FULL YEAR 2017-18 RESULTS

August 1, 2018

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1 Highlights

2 Operational performance

3 Financial performance

4 Outlook

Full Year 2017-18 highlights

- Fully delivering on all Full Year financial objectives
- Improvement in revenue trends for the five operating verticals
- LEAP cost savings program ahead of track
- Effective design-to-cost policy, with tangible reduction in Capex spend
- Hispasat disposal accelerating deleveraging towards target of <3.0x
- Proposed dividend up 5% to 1.27€, 1.4 times covered by DFCF
- Commercial wins underpinning return to slight growth next year
- Procurement of KONNECT VHTS to shape our Connectivity strategy

Fully delivering on all financial objectives

	Objective	Performance	
Revenues	-1 to -2% (at constant currency and perimeter)	-1.9%[1]	✓
EBITDA margin	Above 76% (at constant currency)	76.9%[2]	✓
Cash Capex	Average €420m p.a.	€358m	✓ ✓
Discretionary Free Cash-Flow	Mid-single digit 3-year CAGR[3] (at constant currency)	+11.9%[2]	✓ ✓
Net Debt / EBITDA	Below 3.0x	3.0x	✓
Dividend	Stable or Progressing	+5% (€1.27 per share)	✓ ✓

See Appendix for full key financial data table

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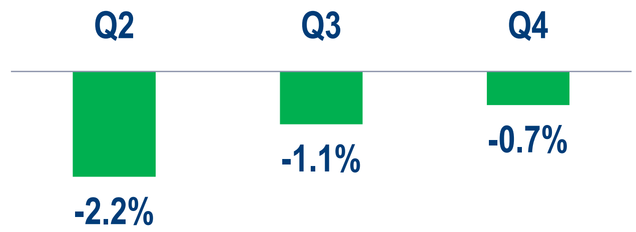
[1] YoY Variation at constant currency and perimeter. Revenues down 4.7% on a reported basis.
[2] At constant currency. EBITDA margin stood at 76.5%, on a reported basis. Discretionary Free Cash-Flow up 1.7% on a reported basis.
[3] 3-Year CAGR between FY 17 and FY 20.

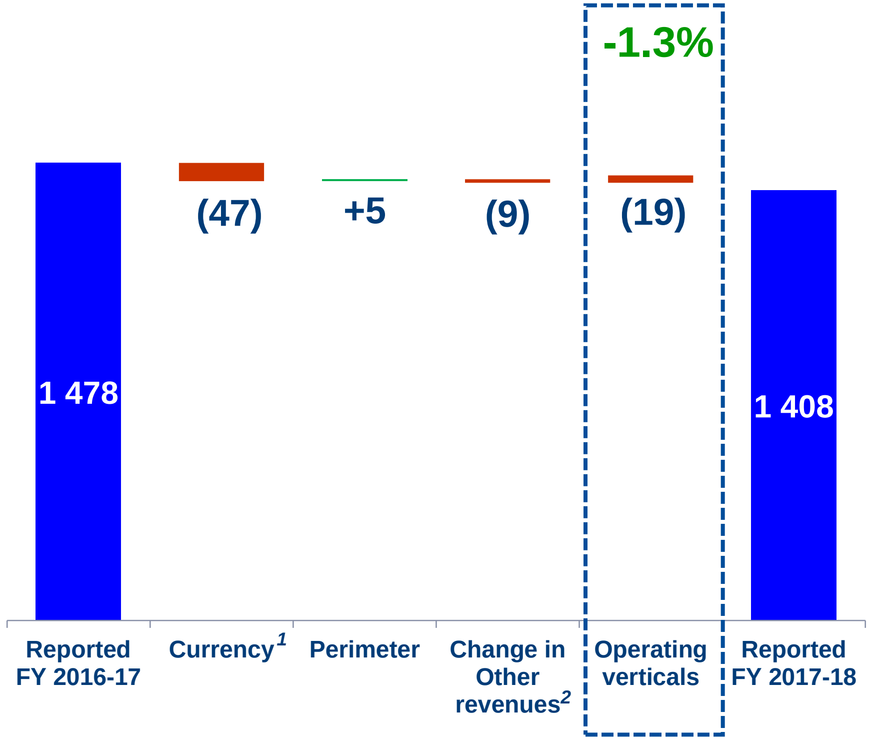
Revenues: operating verticals show progressive improvement

- **FY revenues of €1,408m**
  - -4.7% reported
  - -1.9% at constant perimeter and currency
- **Operating verticals down 1.3% excluding 'Other' revenues**
- **Progressive improvement through the year**

Operating Verticals: YoY change in revenues at constant currency and perimeter



YOY REVENUE BRIDGE (€M)



1 Net of Hedging revenues
2 Excluding Hedging revenues

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Solid commercial performance

VIDEO

- Channel count up 4.5%
- HD channels up 27%
- Positive outcome of HOTBIRD renewals
- New business secured

In Europe:

In Emerging markets:

GOVERNMENT SERVICES

- Favourable outcome of both Fall and Spring US DoD renewals
- Significant new business at new 174° East position
- Much of EUTELSAT QUANTUM capacity reserved

MOBILE CONNECTIVITY

- MoU with China Unicom
- Remaining HTS capacity on ETL 172B sold to UnicomAirNet
- Incremental capacity sold to Taqnia on ETL 3B and ETL 70B

HOTBIRD constellation replacement showcasing effectiveness of our design-to-cost policy

COMPELLING PROCUREMENT TERMS

- Two large satellites replace three for the same number of operational transponders
- Improved match of coverage with customer requirements
- Electrical propulsion enabling larger satellites for a given mass
- Increased in-orbit life

Greater value extracted from our core Video business

ENHANCED QUALITY OF SERVICE

- Improved wide-beam performance
- Additional high-power superbeam
- Incremental anti-jamming features
- High level of restorability

Enhanced service levels delivered with significant capex savings

Procurement of KONNECT VHTS shaping our Connectivity strategy

Significant addressable market	► Core market for Fixed Broadband via satellite of c.5m households in Europe in 2030 ► Global revenues for in-flight Connectivity capacity expected to exceed €1bn by 2025
Game-changing technology and economics	► Production costs in line with our Capex/Gbps target ► Provision of a fibre-like service at a fibre-like price ► Paving the way for the transition from niche to mass market
Springboard for growth from 2020	► KONNECT capacity providing early-mover advantage as of 2020 ► KONNECT VHTS launched in 2021 ► Significant distribution agreements with Orange and Thalès
Contained within existing financial framework	► KONNECT VHTS investment contained within existing capex objective ► Eutelsat retains infrastructure business model, protecting EBITDA margin

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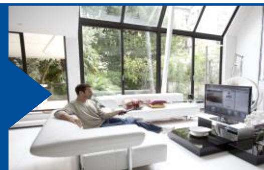
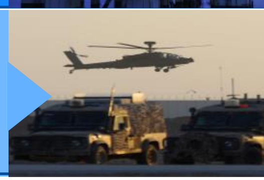
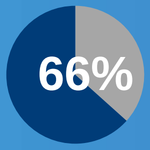
Revenues: like-for-like change by application

			REVENUE CONTRIBUTION[1]	REVENUES (€m)	LIKE-FOR-LIKE[2] CHANGE
CORE BUSINESSES	Video		66%	897	*-0.7%*
	Government Services		12%	159	*-0.1%*
	Fixed Data		10%	143	*-10.1%*
CONNECTIVITY	Fixed Broadband		6%	87	*-7.8%*
	Mobile Connectivity		6%	74	*+18.2%*
Other revenues				48	*-12.2%*

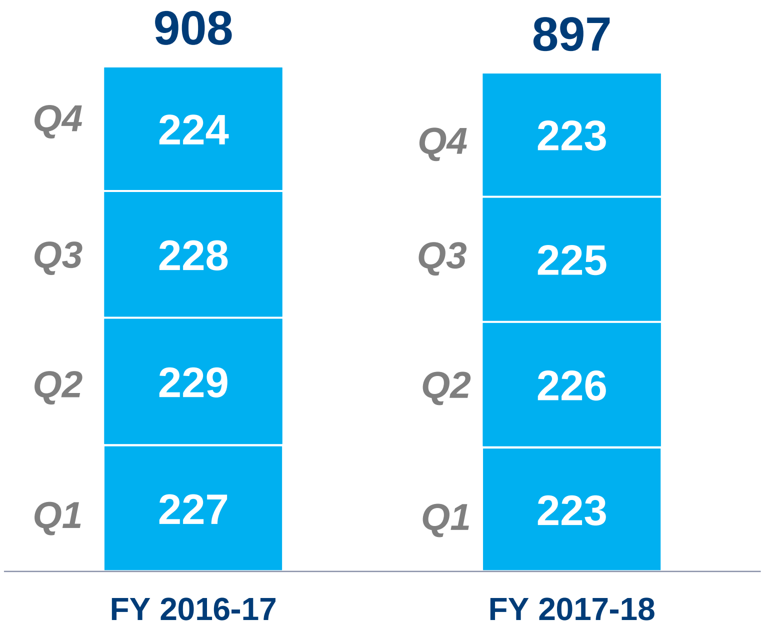
1 The share of each application as a percentage of total revenues is calculated excluding "Other Revenues".
2 At constant currency and perimeter.

Video



- **FY Revenues of €897m, down 0.7% like-for-like[1]**
- **Broadcast revenues slightly up excluding end of TV d'Orange**
  - Solid performance in MENA and Russia
- **Ongoing decline in Professional Video**
- **Q4 revenues broadly flat YoY**
- **6,929 channels at end-June 2018**
  - +4.5% y-o-y
  - HD channels up 27%
  - 21.0% HD penetration (vs 17.2% a year earlier)

REPORTED REVENUES[2] (€M)



[1] At constant currency and perimeter
[2] Reported revenues at actual rates. They include Noorsat's contribution from Q2 2017-18

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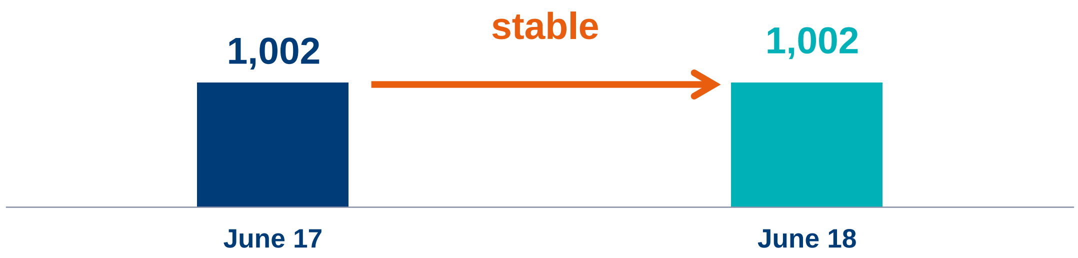
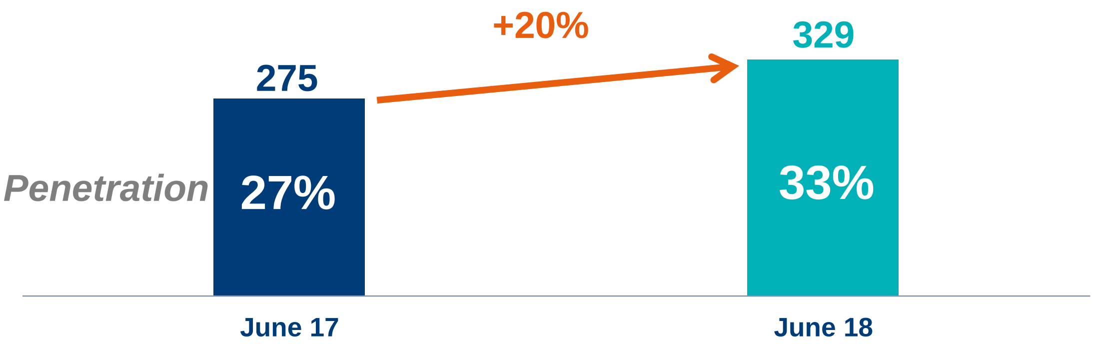
HOTBIRD: HD ramp-up still outpacing MPEG 4 transition

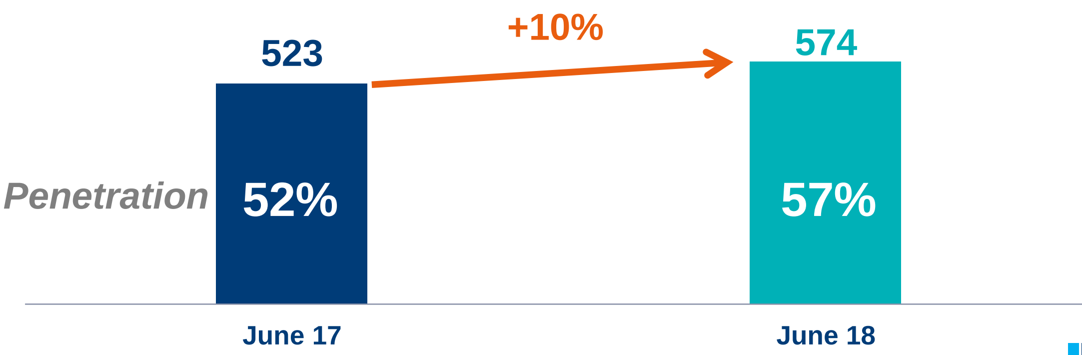
Resilient channel count



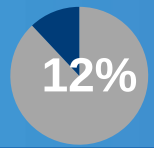
Sustained High Definition ramp-up



MPEG-4 increase trailing High Definition



Government Services



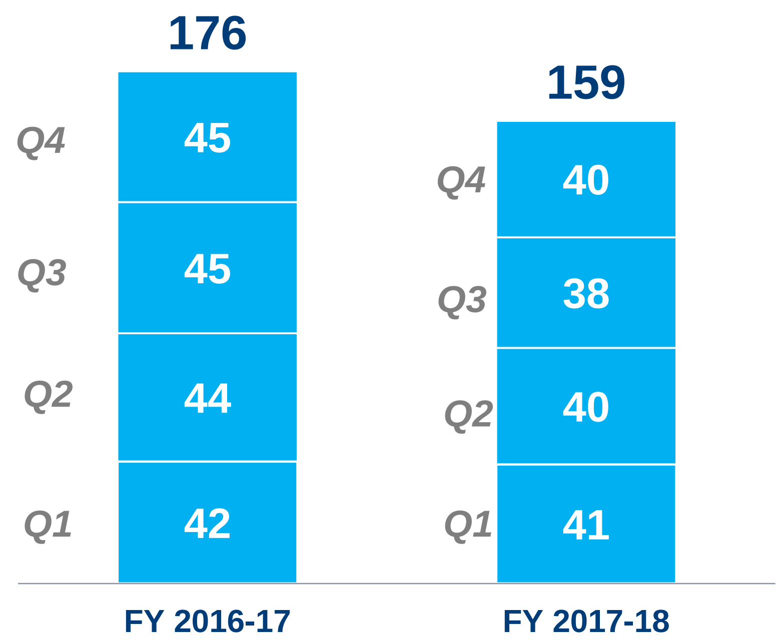
▶ **FY revenues of €159 million, broadly stable like-for-like[1]**

▶ **Solid renewal rates with the US DoD in Fall and Spring campaigns**

▶ **Q4 revenues up 2.3% YoY**
- Positive one-off in Q4 last year
- Initial ramp-up of incremental business at 174°East

▶ **Commercial performance paving the way for improvement in trend in FY 19**

REPORTED REVENUES[2] (€M)



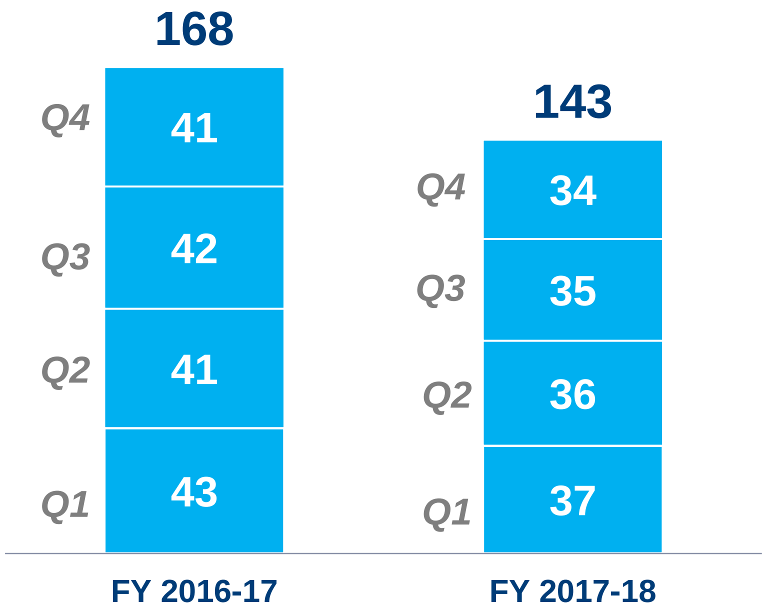
[1] At constant currency and perimeter.
[2] Reported revenues at actual rates.

Fixed Data

10%

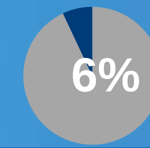
- FY revenues of €143m, down 10.1% like-for-like[1]
- Ongoing pricing pressure in all geographies
- Absence of significant incremental volumes at this stage
- Q4 revenues down 10.6% YoY
- Continued decline expected in FY 2018-19

REPORTED REVENUES[2] (€M)



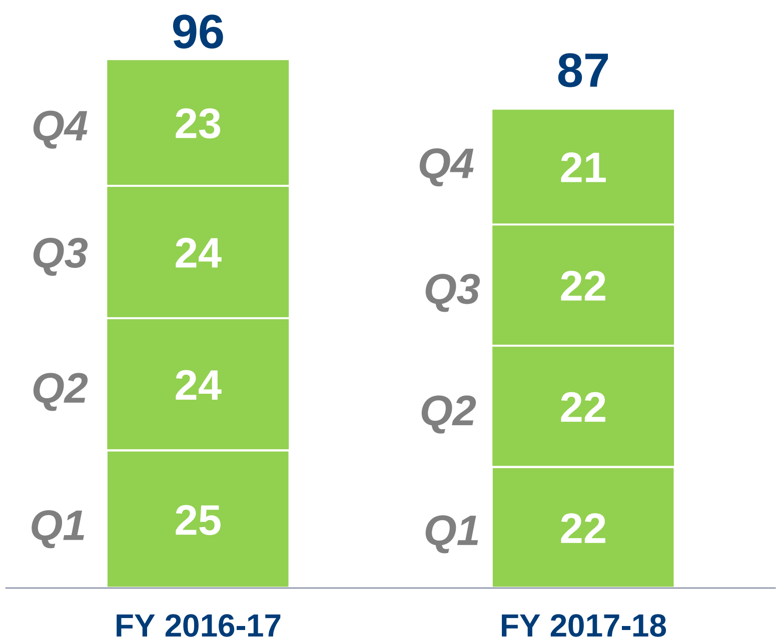
[1] At constant currency and perimeter.
[2] Reported revenues at actual rates.

Fixed Broadband



- **FY revenues of €87m, down 7.8% like-for-like[1]**
- **Q4 revenues down 7.5% YoY**
- **Lower European Broadband revenues**
  - Scarcity of available capacity in Western Europe
  - Slower than hoped-for progress by the retail joint-venture with ViaSat.
- **FY 19 set for return to growth**
  - Launch of Konnect Africa on AY3 in August
  - Actions in Europe to improve trends

REPORTED REVENUES[2] (€M)



[1] At constant currency and perimeter.
[2] Reported revenues at actual rates.

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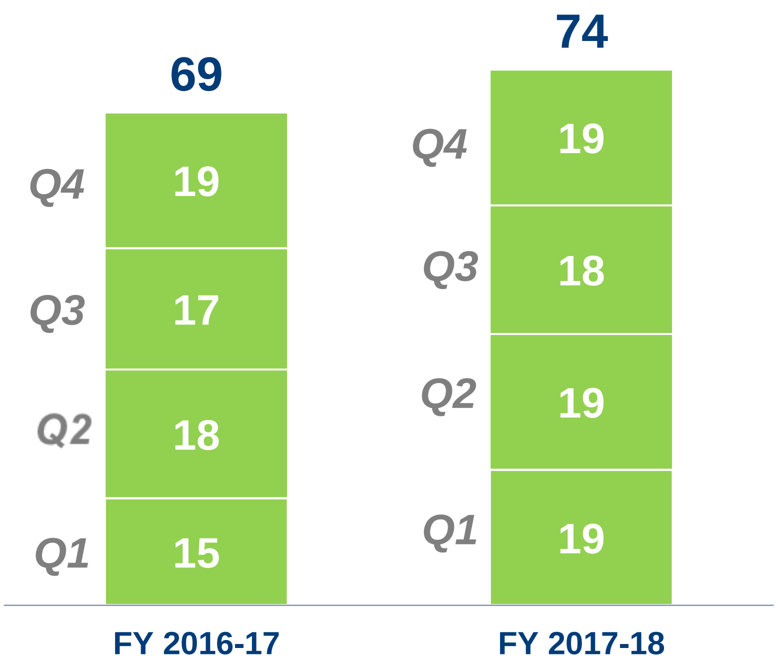
Mobile Connectivity

6%

- **FY revenues of €74m, up 18.2% like-for-like[1]**
  - Carry forward effect of the Taqnia contract signed last year
  - Contribution of ETL 172B since end-November 2017
  - Continued growth on wide-beam capacity
- **Q4 revenues up 14.6% YoY**
- **FY 19 to benefit from**
  - Start of the UnicomAirNet contract on EUTELSAT 172B in January 2019
  - Ongoing ramp up of capacity contracts on KA-SAT serving several airlines
  - New contract with Taqnia

REVENUES[2] (€M)



[1] At constant currency and perimeter.
[2] Proforma revenues at actual rates, reflecting the disposal of Wins/DHI for FY 2016-17.

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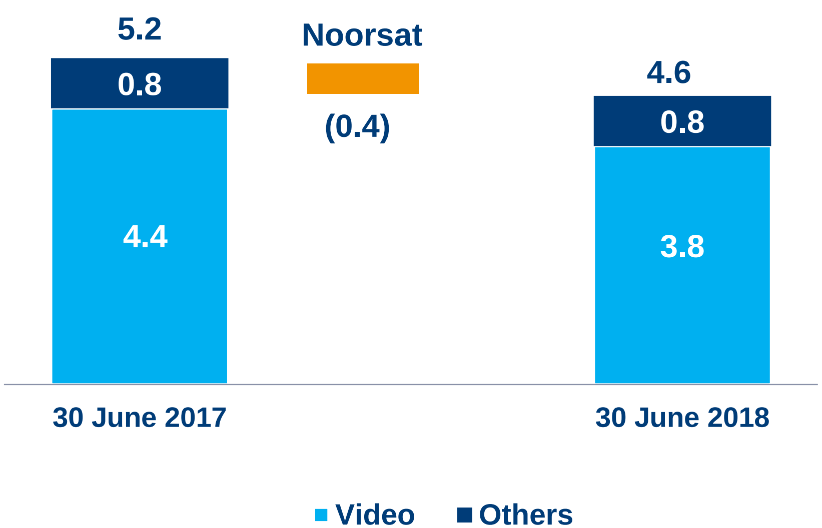
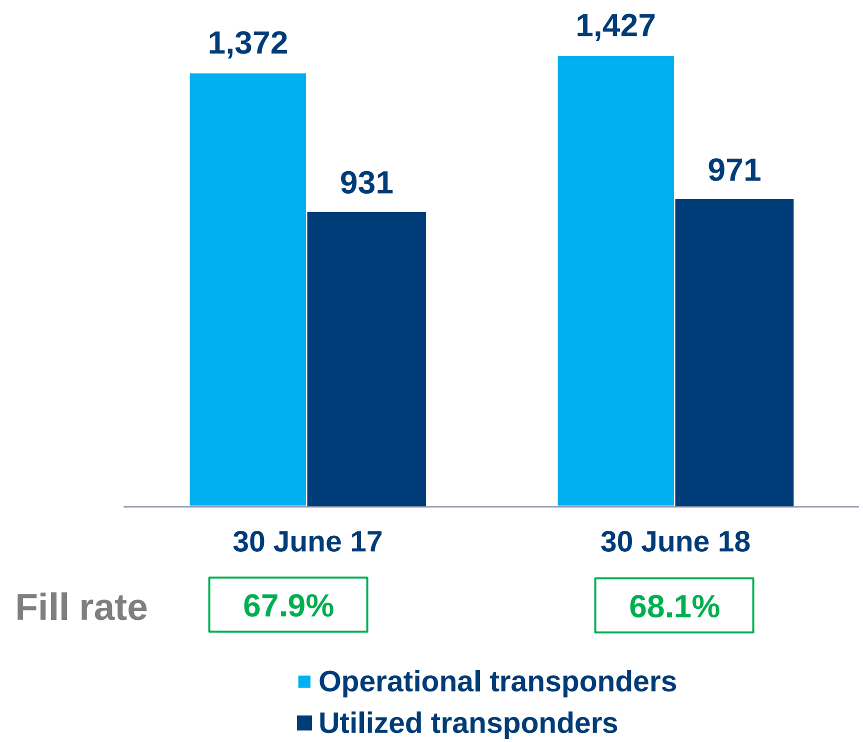
Backlog and Fill Rate

BACKLOG (€BN)



- Contracts added to the backlog including Polsat and TVN renewals at Hotbird , UnicomAirNet at 172°E and Taqnia
- 3.2 years of revenues
- Video accounting for 83%

OPERATIONAL AND LEASED TRANSPONDERS



- OSD of EUTELSAT 172B end-Nov 17
- 40 incremental TPEs leased during the year

Based on 36 MHz-equivalent transponders (TPE), excluding HTS capacity

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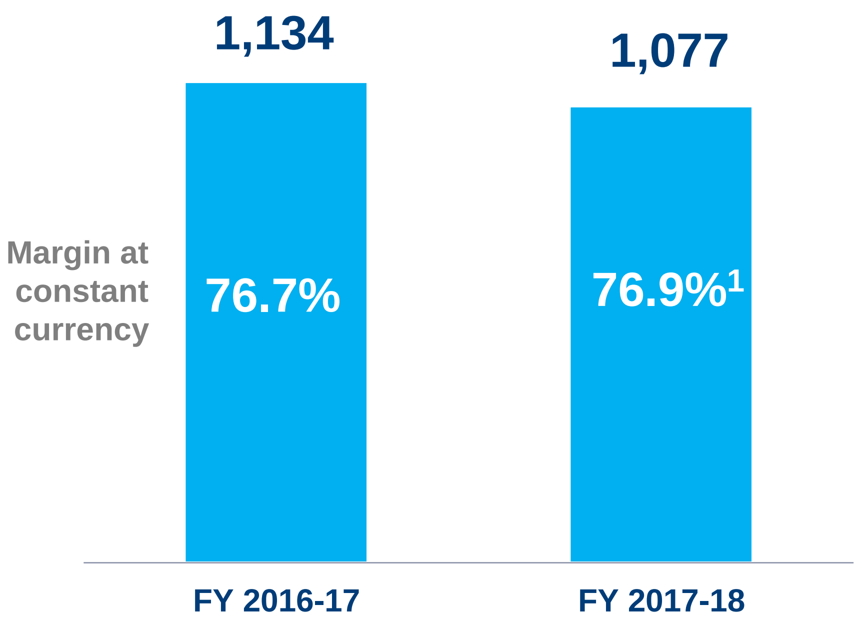
Profitability

- ▶ **LEAP cost saving plan ahead of track**
  - €24 m of savings against objective of €15m
- ▶ **EBITDA margin of 76.9% at constant currency vs. 76.7% in FY 17 inspite of**
  - Lower Other revenues' with less associated costs
  - Slightly dilutive impact of the integration of Noorsat

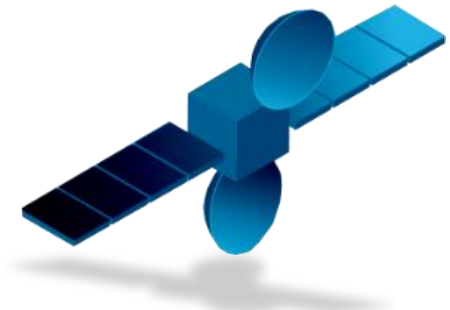
EBITDA (€M)



1 Reported EBITDA marging stood at 76.5%

Net income

Extracts from the consolidated income statement in €m[1]	FY 2016-17	FY 2017-18	Change
Revenues	1,478	**1,408**	**-4.7%**
EBITDA[2]	1,134	**1,077**	**-5.0%**
Operating income	615	**553**	**-10.1%**
Financial result	(131)	**(105)**	**-19.6%**
Income tax	(120)	**(143)**	**+19.0%**
Group share of net income	352	**290**	**-17.5%**



Operating income:

- **Lower D&A reflecting end of life / full depreciation of several satellites**
- **Capital gain on Wins/DHI last year ; negative accounting one-off this year related to Noorsat acquisition**

Financial result:

- **Lower cost of debt following reimbursement of Mar' 17 bond**
- **Unfavourable variation in Forex gains and losses**

Income tax:

- **Tax Rate of 32% vs 25% last year**
- **Non-cash positive one-off related to future reduction in French tax rate lower than last year**

Group share of net income:

- **Net margin of 21%**

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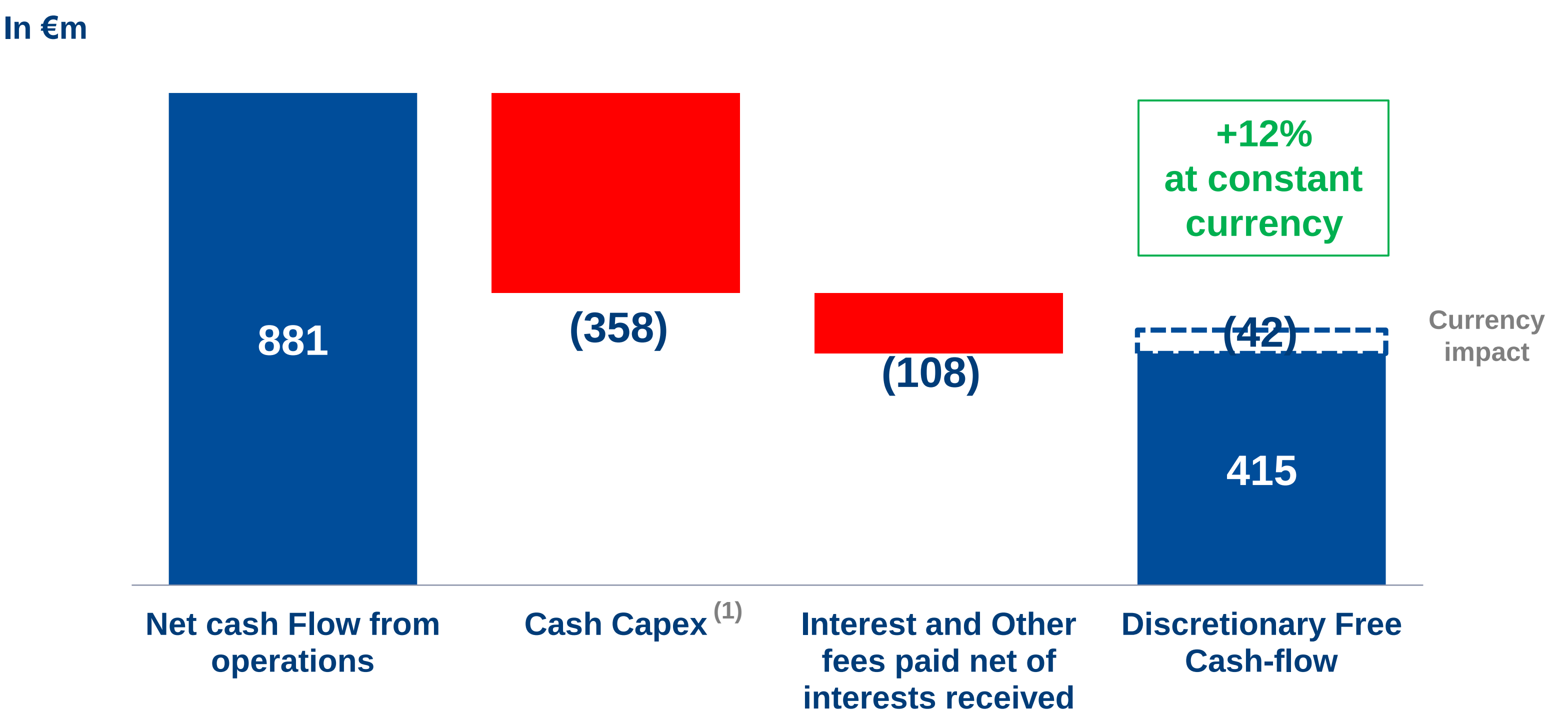
[1]Rounded to closest million

[2]EBITDA defined as operating income before depreciation, amortisation, impairments and other operating income/(expenses)

Discretionary Free Cash-Flow up 12%

At constant currency



Change	-102	+56	+53	+7

FY 2016-17	*983*	*(414)*	*(161)*	*408*

(1) Cash Capex includes capital expenditure and payments under existing export credit facilities and long-term lease agreements on third party capacity.

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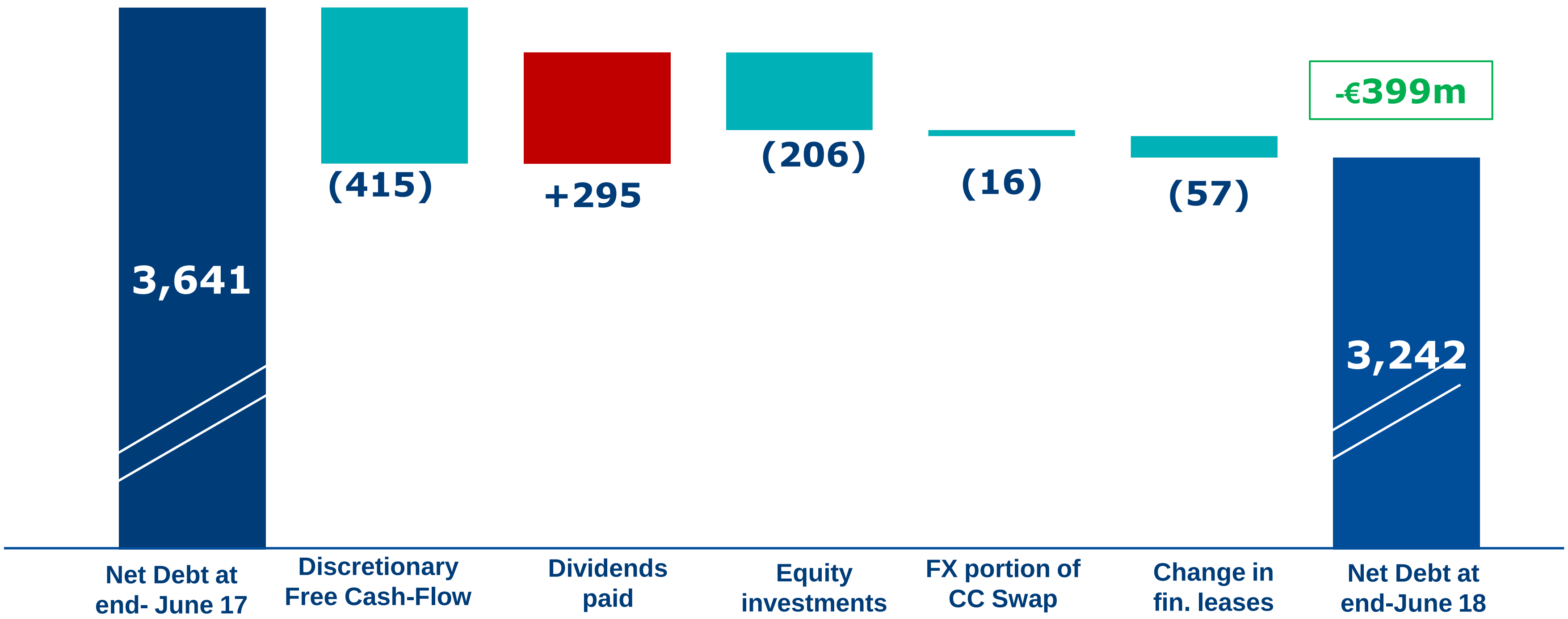
Significant deleveraging

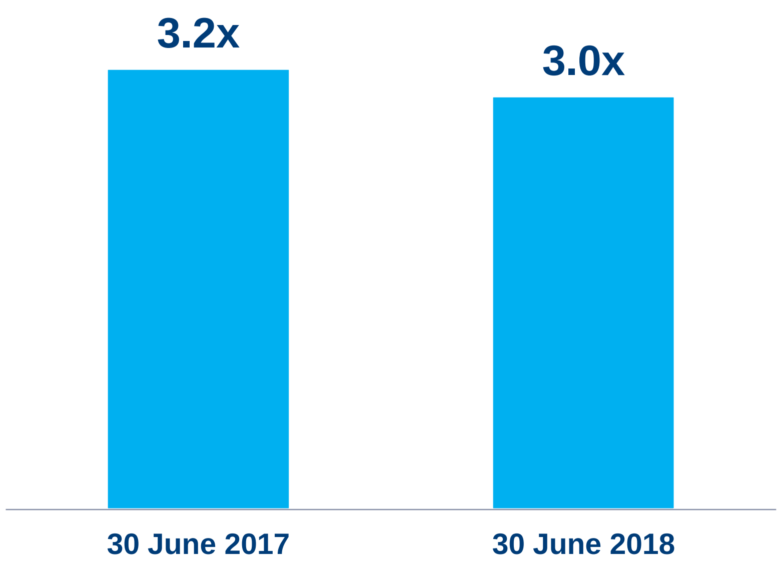
In €m



Financial structure

- **Net Debt/EBITDA ratio reduced to 3.0x**
  - versus 3.2x at 30 June 2017
- **Average cost of debt after hedging reduced to 2.9%**
  - versus 3.1% in FY 2016-17
- **Average weighted maturity of 2.2 years**
  - versus 3.0 years at 30 June 2017

NET DEBT / EBITDA RATIO[1]



[1]Based on net debt at the end of the period and last twelve months' EBTIDA

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Impact of IFRS 15 and IFRS 16

- **IFRS 15 and IFRS 16 adopted as of FY 2018-19**

- **Main impacts of IFRS 15**
  - Timing of revenue and cost recognition or reclassifications from costs to revenues
  - Main items include marketing and technical contributions and SAC and terminals for the Fixed Broadband application

- **Main Impacts of IFRS 16**
  - Capitalization of short term operating leases previously accounted as opex

- **Impact of IFRS 15 estimated between -€15m and -€20m on FY 18 revenues**
  - of which -€15m to -€20m on Operating Verticals

- **Combined impact of IFRS 15 and IFRS 16 estimated at**
  - c.+1 point on EBITDA margin
  - c.+€30m on Net Debt
  - c+€5m/+€10m on Cash Capex

- **No impact on Discretionary Free Cash Flow**

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Reminder: Our strategic roadmap

STEP 1	STEP 2	
GROW CASH-FLOW	**GROW TOPLINE**	
2016-2019	2019-2025+	
Maximise **Free Cash Flow** generation	Extracting value from our core **Video** business	Capture potential in **Connectivity**

Update on strategic roadmap: key achievements in FY 18

STEP 1: GROW CASH-FLOW

- **LEAP ahead of track: €24m saved**
- **Capex Containment: Capex objective reduced to from €420m to €400m on average per annum**
  - Even after IFRS 16 impact
- **Interest paid lowered by €53m**
- **Disposal of stake in Hispasat accelerating deleveraging**

STEP 2: GROW TOPLINE

- **New position at 174° East**
- **Much of ETL QUANTUM capacity now reserved**
- **Landmark MoU with China Unicom in Mobility**
- **Procurement of KONNECT VHTS shaping Connectivity strategy**
  - Major distribution agreements with Thalès and Orange

Update on strategic roadmap: Priorities for FY 19

STEP 1: GROW CASH-FLOW	STEP 2: GROW TOPLINE

STEP 1: GROW CASH-FLOW

- **Deliver full benefits of LEAP: €30m target**
- **Secure further interest cost savings through refinancing of Jan. 19 Bond**
- **Secure further capex efficiencies by ongoing implementation of design-to-cost**

STEP 2: GROW TOPLINE

- **Video: extract further value**
  - Continue HD/UHD stimulation
  - Pursue implementation of new pricing policy
  - Mine growth opportunities by enhancing end-viewer experience
- **Broadband: prepare for growth**
  - Ready European operations for change in scale: distribution, IT organization…
  - Successfully deploy African Broadband business

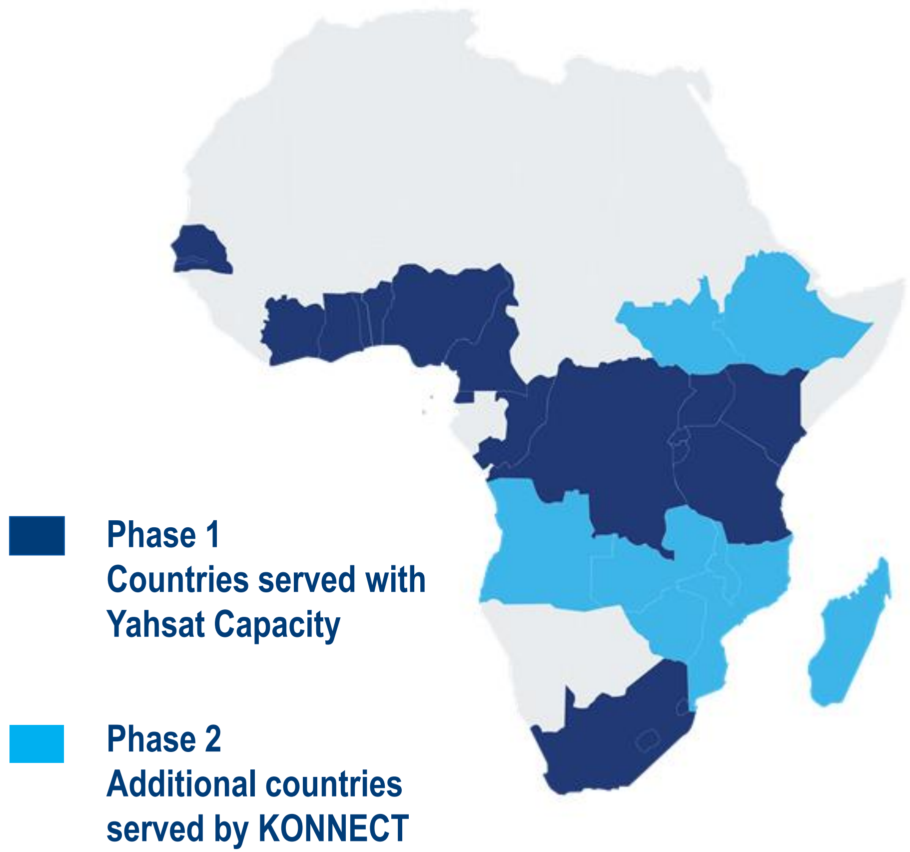
Konnect Africa: all elements now in place

KONNECT AFRICA Take broadband further

PROGRESSIVE CAPACITY ROLLOUT

- **New management team now in place**
- **c.10 Gbps immediately available with launch of commercial service in August 2018**
- **Followed by additional 75 Gbps with KONNECT**
  - expected to start operations in 2020

EUTELSAT SERVICE AVAILABLE IN 19 SUB-SAHARAN COUNTRIES WITH THE ENTRY INTO SERVICE AY3



Starting to address a high potential market

KONNECT AFRICA Take broadband further

SIGNIFICANT MARKET POTENTIAL	MULTIPLE DISTRIBUTION CHANNELS	STRONG LOCAL PARTNERS ALREADY SIGNED

SIGNIFICANT MARKET POTENTIAL

- **Low Broadband penetration**
  - Only 1% of households have a Fixed Broadband subscription
  - Only 26% have a Mobile Broadband subsciption
- **Adressable market for satellite Broadband estimated at c. 4-5 million premises in 2030**
  - Including coverage and affordability criteria

MULTIPLE DISTRIBUTION CHANNELS

- **Traditional ISPs / Telecom service providers**
- **Potential partnerships with DTH operators**
- **Capilary local partners**
  - Banks, gas stations, drugstores etc.
- **Smartwifi hotspots**

STRONG LOCAL PARTNERS ALREADY SIGNED

Bentley Walker satellite broadband network

coollink.ng HIGH-SPEED INTERNET

中国电信 CHINA TELECOM

Ubora Systems & Solutions

DATASAT

Saturn BROADBAND

GoSat

Sources:, ITU, Eutelsat analysis

Financial outlook: all elements confirmed or upgraded

REVENUES (At constant currency, perimeter and accounting standards, excluding Other Revenues)	► **Return to slight growth from FY 2018-19 for the five operating verticals[1]** Excluding 'Other Revenues'
EBITDA MARGIN (At constant currency)	► **Above 78% from FY 2018-19** Taking into account impact of IFRS 15/16 standards
CAPEX	► **FY 2017-18 to FY 2019-20: average of €400m[2] per year** Versus €420m previously and including IFRS 16 impact
DISCRETIONARY FREE CASH FLOW[3] (At constant currency)	► **FY 2016-17 to FY 2019-20: mid-single digit CAGR**
LEVERAGE	► **Investment grade rating** ► **Net debt / EBITDA below 3.0x**
DISTRIBUTION	► **Stable to progressing dividend**

1 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 - adopted from 1July 2018 - is estimated at c.-€15m to-€20m on FY 2017-18 revenues for the five operating verticals. 2 Inc. cash outflows related to ECA loan repayments and capital lease payments; 2 Net cash-flow from operating activities less Cash Capex less Interest and Other fees paid net of interest received. Three year CAGR calculated on the period FY 2016-17 to FY 2019-20 . FY 2016-17 DFCF stood at €408m.

APPENDICES

Future launches

Name	EUTELSAT 7C	EUTELSAT 5 WEST B	eutelsat QUANTUM	KONNECT	KONNECT VHTS	EUTELSAT HOTBIRD 13F	EUTELSAT HOTBIRD 13G
Orbital Position	7° East	5° West	TBD	TBD	TBD	13° East	13° East
Launch date[1]	Q1 2019	Q1 2019	H2 2019	H2 2019	2021	2021	2021
Manufacturer	SSL	AIRBUS DEFENCE & SPACE Orbital ATK	AIRBUS DEFENCE & SPACE	ThalesAlenia Space	ThalesAlenia Space	AIRBUS DEFENCE & SPACE	AIRBUS DEFENCE & SPACE
Launcher	arianespace	ILS	arianespace	arianespace	TBD	TBD	TBD
Coverage	MENA SSA	Europe North Africa	Flexible	SSA Europe	Europe	Europe	Europe
Applications	Video	Video	Government Services	Connectivity	Connectivity Government	Video	Video
Total Capacity (TPE/Spotbeams)	49 Ku	35 Ku	N/A	**65 Ka / 75 Gbps**	**~230 Ka / 500 Gbps**	**73 Ku**[3]	**73 Ku**[3]
o/w Expansion[2]	19 Ku	-	N/A	**65 Ka / 75 Gbps**	**~230 Ka / 500 Gbps**	-	-

Electrical propulsion

HTS Payload

1 Calendar year
2 Excludes unannounced redeployments
*3 «*nominal capacity correponding to the specifications of the satellites. Total operational capacity at the HOTBIRD orbital position will remain unchanged with 102 physical transponders (95 TPE), once regulatory, technical and operational constraints are taken into account."*

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Key Financial Data

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 - €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	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%**

[1] Operating income before depreciation and amortisation, impairments and other operating income/(expenses).

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

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