, 2018 edition, based on total FSS operators wholesale revenues.

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;

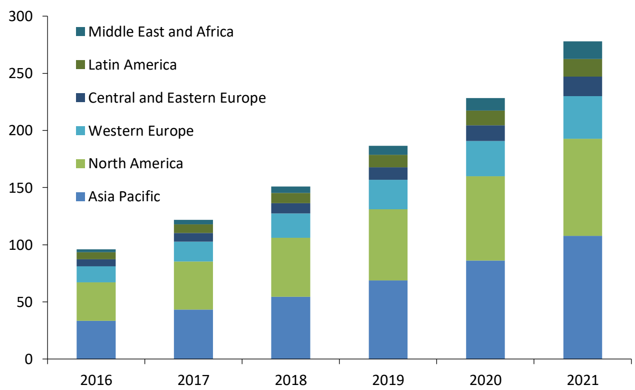
– customers, especially those in the Video broadcasting business, prefer to secure satellite capacity on a long-term basis;

– long-term partnerships are frequent 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.

GLOBAL INTERNET TRAFFIC EVOLUTION (IN EB PER MONTH)



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 a 50% market share in the FSS sector.

OPERATORS GLOBAL MARKET SHARE (BASED ON REVENUES)

Source: Euroconsult, 2018 edition

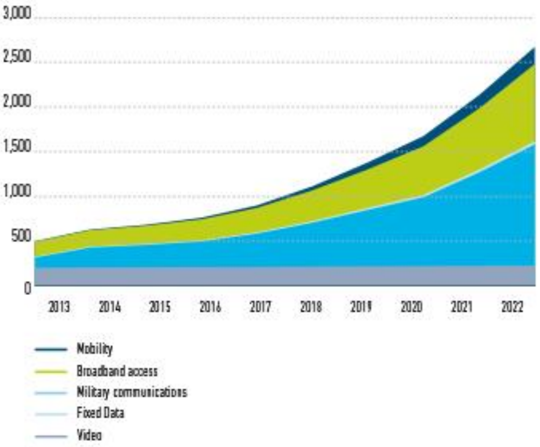
At regional level, some operators have also implemented investment programmes with a view to expanding on their markets and competing with global operators. These programmes may encounter obstacles such as the high level of investment, expertise and commercial effort required and the complexity of the 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 forecast to decrease by 4% between 2017 and 2022 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 highgrowth segments have emerged in recent years, notably the “Connectivity” businesses of Fixed Broadband and Mobile Connectivity, which present significant new opportunities for satellite operators.

BREAKDOWN BY APPLICATION OF GLOBAL DEMAND IN GBPS (REGULAR AND HTS CAPACITY USED)



Source: Euroconsult, 2018 edition

Core businesses – market prospects

Video

Video was the largest segment of the FSS market, accounting for circa 4,000 transponders worldwide, equivalent to 60% of the volume of regular capacity available on the market (source: Euroconsult, 2018 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 35,000 to over 40,000 over the last five years and should exceed 44,000 by 2027 (source: Euroconsult, 2018 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 2017-2027 period to more than 11,000 channels by 2027.

– Ultra-High Definition technology is developing and suitable equipment is beginning to emerge. It is currently three times more bandwidth-hungry than HD, even factoring in the efficiencity 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 generalization of MPEG-4.

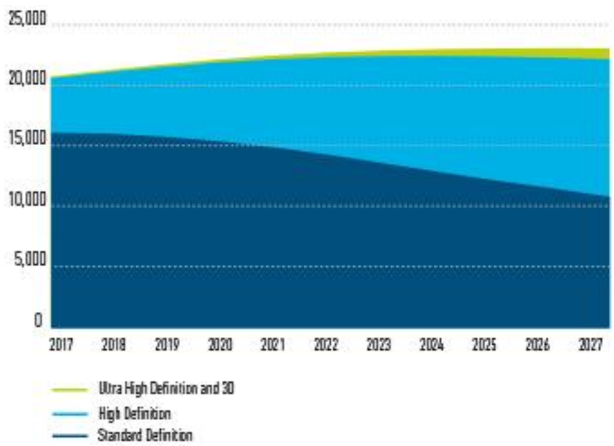
– The development of interactive platforms as a result of the emergence of new non-linear ways of watching television is prompting operators to design a new generation of "hybrid" terminals that combine access to both television and the Internet. Eutelsat's teams are involved in this process and are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

In emerging countries demand is growing. According to Euroconsult, between 2017 and 2022 demand for capacity for Video Applications will grow by 5% 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 to 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 5% compared to 34% in Western Europe (source: Euroconsult, 2018 edition). HD penetration is forecast to progress in these regions which will have an additional positive effect on demand.

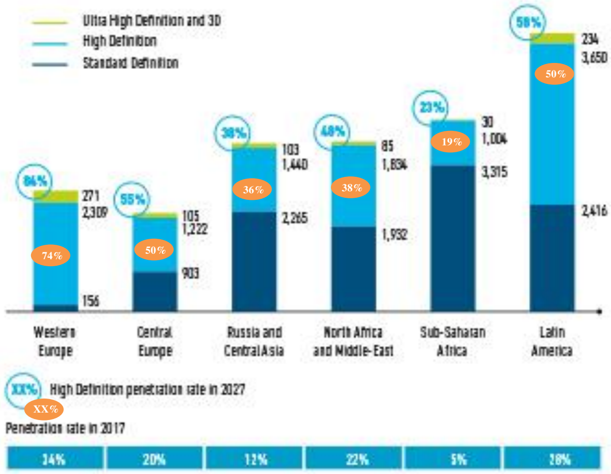
Finally the rise of Digital Terrestrial Television ("DTT") in emerging countries, particularly in Africa, is creating opportunities for satellite operators to provide capacity for supplying terrestrial re-transmitters and ensure additional coverage for homes located in shadow areas.

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



Source: Euroconsult, 2018 edition

HD PENETRATION BY SUBREGION IN 2027



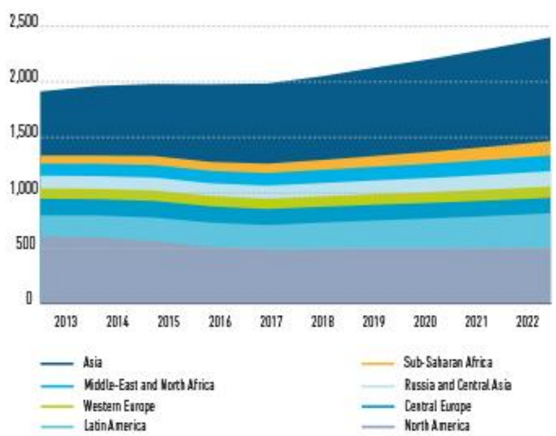
Source: Euroconsult, 2018 edition

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.

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



Source: Euroconsult, 2018 edition

– 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, with satellite being positionned as a complement to terrestrial networks. 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).

- 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. There is also a specific market segment that helps to secure the network in countries where fibre optic is unreliable.

Overall demand is well-oriented 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 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 U.S. Government, a key customer in this segment, has stabilized, albeit at much lower prices than before. There are growth opportunities in certain 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 is also opening 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 30% in five years to over 2.8 million worldwide (source: Euroconsult, 2018 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 one billion euros 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 2015-34);

- 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”)

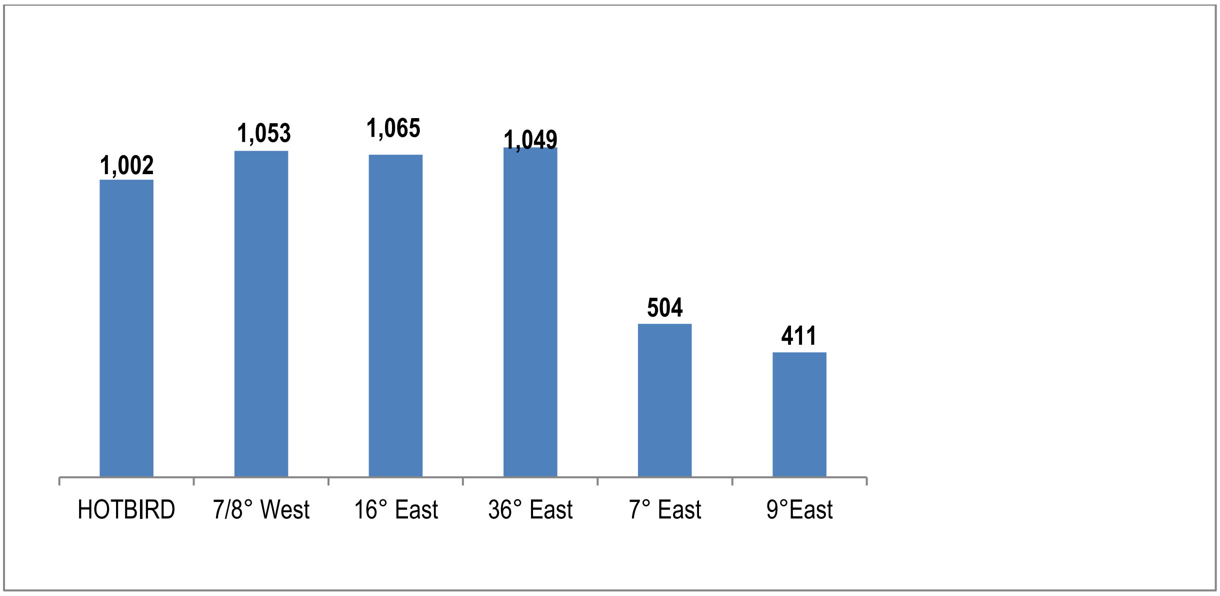
Eutelsat provides its customers with broadcasting capacity and associated services to enable them to transmit TV programmes mainly to households that are either equipped to receive them direct via satellite, or – to a much lesser extent – connected to cable or IP networks. The Group occupies a key place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

With 7,067 TV channels as of 31 December 2018 (including 1,500 in High Definition) broadcast via the Group’s in-orbit resources, 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).

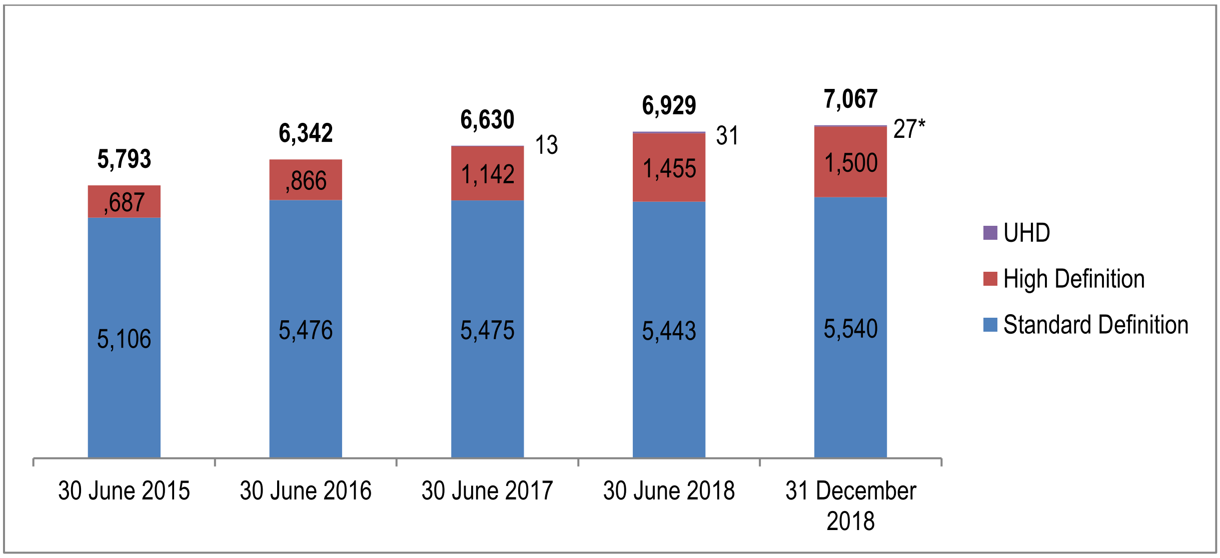
Eutelsat is a pioneer in the development of Ultra High Definition broadcasting: for example, the Group launched the HOTBIRD 4K1 demo channel, encoded in HEVC and broadcast at 50 frames per second with 10-bit colour depth. It was then Europe’s first Ultra-HD channel in this new standard. Eutelsat carried 16 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 added new in-orbit resources when appropriate, 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, BeIn Media, 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 (as of 31/12/2018)



Number of channels on Eutelsat's fleet



Source: Eutelsat Communications.

** Of which 16 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 fiscal 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.

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

Fixed Data

Fixed Data revenues stood at €143 million for fiscal year 2017-18 and represented 10% of Eutelsat's revenues. In 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 weighted towards 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 fiscal 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 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, specifically distributors or Telecom operators, who supplement the Internet access offer with additional services, such as voice on IP or access to a television package via satellite.

A wide range of services for professionals are also commercialized. 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 has provided Broadband Internet access services in Russia on the EUTELSAT 36C satellite since fall 2016. Furthermore, capacity leased on the fleet of Yahsat will allow to progressively ramp-up Broadband Internet access services in Sub-Saharan Africa from 2018-19 ahead of the availability of Eutelsat's own satellite which is expected to be launched in 2019 to serve this region.

Mobile Connectivity

Mobile Connectivity revenues amounted to €74 million in fiscal 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 adapted to Mobile Connectivity (in-flight or maritime) notably at 3°East, 10°East, 33°East, 70°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, Speedcast or Telcos such as China Unicom 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, El Al, La Compagnie and Neos.

Furthermore, Eutelsat has signed a multi-year agreement with Taqnia for the lease of an HTS Ka-band payload 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.

At the end of 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 the 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 37 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 2018 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
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

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 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
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

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 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 Ka	December 2015	Q2 2033
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 2018

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

– 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.

– EUTELSAT 33C was relocated to 133°West and renamed EUTELSAT 133 WEST A.

– EUTELSAT 59A reached the end of its operational life and was de-orbited in December 2018.

– EUTELSAT 12 WEST B now operates in inclined orbit.

– EUTELSAT 70C was relocated to 48°East and renamed EUTELSAT 48E.

As of the date of this Prospectus the Group operates capacity on 37 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 excluding HTS capacity:

	30 June 2017	31 Dec. 2017	30 June 2018	31 Dec. 2018
Operational transponders[7]	1,372	1,416	1 427	1,419
Utilized transponders[8]	931	949	971	970
Fill rate	67.9%	67.0%	68.1%	68.3%

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

Satellites ordered and under construction

Recent satellite orders

Procurement of KONNECT VHTS

In April 2018, 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

In November 2018, Eutelsat ordered two new satellites from Airbus Defence and Space to replace the three existing HOTBIRD satellite at its 13° East flagship neighbourhood. These all-electric high-power satellites are set to enter into service in 2022, serving Europe, the Middle East and North Africa. Total operational capacity at HOTBIRD will remain unchanged.

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

[8] Number of transponders utilized on satellites in stable orbit.

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	June 2019	Video	Turkey, Middle-East, Africa	44 Ku	49 Ku	19 Ku
EUTELSAT 5 WEST B	5° West	Q3 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	Q4 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. 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.

the Issuer'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 as of 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 Al-Yah 2 and Al-Yah 3 satellites on which the Group leases capacity are controlled by Yahsat.

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 in late 2017.

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

Payload and capacity control is generally carried out for all satellites and transponders whose capacity is marketed by the Group. 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 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 certain capacity lease agreements, the Group may be able to 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 French Space Operations Act.

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 reflected 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 backlog represents future revenues from capacity or service 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, the Group 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	31 Dec. 2017	30 June 2018	31 Dec. 2018
Value of contracts (in € billions)	5.2	4.7	4.6	4.6
In years of annual revenues based on the last financial year	*3.5*	*3.2*	*3.2*	*3.3*
Share of Video Applications	85%	85%	83%	77%

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

Bpifrance Participations reduces its stake in Eutelsat Communications

On 21 February 2019 Bpifrance Participations announced having reduced its stake in Eutelsat Communications from 26.4% to 19.8% through an Accelerated Bookbuilding process. This partial disposal reflects Bpifrance Participations strategy of active portfolio management and will allow them to finance other companies. They remain the reference shareholder and a long-term partner and will continue to support Eutelsat's development. Following this operation and as from Eutelsat Communications' next general meeting, two directors (instead of the current three) will be proposed by Bpifrance Participations to the Board of Directors of Eutelsat Communications.

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.

Change in Tax treatment

The French Finance Law for 2019 enacted a provision specifying the rules relating to the territoriality of corporate income tax applicable to telecommunications satellite operators. Following the vote of the French Finance Law for 2019, discussions have started with the French tax administration in order to assess the conditions of implementation of this new measure. The outcome of these discussions is expected to be a reduction of the order of €70 million in Eutelsat SA's annual tax burden, subject to final formal approval by the French tax administration.

On-going litigations

In the course of its business activities, the Group has been 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 was recognised.

The Issuer, a company belonging to the tax consolidation group of which Eutelsat Communications S.A. is the head, was under a tax audit in respect of the financial years ended 30 June 2012, 2013 and 2014. In December 2016, the Issuer received a tax reassessment 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 reassessment; however, the Issuer believes that it has solid arguments to challenge those final reassessment in Court. As a result, as of 31 December 2018, no provision had been recorded for these tax reassessments.

Since September 2018, the Issuer is under a new tax audit for financial years closing on June 30, 2015, 2016 and 2017. At the end of December 2018, Eutelsat S.A. received a conservative tax reassessment for the financial year closed on June 30, 2015. This reassessment is based on a the refusal of the tax auditors to offset the research and development tax credit computed by Eutelsat for the financial year closed in 2015 against the corporate income tax of the group. The merits of such tax reassessment is still under discussion.

Indebtedness of the Issuer since 31 December 2018

As of 30 April 2019, non-current financial debt of the Issuer amounted to €1,950 million.

Credit rating

On 11 March 2019, 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.

Eutelsat's rating was downgraded by S&P on 21 November 2018 to reflect a less favourable outlook for European satellite operators than prior the sector review. The issue rating of the senior unsecured debt issued by Eutelsat Communications is lowered to BB+ from BBB- and the issue rating on senior unsecured debt issued by the Issuer is lowered to BBB- from BBB. The outlook on both companies is stable. The ratings were reaffirmed on 17 May 2019.

On 14 January 2019, Fitch Ratings affirmed Eutelsat Communications S.A.'s (Eutelsat) Long-Term Issuer Default Rating (IDR) at 'BBB' and the Issuer's senior unsecured rating at 'BBB'. The Outlook on the IDR is Stable.

Third quarter and nine months ended 31 March 2019 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.

– Third quarter revenues of €337 million, up 0.7% year-on-year

– Strong resilience of Broadcast, with return to slight growth quarter-on-quarter supporting stable Video revenues

– Operating Verticals revenues down 3.0% like-for-like at the 9-month stage; full-year outturn now expected in a similar range

– All other objectives confirmed with ongoing focus on free-cash-flow generation

HIGHLIGHTS

The third quarter saw further progress on:

- The outcome of discussions on tax territoriality treatment to secure a reduction of the order of €70 million in our annual tax burden, subject to final formal approval by French Tax administration.
- The resilience of core Broadcast with return to quarter-on-quarter growth, supporting stable Video revenues;
- The multi-year, multi-transponder commercial wins in Maritime Mobility including an agreement with Speedcast on EUTELSAT 133 West A and a multiple-satellite deal with Marlink;
- The recovery in renewal rate with the US Government to circa 85% in Spring;
- The positive indications of demand for Konnect Africa confirmed, but ramp-up hindered by temporary operational issues;

The revenues for the Operating Verticals now expected at circa -3% like-for-like for FY 2018-19 reflecting Fixed Broabdband delays, deterioration in Professional Video and Fixed Data trends and slower than expected materialization of Video pipeline; All other financial objectives confirmed for the current and following year.

THIRD QUARTER REVENUES ANALYSIS BY APPLICATION[9]

In € millions	3 months to March 2018 IFRS 15 restated	3 months to March 2018 proforma[10]	3 months to March 2019 reported	Actual change[11]	Like-for-like change[12]
Video Applications	221.8	217.9	215.4	-2.9%	-2.5%
Government Services	38.0	38.0	39.9	+5.0%	-1.0%
Fixed Data	35.3	35.3	30.4	-13.9%	-17.8%
Fixed Broadband	20.8	20.8	19.1	-8.2%	-9.7%
Mobile Connectivity	17.9	17.9	19.8	+10.6%	+4.7%
Total Operating Verticals	333.8	329.9	324.6	-2.8%	-4.0%
Other Revenues[13]	0.6	0.6	12.1	nm	nm
Total revenues	334.4	330.4	336.7	+0.7%	+1.4%
EUR/USD exchange rate	1.21	1.21	1.14		

Total revenues for the Third Quarter 2018-19 stood at €336.7 million, up 0.7% year-on-year.

Revenues for the five Operating Verticals (ie, excluding 'Other Revenues') were down by 4.0% on a like-for-like basis, ie, excluding a negative perimeter effect of c.1.2 points (disposal of the stake in EUTELSAT 25B) and a positive currency effect of c.2.4 points.

Quarter-on-quarter, total revenues were up by 4.3%. The revenues of the Operating Verticals were down 1.0% like-for-like.

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

Core businesses

Video Applications (67% of revenues)

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

10 Pro-forma revenues reflecting the disposal of EUTELSAT 25B. Please refer to the appendix for more detail.

11 Q3 2018-19 reported revenues versus Q3 2017-18 revenues restated from IFRS 15.

12 At constant currency, perimeter and accounting standards. The variation is calculated as follows: i) Q3 2018-19 USD revenues are converted at Q3 2017-18 rates; ii) Q3 2017-18 revenues are restated from the disposal of Eutelsat's interest in EUTELSAT 25B and from the impact of IFRS 15 standards.

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.

Third Quarter Video Applications revenues were down by 2.5% to €215.4 million, on a year-on-year basis. This reflected mostly an accelerated, double-digit decline in Professional Video in a context of intensifying competitive pressure. Professional Video now accounts for less than 8% of Video revenues. Pure Broadcast revenues were stable.

On a quarter-on-quarter basis, total Video revenues were stable while Broadcast revenues recorded a slight rise.

On the commercial front, a multi-transponder contract was secured for a new DTH platform on EUTELSAT 65 West A. On the other hand, other projects in the pipeline were delayed for non-structural reasons and should materialize in the near future.

At 31 March 2019 the total number of channels broadcast by Eutelsat satellites stood at 7,021, up 2.0% year-on-year and by 3.0% stripping out the effect of the disposal of EUTELSAT 25B. HD penetration rose by 11% to 1,509 channels, implying a penetration of 21.5% of channels compared to 19.7% a year earlier.

Government Services (12% of revenues)

Third Quarter Government Services revenues stood at €39.9 million, down 1.0% year-on-year. This reflected on one hand the incremental business secured last year at the 174°East orbital position covering Asia-Pacific, and on the other, the low outturn of the Fall 2018 renewal campaign with the US Government (70%).

On a quarter-on-quarter basis, revenues were stable (+0.2%).

The outturn of the Spring 2019 renewals with the US Government showed an improvement at 85% in value.

Fixed Data (9% of revenues)

Third Quarter Fixed Data revenues stood at €30.4 million, down 17.8% year-on-year. This reflected ongoing pricing pressure in a highly competitive environment as well as softer volumes in Latin America.

On a quarter-on-quarter basis, revenues were down 7.3%.

Connectivity

Fixed Broadband (6% of revenues)

Third Quarter Fixed Broadband revenues stood at €19.1 million, down 9.7% year-on-year. Excluding the expiry of a contract with a Middle-East customer for a spotbeam on EUTELSAT 3B, re-contracted to Taqnia in the Mobile Connectivity vertical, the underlying performance was -7.7%. This reflected a further decline in European Broadband with scarcity of capacity in certain countries and the transition to a new distribution model (Preferred Partnership Programme) which is leading to a decline in activity with legacy distributors, not yet fully compensated by the new model.

Revenues for Konnect Africa are running behind expectations reflecting temporary operational issues (political situation in DRC, regulatory delays in Ivory Coast and more generally logistical issues). As a result, no material revenues are expected in the current financial year. This reflects mostly rollout issues and does not, however, alter our view of the strong potential of this market where the Group expects a ramp-up next fiscal year.

Fixed Broadband Revenues declined by 5.3% on a quarter-on-quarter basis.

Mobile Connectivity (6% of revenues)

Third Quarter revenues for Mobile Connectivity stood at €19.8 million, up 4.7% year-on-year. They reflected the entry into service of the UnicomAirNet contract on EUTELSAT 172B, the carry-forward impact of the contract with Taqnia at 3°East and 70°East and the ongoing ramp-up of capacity contracts on KA-SAT.

On the commercial front, a multi-year, multi-transponder agreement was signed with Speedcast for capacity dedicated to Maritime Connectivity on EUTELSAT 133 West A, representing another win in this vertical following the conclusion of a multi-satellite deal with Marlink.

Quarter-on-quarter revenues were up 1.3% with the benefit of UnicomAirNet partially offset by the end of a temporary wide-beam contract on Eutelsat 172B.

Other Revenues

Other Revenues amounted to €12.1 million in the Third Quarter versus €0.6 million a year earlier and -€3.5 million in the previous quarter. They included a significant one-off engineering fee and a -€5.7 million impact from hedging.

OPERATIONAL AND UTILIZED TRANSPONDERS

The number of operational 36 MHz-equivalent transponders stood at 1,418 at 31 March 2019, broadly stable versus end-December and slightly down year-on-year, mainly reflecting the disposal of EUTELSAT 25B in August 2018.

The number of utilized transponders stood at 960, down 10 units versus end-December. Year-on-year they were up by nine units on a reported basis and up by 17 excluding the disposal of EUTELSAT 25B. The evolution versus end-December principally reflects lower Fixed Data volumes in Latin America. On a year-on-year basis this was more than offset by new contracts in Video as well as the ramp-up at 174°East.

As a result the fill rate stood at 67.7% at end-March 2019 compared to 66.8% one year ago and 68.3% at end-December 2018.

	31 March 2018	31 Dec 2018	31 March 2019
Operational transponders[14]	1,424	1,419	1,418
Utilized transponders[15]	951	970	960
Fill rate	66.8%	68.3%	67.7%

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

ORDER BACKLOG

The order backlog[16] stood at €4.4 billion at 31 March 2019 versus, €4.6 billion at end-December 2018, reflecting natural backlog consumption in the absence of material Video renewals. It was equivalent to 3.1 times 2017-18 revenues. Video Applications represented 76% of the backlog.

	31 March	31 Dec	31 March

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

15 Number of transponders utilised on satellites in stable orbit.

16 The backlog represents future revenues from capacity or service agreements and can include contracts for satellites under procurement.

	2018	2018	2019
Value of contracts (in billions of euros)	4.6	4.6	4.4
In years of annual revenues based on previous fiscal year	*3.1*	*3.3*	*3.1*
Share of Video Applications	83%	77%	76%

NINE MONTHS REVENUES ANALYSIS BY APPLICATION[17]

In € millions	9 months to March 2018 IFRS 15 restated	9 months to March 2018 proforma[18]	9 months to March 2019 reported	Actual change	Like-for-like change[19]
Video Applications	664.8	654.9	647.5	-2.6%	-2.1%
Government Services	117.6	117.6	121.7	+3.5%	+0.7%
Fixed Data	108.7	108.7	96.4	-11.4%	-13.9%
Fixed Broadband	63.6	63.6	59.6	-6.3%	-7.1%
Mobile Connectivity	54.9	54.9	59.8	+8.8%	+6.0%
Total Operating Verticals	1,009.7	999.7	985.0	-2.4%	-3.0%
Other Revenues[20]	12.7	12.7	9.7	nm	nm
Total revenues	1,022.4	1,012.5	994.8	-2.7%	-1.7%
EUR/USD exchange rate	1.19	1.19	1.15		

Revenues for the first Nine Months of FY 2018-19 stood at €994.8 million, down 2.7%.

Revenues of the five Operating Verticals (excluding 'Other Revenues') were down by 3.0% like-for-like, excluding a negative perimeter effect of c.0.5 points (net impact of the acquisition of Noorsat and of the disposal of EUTELSAT 25B) and a positive currency effect of c.1point.

FINANCIAL OUTLOOK

At the Nine Month stage, revenues of the Operating Verticals of -3.0% like-for-like are tracking behind our Full Year objective of 'Broadly Stable' reflecting temporary operational issues delaying the ramp-up of Konnect Africa, softer conditions in Fixed Data and Professional Video and the late

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

18 Proforma revenues reflecting the disposal of EUTELSAT 25B. Please refer to the appendix for more detail.

19 At constant currency, perimeter and accounting standards. The variation is calculated as follows: i) 9m 2018-19 USD revenues are converted at 9m 2017-18 rates; ii) 9m 2017-18 revenues are restated from the disposal of Eutelsat's interest in EUTELSAT 25B and from the impact of IFRS 15 standards; iii) 9m 2018-19 revenues are restated from the net contribution of Noorsat.

20 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.

materialization of some contracts in the Video pipeline. The Group now expects the outturn for FY 2018-19 to be in the same range of circa -3%[21].

We continue to target a return to slight topline growth in FY 2019-20, which will benefit from the materialization of the delayed business mentioned above, an improvement in the performance of European Broadband, the initial contribution from the EGNOS payload on EUTELSAT 5 West B and the availability of new capacity on EUTELSAT 7C and EUTELSAT QUANTUM.

All other financial objectives for the current and following years are also confirmed:

- The EBITDA margin (at constant currency) is expected above 78% from FY 2018-19.
- The estimated Cash Capex[22] spend is expected at an average of €400 million per annum for the period July 2017 to June 2020.
- Discretionary Free Cash Flow is expected to grow at a mid-single digit CAGR in the period July 2017[23] to June 2020 (at constant currency and excluding the impact of the disposal of the interest in EUTELSAT 25B).
- 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

Satellite[24]	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	June 2019	Video	Turkey, Middle-East, Africa	44 Ku	49 Ku	19 Ku
EUTELSAT 5 WEST B	5° West	Q3 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	Q4 2019	Connectivity	Africa Europe	65 spot beams	75 Gbps	75 Gbps
KONNECT VHTS	To be confirmed	H2 2021	Connectivity Government Services	Europe	~230 spot beams	500 Gbps	500 Gbps

21 Variation for the Operating Verticals (excluding Other Revenues) at constant currency, perimeter and accounting standards.

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

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

24 Chemical propulsion satellites (EUTELSAT QUANTUM, EUTELSAT 5 West B) generally enter into service 1 to 2 months after launch. Electric propulsion satellites (EUTELSAT7C, KONNECT, KONNECT VHTS, EUTELSAT HOTBIRD 13F and EUTELSAT HOTBIRD 13G) between 4 and 6 months.

Satellite[24]	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 HOTBIRD 13F	13° East	H2 2021	Video	Europe MENA	80 Ku[25]	73 Ku[22]	None
EUTELSAT HOTBIRD 13G	13° East	H2 2021	Video	Europe MENA	80 Ku[22]	73 Ku[22]	None

Since the last quarterly update in February 2019, the launch of EUTELSAT 5 WEST B is now expected in Q3 2019, versus Q2 2019 previously, with no impact on the revenue profile.

Changes in the fleet

– EUTELSAT 12 WEST B now operates in inclined orbit.

– EUTELSAT 70C is being relocated.

Second quarter and half-year 2018-19 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.

– Continued strong delivery on cash generation strategy

– Operating Verticals revenues of €660 million, down 2.4% like-for-like

– High level of profitability: EBITDA margin of 79% at constant currency, above full-year objective

– Discretionary Free Cash Flow of €235 million at constant currency and perimeter

– All elements of the Financial Outlook confirmed for current and future years

Key Financial Data	6M to Dec. 2017 restated	6M to Dec. 2018	Change
Revenues - €m	688.1	658.1	-4.4%
"Operating Verticals" revenues	675.9	660.4	-2.3%
"Operating Verticals" revenues at constant currency and perimeter	669.9	653.8	-2.4%
EBITDA[26] - €m	546.2	518.4	-5.1%
EBITDA margin - %	79.4	78.8	-0.6 pts
EBITDA margin at constant currency - %	79.4	79.0	-0.4 pts
Group share of net income - €m	158.0	150.4	-4.8%
Discretionary Free-Cash-Flow at constant currency and perimeter[27]	337.1	235.2	-30.2%

25 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.

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

Net debt - €m	3,630.3	3,304.3	-€326m
Net debt/EBITDA - X	3.3x	3.1x	-0.2 pts

This document contains figures from the consolidated half-year accounts prepared under IFRS and subject to a limited review by the Auditors. They were reviewed by the Audit Committee on 13 February 2019 and approved by the Board of Directors on 14 February 2019. 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. Figures as of 31 December 2017 have been restated throughout this announcement to reflect the retrospective adoption of IFRS 15 on 1 July 2018. The impact of the application of IFRS 15 is presented in the note 3 to the consolidated financial statements. The Group adopted IFRS16 and IFRS 9 on 1 July 2018.

HIGHLIGHTS OF THE YEAR

Since the beginning of FY 2018-19, Eutelsat has taken further measures to maximise cash generation, leveraging all components of cash-flow:

- The successful issue of an €800 million 2.0 percent Eurobond with a 7-year maturity, enabling the full redemption of the outstanding bonds bearing a 5.0 per cent coupon maturing in January 2019. This transaction will reduce pre-tax cash interest by some €24 million on an annualized basis from FY 2019-20;
- The disposal of the interest in EUTELSAT 25B for a cash consideration of €135 million;
- Further progress on the implementation of the capex optimization strategy with:
  - The replacement of the HOTBIRD constellation negotiated at highly compelling terms thanks to the application of design-to-cost;
  - A long-term service agreement with Arianespace covering five launches until 2027, providing cost-effective, assured access to space with schedule flexibility;
- The LEAP cost-saving program, comfortably on track to deliver €30m in opex savings this year;
- The French Finance Law for 2019 contains a provision specifying the rules relating to the territoriality of corporate tax applicable to telecommunications satellite operators. This will likely have a significant beneficial impact on Eutelsat’s tax bill, although it cannot be reliably measured at this stage.

At the same time Eutelsat has continued to build the foundations for its return to growth:

- Extracting greater value from its core Video business with the launch in September 2018 of Eutelsat CIRRUS, a hybrid satellite-OTT turnkey delivery solution enabling broadcast customers to offer a flexible, seamless content experience across multiple screens, and representing a further step in the integration of satellite into the IP ecosystem;
- Capturing the connectivity opportunity with:
  - The commercial launch of the Konnect Africa broadband service in several countries;

[27] Net cash-flow from operating activities - Cash Capex - Interest and Other fees paid net of interests received.

- The completion of the overhaul of the distribution strategy in Europe focused on selected specialist distribution partners and major telecom operators.

REVENUES[28]

In € millions	6 months to Dec 2017 IFRS 15 restated	6 months to Dec 2017 proforma[29]	6 months to Dec 2018 reported	Actual change	Like-for-like change[30]
Video Applications	443.0	437.0	432.1	-2.5%	-2.0%
Government Services	79.6	79.6	81.8	+2.9%	+1.7%
Fixed Data	73.4	73.4	66.0	-10.2%	-11.9%
Fixed Broadband	42.8	42.8	40.5	-5.5%	-5.8%
Mobile Connectivity	37.1	37.1	40.0	+7.9%	+6.7%
Total Operating Verticals	675.9	669.9	660.4	-2.3%	-2.4%
Other Revenues[31]	12.2	12.2	(2.3)	n/a	n/a
Total revenues	688.1	682.0	658.1	-4.4%	-4.5%
EUR/USD exchange rate	1.17	1.17	1.16		

Total revenues for the First Half of FY 2018-19 stood at €658 million down by 4.4% at constant accounting standards.

Revenues of the five Operating Verticals (ie, excluding 'Other Revenues') were down by 2.4% on a like-for-like basis excluding a negative perimeter effect of c.0.5 points (net effect of the disposal of the stake in EUTELSAT 25B and the acquisition of Noorsat) and a positive currency effect of c.0.5 points.

Second Quarter revenues stood at €323 million, down 5.7% at constant accounting standards. Revenues of the five Operating Verticals stood at €326 million, down 3.0% year-on-year and by 2.2% quarter-on-quarter on a like-for-like basis.

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

Core businesses

Video Applications (66% of revenues)

First Half Video Applications revenues were down 2.0% like-for-like to €432 million, reflecting lower Professional Video revenues in a context of continued price pressure as well as the impact of a lower

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

29 Pro-forma revenues reflecting the disposal of EUTELSAT 25B. Please refer to the appendix for more detail.

30 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.

31 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. Hedging effect amounted to (€7.1) million in the first half of FY 2018-19 and +€1.9m a year earlier.

contribution from Fransat. Excluding these two factors, pure Broadcast revenues were broadly stable.

Second Quarter revenues stood at €215 million, down by 2.4% year-on-year but broadly stable on a quarter-on-quarter basis.

At 31 December 2018, the total number of channels broadcast by Eutelsat satellites stood at 7,067, up 3.8% year-on-year. HD penetration continued to increase, standing at 1,500 channels versus 1,275 a year earlier (+17.6%), implying a penetration rate of 21.2% compared to 18.7% a year earlier.

On the commercial front, contracts were signed with the Ethiopian Broadcasting Corporation and the Association of Ethiopian Broadcasters for capacity on EUTELSAT 8 West B, representing multi-transponder capacity including incremental resources. A new multi-year, multi-transponder contract has also been signed with Afghanistan Broadcasting System for capacity on the EUTELSAT 53A satellite. Elsewhere, Eutelsat will now sell capacity directly to beIN Media, reflecting the direct approach implemented in the MENA region. Finally, the first contracts have been signed for the CIRRUS platform.

Thanks to these contracts and other business opportunities in the pipeline close to materialization, trends in Broadcast are set to improve in the coming quarters.

Government Services (12% of revenues)

First Half Government Services revenues stood at €82 million, up 1.7% on a like-for-like basis. This reflected on one hand the incremental business secured last year over Asia-Pacific at the 174°East orbital position, and on the other the lower than expected level of renewals with the US Government in the Fall 2018 campaign.

Second Quarter revenues stood at €39 million, stable on a year-on-year basis, and down by 8.0% quarter-on-quarter.

Fixed Data (10% of revenues)

First Half Fixed Data revenues stood at €66 million, down 11.9% like-for-like. The performance of this vertical continues to reflect ongoing pricing pressure and a highly competitive environment, with Latin America the main contributor to the decline.

Second Quarter revenues amounted to €33 million, down 11.7% on a year-on-year basis, and by 3.1% quarter-on-quarter.

On the commercial front, a framework agreement was signed with Orange incorporating a material multi-transponder renewal which secures business on a multi-year basis, as well as setting the stage for potential incremental business in Fixed Data, Government Services and Mobile Connectivity.

Connectivity

Fixed Broadband (6% of revenues)

First Half Fixed Broadband revenues stood at €40 million, down 5.8% like-for-like. This performance continued to reflect lower revenues for European Broadband in a context of scarcity of available capacity in certain Western Europe countries and transition to a new, self-managed distribution strategy, as well as the expiry of a contract with a Middle-East customer for a spotbeam on EUTELSAT 3B, re-contracted to Taqnia in the Mobile Connectivity vertical.

Second Quarter revenues stood at €20 million, down 4.2% year-on-year and by 1.5% quarter-on-quarter.

Revenue trends stand to improve in the Second Half, notably thanks to the launch and progressive ramp-up of the Konnect Africa broadband service in several countries. The commercial service was launched in November 2018 in DRC (Democratic Republic of Congo) with a large network of local partners ranging from telecom and television services distributors to financial services operators.

In Europe, an overhaul of the standalone distribution strategy, focused on selected specialist distribution partners and telecom operators has been completed. In this context, an agreement has been signed with the Spanish telco operator, Masmovil, for the distribution of broadband services via the KA-SAT satellite, while a Preferred Partner Programme (PPP) has been launched to reinforce relations with key partners and revitalize the distribution of KA-SAT capacity.

Mobile Connectivity (6% of revenues)

First Half Mobile Connectivity revenues stood at €40 million, up 6.7% like-for-like. They reflected the positive impact of the new contract with Taqnia at 3°East and 70°East, the carry-over effect of the entry into service of EUTELSAT 172B at the end of November 2017 and the ongoing ramp-up of capacity contracts on KA-SAT.

Second Quarter revenues stood at €19.4 million, up 2.6% on a year-on-year basis, and down by 6.9% quarter-on-quarter.

On the commercial front, a multi-transponder contract was signed with a leading service provider on multiple satellites for capacity dedicated to maritime connectivity. This new contract as well as the start of the UnicomAirNet contract for in-flight connectivity on EUTELSAT 172B will support revenue growth in the Second Half.

Other Revenues

In the First Half, Other revenues amounted to (€2.3) million versus €12.2 million a year earlier. They included a negative (€7.1) million impact from hedging operations. The lumpiness of this line means the half yearly performance cannot be extrapolated for the full year.

OPERATIONAL AND UTILIZED TRANSPONDERS

The number of operational transponders as of 31 December 2018 stood at 1,419, up by three units year-on-year and down by eight versus end-June, principally reflecting the disposal of EUTELSAT 25B.

The number of utilized transponders stood at 970, up 21 units year-on-year and stable versus end-June. The evolution versus end-June principally reflects the disposal of EUTELSAT 25B as well as the outcome of the Fall renewals in Government Services, offset by new contracts with Orange Slovensko and Ethiopian broadcasters as well as the ramp-up at 174° East.

As a result, the fill rate stood at 68.3% compared to 67.0% a year earlier and 68.1% at end-June.

	31 Dec 2017	30 Jun 2018	31 Dec 2018
Operational transponders[32]	1,416	1,427	1,419
Utilized transponders[33]	949	971	970

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

[33] Number of transponders utilised on satellites in stable orbit

Fill rate	67.0%	68.1%	68.3%

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

ORDER BACKLOG

The order backlog[34] stood at €4.6 billion as of 31 December 2018 versus 4.7 billion a year earlier and 4.6 billion at the end of June 2018. The stability versus end-June reflects notably the inclusion of future revenues related to commitments from Orange and Thales on KONNECT VHTS as well as the new contracts in maritime and with the Ethiopian broadcasters in Video which offset the negative effects of the disposal of EUTELSAT 25B, the adoption of IFRS 15 and natural backlog consumption.

The backlog was equivalent to 3.3 times 2017-18 revenues. Video Applications represented 77% of the backlog.

	31 Dec 2017	30 Jun 2018	31 Dec 2018
Value of contracts (in billions of euros)	4.7	4.6	4.6
In years of annual revenues based on previous fiscal year	3.2	3.2	3.3
Share of Video Applications	85%	83%	77%

PROFITABILITY

EBITDA stood at €518 million as of 31 December 2018 compared to €546 million a year earlier, down by 5%. The EBITDA margin stood at 78.8% (79.0% at constant currency) versus 79.4% a year earlier, reflecting lower high-margin 'Other Revenues', the dilutive effect of changes in perimeter as well as costs related to the Konnect Africa project. The LEAP program is progressing in line with expectations and is well on track to deliver on its €30m target for the full year.

Group share of net income stood at €150 million versus €158 million a year earlier, down 5% and representing a margin of 23%. This reflected:

- Broadly unchanged depreciation and amortisation ((€258) million as of 31 December 2018 compared to (€254) million a year earlier);
- 'Other operating income' of €36 million reflecting principally the capital gain on the disposal of the interest in EUTELSAT 25B in August 2018;
- A net financial result of (€53) million (versus (€56) million a year earlier), mainly reflecting the balance sheet evolution of foreign exchange gains and losses;
- A tax rate of 35% (versus 27% last year) which does not reflect the potential impact of the above-mentioned new provisions included in the French Finance Law for 2019. As a reminder, the previous year's tax rate included a positive non-cash one-off related to deferred tax liabilities to reflect future changes in the French corporate tax rate, as well as the full impact of the refund relating to the 3% dividend tax for previous years.

[34] The backlog represents future revenues from capacity or service agreements and can include contracts for satellites under procurement.

DISCRETIONARY FREE-CASH-FLOW

In H1 2018-19 Net cash flow from operating activities amounted to €379 million, €33 million lower than a year earlier. This reflected principally the decrease in EBITDA partly as a result of negative currency and perimeter impacts.

Cash Capex amounted to €130 million, fully consistent with expectations. As a reminder, last year's cash capex in the first half stood at just €53 million, a level which was not representative of the full year figure.

Interest and other fees paid net of interest received amounted to €24 million versus €21 million last year.

As a result, Discretionary Free Cash-Flow amounted to €225 million (€235 million at constant currency and perimeter), down 34% on a reported basis and by 30% at constant currency and perimeter, reflecting predominantly the phasing of investments. This evolution should not be extrapolated for the year as a whole.

FINANCIAL STRUCTURE

At 31 December 2018 net debt stood at €3,304 million, up €63 million versus end-June. It reflected on one hand €225 million in discretionary free cash-flow generated in the first semester and half of the consideration for EUTELSAT 25B (€68 million), and on the other, the dividend payment of €310 million and the impact of IFRS 16 for €44 million. Other items, mainly repayments of export credit financing and financial leases, changes in the foreign exchange portion of the cross-currency swap and premia for derivatives settled represented a net amount of €1 million.

The net debt to EBITDA ratio stood at 3.1 times, an improvement on end-December 2017 (3.3 times). As a reminder, December usually represents a peak in the annual net debt profile reflecting the timing of the dividend payment.

The weighted average maturity of the Group's debt stood at 2.7 years, compared to 2.5 years at end-December 2017. The average cost of debt after hedging stood at 2.8% (2.9% in H1 2017-18). When restated from the repayment of the January 2019 €800m maturity, these metrics stood at 3.4 years and 2.2% respectively.

Liquidity remained strong, with undrawn credit lines of €650 million and cash of €677 million in addition to the €800 million allocated to the redemption at maturity of the January 2019 bond.

DIVIDEND

The Annual General Meeting of Shareholders of 8 November 2018 approved the payment of a dividend of €1.27 per share in respect of the financial year ended 30 June 2018, up from €1.21 the previous year. The dividend was paid on 22 November 2018.

FINANCIAL OUTLOOK

The underlying trend of the five Operating Verticals is broadly in line with our expectations. The second half will benefit from the ramp-up of Konnect Africa (fixed broadband), the contracts with China Unicom on EUTELSAT 172B and in maritime at several orbital positions (mobile connectivity) as well as an expected improvement in Video on the back of an easing comparison basis for Fransat and new business signed (Ethiopian broadcasters, Orange Slovensko, Afghanistan Broadcasting

System) and in the pipeline. The Group therefore confirms its expectation of 'broadly stable' revenues[35] for the current fiscal year with a return to slight growth from FY 2019-20.

All other elements of the financial outlook are also confirmed:

– 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.

– The estimated Cash Capex[36] spend is expected at an average of €400 million[37] per annum for the period July 2017 to June 2020.

– Discretionary Free Cash Flow is expected to grow at a mid-single digit CAGR in the period July 2017[38] to June 2020 (at constant currency and excluding the impact of the disposal of the interest in EUTELSAT 25B).

– 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

Satellite[39]	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	Q2 2019	Video	Turkey, Middle-East, Africa	44 Ku	49 Ku	19 Ku
EUTELSAT 5 WEST B ..	5° West	Q2 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[40]	73 Ku[22]	None

[35] Revenues for the Operating Verticals (excluding Other revenues) at constant currency, perimeter and accounting standards. Proforma revenues for the five operating verticals stood at €1,330 million in FY 2017-18, excluding the contribution of EUTELSAT 25B from August 2017 and restated from the impact of IFRS 15 standards.

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

[37] Including impact of new IFRS 16 accounting standard.

[38] Net cash-flow from operating activities - Cash Capex - Interest and Other fees paid net of interest received.

[39] 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.

Satellite[39]	Orbital position	Estimated launch (calendar year)	Main applications	Main geographic coverage	PhysicalTransponders/ Spot beams	36 MHz-equivalent transponders / Spot beams	Of which expansion
EUTELSAT HOTBIRD 13G...........................	13° East	2021	Video	Europe MENA	80 Ku[22]	73 Ku[22]	None

Since the last quarterly update in October 2018, the launches of EUTELSAT 7C and EUTELSAT 5 WEST B are now expected in Q2 2019, versus Q1 2019 previously, with no material impact on the revenue profile.

Changes in the fleetin the First Half

– Eutelsat sold its interest in the EUTELSAT 25B satellite to the co-owner of the satellite, Es'hailSat.

– The Al Yah 3 satellite started operations.

– EUTELSAT 33C was relocated to 133°West and renamed EUTELSAT 133 WEST A.

– EUTELSAT 59A reached the end of its operational life and was de-orbited.

CORPORATE GOVERNANCE

The Ordinary and Extraordinary Shareholders' Meeting of 8 November 2018 renewed the mandates of Ross McInnes and Bpifrance Participations.

The Board is composed of twelve members, 42% of whom are women (five out of twelve) and 58% of whom are independent directors (seven out of twelve).

The Combined General Meeting also approved all the other resolutions, including the approval of the accounts, the dividend for the 2017-18 Financial Year, compensation of corporate officers and compensation policy.

Elsewhere, Esther Gaide has been appointed chairwoman of the Audit, Risks and Compliance Committee replacing Ross McInnes who will remain a member of this Committee. Ross McInnes has been appointed chairman of the Nomination and Governance Committee replacing Carole Piwnica who will remain a member of this Committee.

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[40] 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.

APPENDICES

In this section, the information provided relates to Eutelsat Communications S.A. and its consolidated subsidiaries.

Appendix 1: Additional financial data

Extract from the consolidated income statement (in € millions)

Six months ended December 31	2017[41]	2018	Change (%)
Revenues	688.1	658.1	(4.4%)
Operating expenses	(141.9)	(139.7)	(1.6%)
EBITDA	546.2	518.4	(5.1%)
Depreciation and amortisation	(254.2)	(257.6)	+1.3%
Other operating income (expenses)	(10.4)	35.7	n.a.
Operating income	281.7	296.6	+5.3%
Financial result	(55.8)	(53.2)	-4.7%
Income tax expense	(60.6)	(85.0)	+40.3%
Income from associates	(1.0)	(1.3)	+30.0%
Portion of net income attributable to non-controlling interests	(6.3)	(6.8)	+7.9%
Group share of net income	158.0	150.4	-4.8%

Net debt to EBITDA ratio

		31 Dec. 2017	31 Dec. 2018
Net debt at the beginning of the period	€m	3,641	3,242
Net debt at the end of the period	€m	3,630	3,304
Net debt / EBITDA (Last twelve months)	X	3.3	3.1

Change in net debt (€ millions)

Half-year ending	31/12/2017	31/12/2018
Net cash flows from operating activities	412.1	378.7
Cash Capex	(52.8)	(130.0)
Interest and Other fees paid net of interests received	(20.5)	(23.5)
Discretionary Free Cash Flow	338.8	225.3
Acquisition / disposal of equity investments and subsidiaries	(89.0)	67.5
Distributions to shareholders (including non-controlling interests)	(295.5)	(310.5)
Change in foreign exchange portion of the cross-currency swap	32.4	(11.9)
IFRS 16 Impact as of 1 July 2018	-	(43.8)
Other	23.7	10.7
Decrease (increase) in net debt	10.4	(62.7)

[41] Figures as of 31 December 2017 have been restated to reflect the adoption of IFRS 15 from 1 July 2018. The impact of the application of IFRS 15 standards is presented in the note 3 to the consolidated financial statements.

Appendix 2: Quarterly revenues by application

Reported revenues

The table below shows quarterly reported revenues. As a reminder, IFRS 15 was adopted from July 1st 2018.

In € millions	Q1 2017-18	Q2 2017-18	Q3 2017-18	Q4 2017-18	FY 2017-18	Q1 2018-19	Q2 2018-19	Q3 2018-19
Video	223.3	225.9	225.0	223.1	897.3	217.2	214.9	215.4
Government Services	41.1	39.6	38.0	40.2	158.9	42.4	39.4	39.9
Fixed Data	37.1	36.3	34.9	34.2	142.5	33.3	32.6	30.4
Fixed Broadband	22.3	21.8	21.5	21.1	86.7	20.4	20.1	19.1
Mobile Connectivity	18.6	18.5	17.9	19.5	74.4	20.6	19.4	19.8
Total operating verticals	342.4	342.1	337.3	338.1	1,359.8	334.0	326.4	324.6
Other Revenues	6.8	5.4	0.1	35.8	48.1	1.2	(3.5)	12.1
Total	349.1	347.4	337.4	373.9	1,407.9	335.1	322.9	336.7

Proforma revenues

The table below shows quarterly proforma revenues for FY 2017-18. For comparability purposes with FY 2018-19 figures, they are restated from the following items:

- The contribution of Eutelsat 25B as of August 2017. As a reminder, Eutelsat sold its interest in the Eutelsat 25B satellite in August 2018.
- The impact of IFRS 15.

In € millions	Q1 2017-18	Q2 2017-18	Q3 2017-18	Q4 2017-18	FY 2017-18
Video	217.9	219.0	217.9	215.6	870.5
Government Services	41.1	38.5	38.0	40.2	157.8
Fixed Data	37.2	36.2	35.3	34.2	143.0
Fixed Broadband	22.0	20.9	20.8	20.7	84.3
Mobile Connectivity	18.6	18.5	17.9	19.5	74.4
Total operating verticals	336.8	333.0	329.9	330.2	1,330.0
Other Revenues	6.6	5.5	0.6	33.9	46.7
Total	343.5	338.6	330.4	364.1	1,376.6

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 H1 2017-18 and H1 2018-19:

Six months ended December 31 (€ millions)	**2017**	**2018**
Operating result	281.7	296.6
+Depreciation and Amortization	254.2	257.6
- Other operating income and expenses	10.4	(35.7)
EBITDA	546.2	518.4

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

Six months ended December 31 (€ millions)	**2017**	**2018**
EBITDA	546.2	518.4
Revenues	688.1	658.1
EBITDA margin (as a % of revenues)	79.4	78.8

At constant currency, the EBITDA margin stood at 79.0% as of 31 December 2018.

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

Twelve months ended December 31 (€ millions)	**2017**	**2018**
Last twelve months EBITDA[42]	1,090.2	1,050.7
Closing net debt[43]	3,630.3	3,304.3
Net debt / EBITDA	3.3	3.1

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.

[42] Based on reported figures for fiscal year 2017-18.

[43] Net debt includes all bank debt, bonds and all liabilities from 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 14 of the appendices to the financial accounts.

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.

The table below shows the calculation of Cash Capex for H1 2017-18 and 2018-19:

Twelve months ended June 30 (€ millions)	2017	2018
Acquisitions of satellites, other property and equipment and intangible assets	26.7	85.2
Repayments of ECA loans and lease liabilities[44]	26.2	47.8
Capex per financial outlook definition	52.8	130.0

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 H1 2017-18 and 2018-19 and its reconciliation with the cash flow statement:

Six months ended December 31 (€ millions)	2017	2018
Net cash flows from operating activities	412.1	378.7
Acquisitions of satellites, other property and equipment and intangible assets	(26.7)	(82.2)
Repayment of Export credit facilities[45]	(11.9)	(11.9)
Repayment in respect of lease liabilities	(14.3)	(35.9)
Interest and other fees paid net of interest received	(20.5)	(23.5)
Accounting discretionary Free-Cash Flow	338.8	225.3
Perimeter impact[46]	(1.8)	5.5
Currency impact[47]	-	4.4
Discretionary Free-Cash Flow at constant currency and perimeter	337.1	235.2

44 Included in lines "Repayment of borrowings" and of "Repayment of lease liabilities" of cash-flow statement

45 Included in the line "Repayment of borrowings" of cash-flow statement

46 Impact of the disposal of EUTELSAT 25B satellite. For comparability purposes: i) H1 2017-18 is restated from the contribution of the EUTELSAT 25B to Free-Cash-Flow from August 2017; ii) H1 2018-19 is restated from the advanced payment made by Es'hailSat for capacity on EUTELSAT 25B (€5.5 million) which had to be reimbursed by Eutelsat to Es'hailSat when the asset was sold in August 2018.

47 H1 2018-19 discretionary Free-Cash Flow has been converted at H1 2017-18 €/$ rate and hedging revenue have been excluded.

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 taxes on payments made outside France

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**) other than those mentioned in 2° of 2 *bis* of the same Article 238-0 A, irrespective of the holder's residence for tax purposes. If such payments are made outside France in a Non-Cooperative State other than those mentioned in 2° of 2 *bis* of Article 238-0 A of the French *Code général des impôts*, a 75% withholding tax is applicable (subject to certain exceptions and to the more favourable provisions of an 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.

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 held with a financial institution established in such a Non-Cooperative State (the **Deductibility Exclusion**). 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 on 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 outside France in a Non-Cooperative State other than those mentioned in 2° of 2 *bis* of Article 238-0 A of the French *Code général des impôts* (subject to certain exceptions and to the more favourable provisions of an 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 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 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 held with a financial institution established in such a Non-Cooperative State.

Withholding taxes on payments made to individuals fiscally domiciled in France

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 solidarity levy) 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*, subject to certain exceptions.

2 Luxembourg Taxation

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

(i) Non-resident bond holders

The European Union Savings Directive (Council Directive 2003/48/EC of June 3, 2003, on taxation of savings income in the form of interest payments, the "EU Savings Directive") has been repealed by the Directive 2015/2060/EC of November 10, 2015, with effect as from 1 January 2016.

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to Luxembourg non-resident holders of the Bonds, nor on accrued but unpaid interest in respect of the Bonds, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Bonds held by Luxembourg non-resident bond holders.

(ii) Resident bond holders

Under Luxembourg general tax laws currently in force and subject to the law of December 23, 2005, as amended (the "**December Law**"), mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holder of Bonds, nor on accrued but unpaid interest in respect of the Bonds nor is any Luxembourg withholding tax payable upon redemption or repurchase of Bonds held by Luxembourg resident bond holders.

Under the December Law, payments of interest or similar income made by a paying agent (within the meaning of the December Law) established in Luxembourg to or for the benefit of an individual Luxembourg resident may be subject to a final tax of 20%. Such tax will be in full discharge of income tax if the individual beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding and payment of the tax will be assumed by the Luxembourg paying agent.

An individual beneficial owner of interest or similar income (within the meaning of the December Law) who is a resident of Luxembourg may opt in accordance with the December Law to self declare and pay a final tax of 20% when he/she receives such interest or similar income from a paying agent established in another EU Member State, in a member state of the EEA which is not an EU Member State. In such case, the 20% levy is calculated on the same amounts as for the payments made by Luxembourg resident paying agent. The option for the 20% final levy must cover all payments of interest or similar income made by the paying agent to the Luxembourg resident beneficial owner or, under certain circumstances, to a residual entity established in another EU Member State, during the entire civil year. The individual resident who is the beneficial owner of interest is responsible for the declaration and the payment of the 20% final tax.

SUBSCRIPTION AND SALE

HSBC Bank plc and SMBC Nikko Capital Markets Limited (the **Global Coordinators**) Banca IMI S.p.A., Crédit Agricole Corporate and Investment Bank and Société Générale (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 11 June 2019 (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 99.822 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,

(a) 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.

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds.

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 28 March 2019 and a decision of Mr. Rodolphe Belmer, *Directeur Général* of the Issuer, made on 6 June 2019.

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 €5,250.

Clearing Systems

The Bonds have been accepted for clearance through Euroclear France, Clearstream, Luxembourg and Euroclear with the Common Code number 200557557. The International Securities Identification Number (ISIN) for Bonds is FR0013422623.

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 31 December 2018 (being the end of the last financial period for which interim financial statements have been published).

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 30 June 2018 (being the date of its last published audited financial statements).

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 2.274 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 (https://www.eutelsat.com/sites/eutelsat-internet/home/investisseurs/eutelsat-sa.html#bonds).

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) and the half-year unaudited consolidated financial statements for the six months ended 31 December 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).

Downlink

Path travelled by the signal in the direction space-Earth.

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 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 to 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 (RF)

Electromagnetic frequency generally higher than 20 kHz, used to transmit information.

Regular capacity

Capacity which is not HTS capacity (see above).

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.

Space segment

Satellites in a satellite communications system belonging to an operator.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.

REGISTERED OFFICE OF THE ISSUER

EUTELSAT S.A.
70, rue Balard
75015 Paris
France

LUXEMBOURG LISTING AGENT

CACEIS Bank Luxembourg
5, Allée Scheffer
L-2520 Luxembourg

CALCULATION AND PAYING AGENT

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

GLOBAL COORDINATORS AND JOINT BOOKRUNNERS

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8 Canada Square
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United Kingdom

SMBC Nikko Capital Markets Limited
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United Kingdom

JOINT BOOKRUNNERS

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Italy

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12, place des États-Unis
CS 70052
92547 Montrouge Cedex
France

Société Générale
29 boulevard Haussmann
75009 Paris
France

CO-LEAD MANAGER

Landesbank Hessen-Thüringen Girozentrale
Neue Mainzer Strasse 52-58
60311 Frankfurt am Main
Germany

LEGAL ADVISERS

To the Issuer as to French law

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45, rue Saint-Dominique
75007 Paris
France

To the Joint Bookrunners and the Co-Lead Manager as to French law

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52 avenue Hoche
75008 Paris
France

AUDITORS OF THE ISSUER

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1/2, place des Saisons, 92400 Courbevoie
92037 Paris-La Défense Cedex
France

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61, rue Henri Regnault
92400 Courbevoie
France