FOURTH QUARTER AND FULL YEAR 2017-18 RESULTS

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

Paris, 1 August 2018 – The Board of Directors of Eutelsat Communications (ISIN: FR0010221234 – Euronext Paris: ETL) met yesterday, chaired by Dominique D'Hinnin, and reviewed the financial results for the year ended 30 June 2018.

Key Financial Data	FY 2016-17	**FY 2017-18**	**Change**
Revenues - €m	1,477.9	**1,407.9**	**-4.7%**
Revenues at constant currency and perimeter	1,471.3	**1,443.0**	**-1.9%**
EBITDA[2] - €m	1,133.6	**1,076.9**	**-5.0%**
EBITDA margin - %	76.7	**76.5**	**-0.2 pts**
EBITDA margin at constant currency - %	76.7	**76.9**	**+0.2 pts**
Group share of net income - €m	351.8	**290.1**	**-17.5%**
Financial structure			
Discretionary Free-Cash-Flow[3]	407.8	**414.7**	**+1.7%**
Discretionary Free-Cash-Flow at constant currency	407.8	**456.2**	**+11.9%**
Net debt - €m	3,640.7	**3,241.6**	**-€399.1m**
Net debt/EBITDA - X	3.2	**3.0**	**-0.2 pts**
Backlog – €bn	5.2	**4.6**	**-11.9%**

Rodolphe Belmer, CEO of Eutelsat Communications, said: *"I'm pleased to report that we fully delivered on all of our financial objectives for the second year in a row. In particular, I would highlight the progressive improvement throughout the year for the five operating verticals. Moreover, in terms of financial discipline, we are ahead of plan on the LEAP cost savings program. Elsewhere, the successful application of our design-to-cost policy – clearly illustrated in the renewal of the HOTBIRD constellation – will enable us once again to reduce our capex envelope in the coming years, while the disposal of our stake in Hispasat enhanced our deleveraging efforts. On the operational front we took an important step in terms of shaping our Connectivity strategy with the procurement of our KONNECT VHTS satellite.*

During this year, we also delivered a solid commercial performance which sets us in good stead to achieve our objective of returning to slight revenue growth this year. All our other financial targets are also confirmed, and we are recommending a dividend increase of 5% to 1.27 per share, underpinned by substantial discretionary free cash-flow growth, and as a mark of our confidence in the future of our company."

[1] At constant currency and perimeter
[2] Operating income before depreciation and amortisation, impairments and other operating income/(expenses).
[3] Net cash-flow from operating activities – Cash Capex - Interest and Other fees paid net of interests received.

EBITDA, EBITDA margin, Net debt / EBITDA ratio, Cash Capex and Discretionary Free-Cash-Flow are considered as Alternative Performance Indicators. Their definition and calculation can be found in appendix 3 of this document.
IFRS 15 and IFRS 16 will be adopted in the Group's consolidated financial statements for the financial year beginning 1 July 2018.

HIGHLIGHTS OF THE YEAR

Fully delivering on all financial objectives:

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

Progressive improvement in trend in the operating verticals

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

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

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

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

- In Video:
    - Well-oriented channel count, up 4.5% with HD penetration of 21.0%, up 3.8 points;
    - Positive outcome of contract renewals, notably Cyfrowy Polsat and TVN at the HOTBIRD position;
    - New business in Europe with SFR-Altice at 5°West , Mediaset at HOTBIRD and XtraTV at the 9°East orbital position as well as in several emerging broadcast markets, including Fiji on EUTELSAT 172B and the Caribbean region on EUTELSAT 117 WEST B;
    - Absorption of Noorsat to optimise Video distribution in the MENA region.
- In Government Services:
    - Favourable outcomes of Fall 2017 and Spring 2018 renewal campaigns with the US Department of Defense;
    - Significant incremental business at the new 174° East orbital position;
    - Much of capacity on EUTELSAT QUANTUM reserved.
- In Mobile Connectivity:
    - Landmark MoU with China Unicom followed by the commercialization of the remaining HTS capacity on EUTELSAT 172B to UnicomAirNet;
    - Agreement with Taqnia for incremental capacity on EUTELSAT 3B and EUTELSAT 70B satellites;
    - These agreements and the double-digit revenue growth confirm the buoyancy of the Mobile Connectivity market.

Procurement of KONNECT VHTS to shape our Connectivity strategy

- Konnect Africa project on track for a commercial launch in August 2018;
- Procurement of KONNECT VHTS with significant multi-year distribution commitments with Orange and Thales.

REVENUES[4]

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

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

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

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

Revenues by application

In € millions	FY 2016-17	FY 2017-18	Change vs. reported revenues	Like-for-like change[5]
Video Applications	908.0	**897.3**	-1.2%	-0.7%
Government Services	176.1	**158.9**	-9.8%	-0.1%
Fixed Data	168.1	**142.5**	-15.2%	-10.1%
Fixed Broadband	96.2	**86.7**	-9.8%	-7.8%
Mobile Connectivity	74.6	**74.4**	-0.2%	+18.2%
Total Operating Verticals	**1,422.9**	**1.359.8**	**-4.4%**	**-1.3%**
Other Revenues[6]	55.0	**48.1**	-12.7%	-12.2%
Total revenues	**1,477.9**	**1,407.9**	**-4.7%**	**-1.9%**
EUR/USD exchange rate	*1.09*	*1.19*		

Core businesses

Video Applications (66% of revenues)

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

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

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

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

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

Government Services (12% of revenues)

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

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

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

[5] 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.

[6] 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.

Commercial activity was favourable throughout the year with a high level of renewals with the US Department of Defense both in Fall 2017 (c.95%) and Spring 2018 (above 95%) as well as the commercialization of the vast majority of the operational transponders at the 174°East position, thereby paving the way for an improvement in trend for this application in FY 2018-19.

Fixed Data (10% of revenues)

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

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

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

Connectivity

Fixed Broadband (6% of revenues)

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

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

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

Mobile Connectivity (6% of revenues)

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

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

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

Other revenues

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

OPERATIONAL AND UTILIZED TRANSPONDERS

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

	30 June 2017	**30 June 2018**
Number of operational 36 MHz-equivalent transponders[7]	1,372	**1 427**
Number of utilized 36 MHz-equivalent transponders[8]	931	**971**
Fill rate	67.9%	**68.1%**

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

[7] Number of transponders on satellites in stable orbit, back-up capacity excluded.
[8] Number of 36 MHz-equivalent transponders utilized on satellites in stable orbit.

BACKLOG

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

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

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

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

PROFITABILITY

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

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

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

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

- The decrease in EBITDA;
- Lower depreciation and amortisation, down €26.9 million year-on-year, thanks to lower depreciation of satellites having ended their operational life or already fully depreciated which was not offset by the impact of satellites which entered service in the past 18 months (EUTELSAT 172B and EUTELSAT 117 WEST B);
- 'Other operating income' of -€18.5 million, reflecting notably the one-off accounting impact of the integration of Noorsat, compared with +€14.1 million a year ago which included the capital gain on Wins/DHI;
- A financial result of -€105.2 million, more favourable than last year (-€130.9 million): it reflected on one hand lower net cost of debt (-€95.2 million versus -€125.7 million a year earlier) thanks mainly to the reimbursement of the €850 million bond in March 2017, and on the other, the evolution of 'Other financial income' (-€10.1 million versus -€5.2 million a year earlier) linked to a negative variation in foreign exchange gains and losses and in the fair value of financial instruments.
- A tax rate of 32.0% which reflected notably the recognition of a positive non-cash one-off related to deferred tax liabilities to take into account the future evolution of the French corporate tax rate. As a reminder last year's tax rate (24.8%) also reflected the partial tax-exemption of the capital gain in respect of the disposal of Wins/DHI.

DISCRETIONARY FREE-CASH-FLOW

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

Cash Capex[9] amounted to €358.2 million compared to €414.4 million a year earlier, below the target of €420 million per annum on average over three years, reflecting the phasing of various satellite programmes as well as effective Capex containment. It included initial payments in respect of the KONNECT VHTS satellites and the HOTBIRD constellation replacement.

[9] See Appendix 3 for the definition of this indicator

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

As a result, **Discretionary Free-Cash-Flow**[10] stood at €414.7 million at 30 June 2018, up by €6.9 million (or 1.7%) year-on-year. At constant currency it was up by 11.9%.

FINANCIAL STRUCTURE

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

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

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

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

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

DIVIDEND

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

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

IMPACT OF ADOPTION OF IFRS 15 AND IFRS 16

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

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

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

Overall, the broad impact of IFRS 15 is estimated between -€15 and -€20 million on 2017-18 revenues (of which -€15 to -€20 million on Operating Verticals). IFRS 16 has no impact on revenues.
The combined impact of IFRS 15 and IFRS 16 is estimated at circa +1 point on the EBITDA margin and circa +€30m on Net Debt. It is estimated at between +€5m and+€10m on Cash Capex. There is no net impact on Discretionary Free Cash Flow.

[10] See Appendix 3 for the definition of this indicator

OUTLOOK

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

All elements of the financial outlook are confirmed or upgraded.

- **Revenues for the five operating verticals**[11] (at constant currency, perimeter and IFRS 15 accounting standards) are expected to return to slight growth from FY 2018-19.
- The **EBITDA margin** (at constant currency) is expected above 78% from FY 2018-19, taking into account the impact of IFRS 15 and IFRS 16 accounting standards.
- Our estimated **Cash Capex**[12] spend is reduced to an average of €400 million[13] per annum for the period July 2017 to June 2020 (versus €420 million previously) reflecting positive impact of design-to-cost policy.
- **Discretionary Free Cash Flow**[14] is expected to grow at a mid-single digit CAGR in the period July 2017[15] to June 2020 (at constant currency).
- The Group is committed to maintaining a sound financial structure to support its investment grade credit rating with a **net debt / EBITDA** ratio below 3.0x.
- It also reiterates its commitment to serving a **stable to progressive dividend.**

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

FLEET DEVELOPMENTS

Nominal launch programme

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

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

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

[11] Excluding Other revenues. Reported revenues for the five operating verticals stood at €1,360 million in FY 2017-18. As a reminder, the impact of the adoption of IFRS 15 standard is estimated between -€15 and -€20 million on FY 2017-18 revenues for the five operating verticals. "
[12] Including capital expenditure and payments under existing export credit facilities and long-term lease agreements on third party capacity.
[13] Including impact of new IFRS 16 accounting standard.
[14] Net cash-flow from operating activities – Cash Capex - Interest and Other fees paid net of interest received.
[15] Discretionary Free-Cash-Flow of €407.8 million in FY 2016-17

Procurement of KONNECT VHTS

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

Procurement of HOTBIRD Constellation replacement

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

Changes in the fleet

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

CORPORATE GOVERNANCE

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

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

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Note: This press release contains audited consolidated financial statements prepared under IFRS, reviewed by the Audit Committee on 30 July 2018 and adopted by the Board of Directors of Eutelsat Communications on 31 July 2018. These accounts will be subject to the approval of shareholders of Eutelsat Communications at the Annual General Shareholders Meeting of 8 November 2018.

Documentation

Consolidated accounts are available at www.eutelsat.com/investors/index.html

Results presentation

Eutelsat Communications will present its results on **Wednesday, August 1st, 2018** by conference call and webcast at **9:00 CET.**

To join the call, please dial the following numbers:

- + 33 (0)1 76 77 22 57 (from France)
- + 44 (0)330 336 9411 (from Europe)
- +1 646 828 8143 (from USA)

Access code: 8635831#

A live webcast will be available on:
http://www.eutelsat.com/en/investors.html

A replay will be available from August 1st, 13:00 CET to August 8, midnight by dialling the following numbers:
+ 33 (0) 1 70 48 00 94 (from France)

- + 44 (0) 207 660 0134 (from Europe)
- +1 719 457 0820 (from USA)

Access code: 8635831#

Financial calendar

Note: The financial calendar is provided for information purposes only. It is subject to change and will be regularly updated.

- *30 October 2018: First quarter 2018-19 revenues*
- *8 November 2018: Annual General Shareholders' Meeting*
- *15 February 2019: First Half 2018-19 results*

About Eutelsat Communications

Founded in 1977, Eutelsat Communications is one of the world's leading satellite operators. With a global fleet of satellites and associated ground infrastructure, Eutelsat enables clients across Video, Data, Government, Fixed and Mobile Broadband markets to communicate effectively to their customers, irrespective of their location. Over 6,800 television channels operated by leading media groups are broadcast by Eutelsat to one billion viewers equipped for DTH reception or connected to terrestrial networks. Headquartered in Paris, with offices and teleports around the globe, Eutelsat assembles 1,000 men and women from 46 countries who are dedicated to delivering the highest quality of service.

Eutelsat Communications is listed on the Euronext Paris Stock Exchange (ticker: ETL).

For more about Eutelsat go to www.eutelsat.com

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Disclaimer

APPENDICES

Appendix 1: Additional financial data

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

In € millions	**Q4 2016-18**	**Q4 2017-18**	**Actual change**	**Like-for-like change[16]**
Video Applications	224.3	223.1	-0.5%	-0.1%
Government Services	44.8	40.2	-10.2%	+2.3%
Fixed Data	41.1	34.2	-16.7%	-10.6%
Fixed Broadband	23.4	21.1	-10.0%	-7.5%
Mobile Connectivity	18.9	19.5	+2.9%	+14.6%
Total operating verticals	**352.5**	**338.1**	**-4.1%**	**-0.7%**
Other Revenues	6.0	*35.8*	X 6.0	X 5.9
Total Revenues	**358.5**	***373.9***	**+4.3%**	**+7.6%**
EUR/USD exchange rate	*1.08*	*1.21*		

Extract from the consolidated income statement (€ millions)

Twelve months ended June 30	**2017**	**2018**	**Change**
Revenues	1,477.9	**1,407.9**	-4.7%
Operating expenses[17]	(344.3)	**(331.0)**	-3.9%
EBITDA	1,133.6	**1,076.9**	-5.0%
Depreciation and amortisation	(532.9)	**(506.0)**	-5.0%
Other operating income (charges)	14.1	**(18.5)**	Na
Operating income	614.8	**552.5**	-10.1%
Financial result	(130.9)	**(105.2)**	-19.6%
Income tax expense	(120.1)	**(142.9)**	+19.0%
Income from associates	(0.4)	**(2.2)**	X 5.9
Portion of net income attributable to non-controlling interests	(11.6)	**(12.0)**	+4.2%
Group share of net income	351.8	**290.1**	-17.5%

[16] At constant currency and perimeter. The variation is calculated as follows: i) Q4 2017-18 USD revenues are converted at Q4 2016-17 rates; ii) Q4 2017-18 revenues are restated from the net contribution of Noorsat.
[17] Operating expenses is defined as the sum of operating costs and of selling, general & administrative expenses.

Change in net debt (€ millions)

Twelve months ended June 30	2017	2018
Net cash flows from operating activities	**982.9**	**880.8**
Cash Capex[18]	(414.4)	(358.2)
Interest and Other fees paid net of interests received	(160.7)	(107.9)
Discretionary Free Cash Flow	**407.8**	**414.7**
Acquisition / disposal of equity investments and subsidiaries	54.7	206.2
Distributions to shareholders (including non-controlling interests)	(266.2)	(295.4)
Change in long-life leases and ECA debt[19]	140.0	57.4
Change in foreign exchange portion of the cross-currency swap	26.0	16.1
Other	3.8	-
Decrease (increase) in net debt	**366.1**	**399.1**

Appendix 2: Quarterly revenues by application

Reported revenues

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

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

Proforma revenues

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

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

[18] See detailed calculation below
[19] Excluding amount to RSCC described in the Appendix 3 (€95.2 million) for financial year 2016-17.

Appendix 3: Alternative performance indicators

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

EBITDA, EBITDA margin and Net debt / EBITDA ratio

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

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

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

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

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

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

Twelve months ended June 30 (€ millions)	2017	2018
Last twelve months EBITDA	1,133.6	1,076.9
Closing net debt[20]	3,640.7	3,241.6
Net debt / EBITDA	**3.2**	**3.0**

Cash Capex

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

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

Cash Capex for FY 2016-17 was restated from the value of the payment owed in 2015-16 to RSCC in respect of lease of EUTELSAT 36C but paid effectively in FY 2016-17[21] (€95.2m) which was already accounted for in 2015-16 cash capex.

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

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

Twelve months ended June 30 (€ millions)	2017	2018
Acquisitions of satellites, other property and equipment and intangible assets	(393.0)	(298.8)
Repayments of ECA loans and long-term capital leases[22]	(153.9)[23]	(59.4)
Payment received from ViaSat[24]	132.5	-
Capex per financial outlook definition	**(414.4)**	**(358.2)**

Discretionary free cash flow (DFCF)

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

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

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

Twelve months ended June 30 (€ millions)	2017	2018
Net cash flows from operating activities	982.9	880.8
Acquisitions of satellites, other property and equipment and intangible assets	(393.0)	(298.8)
Repayment of Export credit facilities[25]	(62.9)	(23.7)
Repayment in respect of long-term leases[26]	(186.2)	(35.7)
Interest and other fees paid net of interest received	(160.7)	(107.9)
Payment received from ViaSat[27]	132.5	-
Payment to RSCC in respect of lease of EUTELSAT 36C included in FY 2015-16 Discretionary Free-Cash Flow	95.2	-
Discretionary Free-Cash Flow	**407.8**	**414.7**

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

Appendix 4: restatement of comparative financial statements

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

FY 2016-17 opening shareholder equity has been restated to adjust the Satelites Mexicanos' deferred tax positions, leading to a negative net impact of 56.3 million euros (ie circa 2% of total shareholder equity), with no impact on the income statement as of 30 June 2017. Please refer to note 3.6 of the Appendix to the consolidated financial statements.

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21 In FY 2015-16 the payment was frozen in the context of the legal action brought against the Russian State by former Yukos shareholders.
22 Included in lines "Repayment of borrowings" and of "Repayment of finance lease liabilities" of cash-flow statement
23 Excluding payment to RSCC mentioned above (€95.2 million)
24 Included in the line "Transactions relating to non-controlling interests" of cash-flow statement
25 Included in the line "Repayment of borrowings" of cash-flow statement
26 Included in the line " Repayment in respect of finance lease liabilities" of cash-flow statement
27 Included in the line " Transactions relating to non-controlling interests " of cash-flow statement