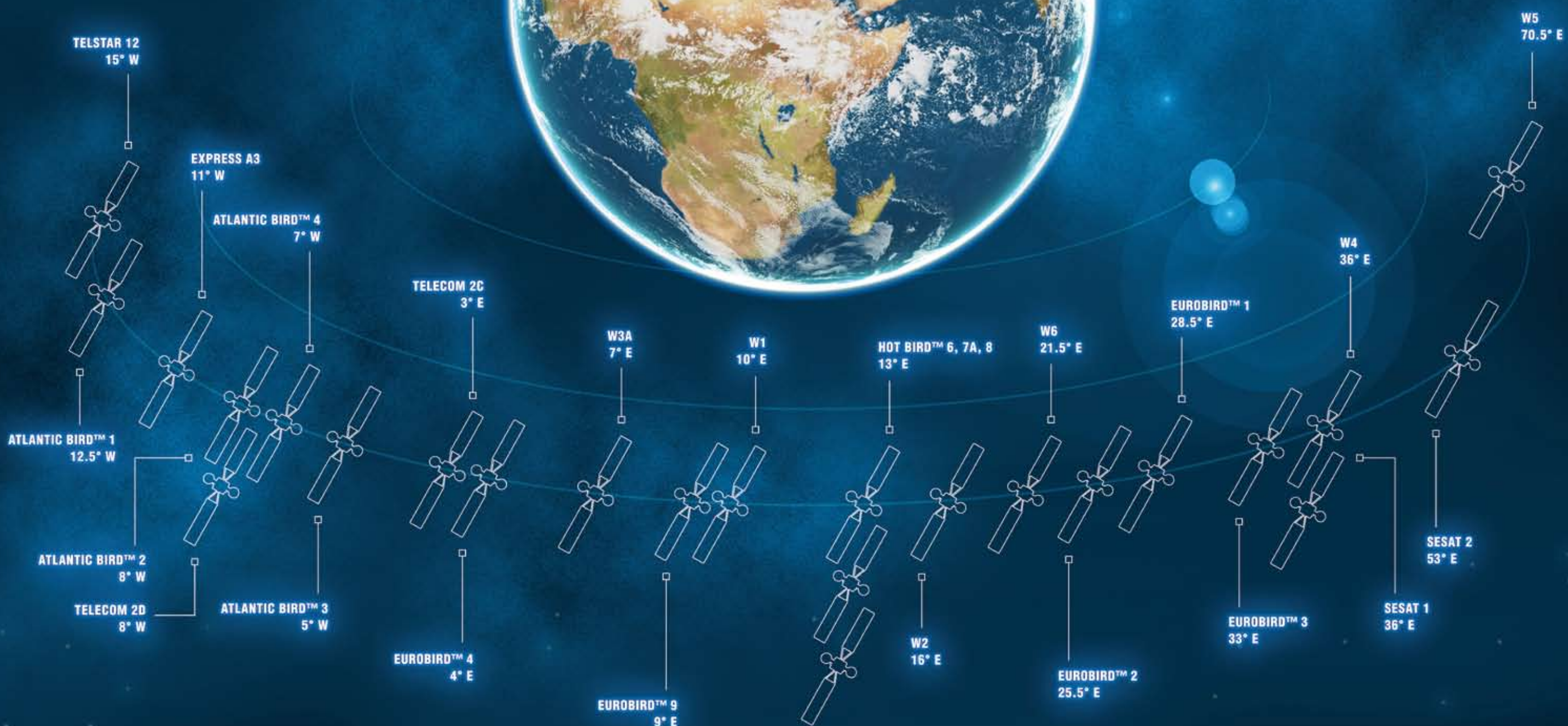


06 PANORAMA 07

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MISSION

Eutelsat Communications is one of the world's leading operators of telecommunications satellites.

With a fleet of 24 satellites covering two-thirds of the earth's surface, our Group generates 80% of business from digital broadcasting and broadband markets.

Partnering our customers in their achievements, our mission is to place at their disposal the expertise and the space they need to satisfy their own customers' requirements.

The Eutelsat Communications Group

Eutelsat Communications is the holding company of the Eutelsat Group. Its function is to oversee the strategic and financial activities of the Group. Operating activities presented in this Panorama are managed by Eutelsat S.A. which is 95.5% owned by Eutelsat Communications and which

is the Group's principal subsidiary. Eutelsat S.A. is the owner of Skylogic which operates a teleport in Turin commercialising the D-STAR broadband service. Eutelsat S.A. also holds an indirect equity investment of 27.69% in Hispasat S.A.

BUSINESS PORTFOLIO AS OF 30 JUNE 2007

Video



72%

Data And Broadband



19%

Multi-usage



9%

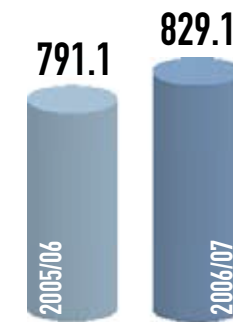
Other



1%

KEY FIGURES

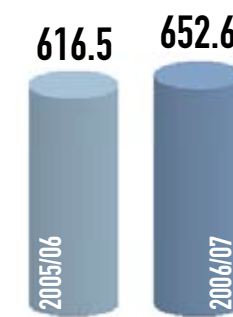
REVENUES (MILLIONS OF EUROS)



+ 4.8%

For Eutelsat Communications, 2006/2007 marks a new year of growth driven by the dynamics of digital broadcasting and broadband markets. Video Applications, which are the most profitable activity in the Fixed Satellite Services (FSS) sector recorded growth of 11.7%, increasing their share of Group business portfolio to more than 72%. Excluding non-recurring income and exchange rate effects, Eutelsat Communications' revenues increased by 6.8%.

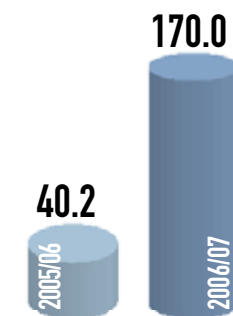
EBITDA (MILLIONS OF EUROS)



+ 5.9%

Excellent sales performance during the financial year combined with rigorous management of operational expenditure resulted in a 5.9% rise in EBITDA. At 78.7%, the Group's EBITDA margin remains the highest among leading Fixed Satellite Service operators.

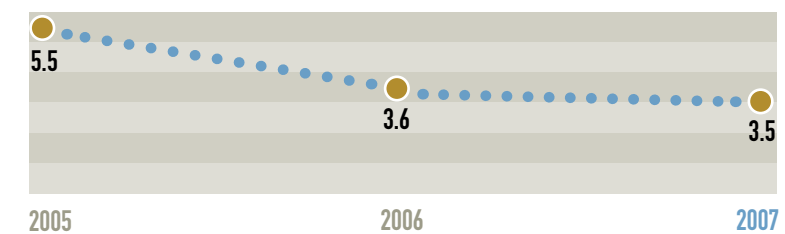
NET RESULT (MILLIONS OF EUROS)



Fourfold increase

Sharp growth in net result reflects the 19.4% increase in operating profit at €362.5 million, a significant reduction in borrowing costs following debt reduction and refinancing, a substantial reduction in the effective tax rate and also improved results from Hispasat, the Spanish satellite operator in which the Group has a 27.69% stake.

NET DEBT/EBITDA RATIO (At 30 June)



A summary of the main financial statements is presented at the end of this Panorama. A detailed version of the consolidated and annual accounts as well as the Board of Directors' report can be downloaded from www.eutelsat.com/investors. These documents can also be requested by telephone (+ 33 1 53 98 35 35), e-mail (investors@eutelsat-communications.com) or by letter to Eutelsat Communications Shareholder Relations, 70 rue Balard, 75502 Paris Cedex 15, France.



**INTERVIEW
WITH GIULIANO BERRETTA
CHAIRMAN AND CEO**

“Our Group’s strategy is to favour the most dynamic and profitable applications in the Fixed Satellite Services sector,,

Eutelsat Communications has delivered excellent results with a larger share of business derived from Video Applications. Is this a strategy you aim to continue?

Eutelsat has pursued a strategic direction over recent years that aims to increase in-orbit resources for video applications and to develop a significant pole of broadband services. This direction is driven by the prospects for longstanding growth offered by digital broadcasting and Internet applications and is fully in line with our Group’s strategy to favour the most profitable applications in the Fixed Satellite Services Sector.

The dynamic of today’s digital broadcasting markets enables us to extract value from the inherent capacity of satellites to serve large audiences at a cost of only a few euro cents a year per home per channel. Video broadcasting is also favourably characterised by the long-term nature of contracts that frequently cover the entire service life of the satellites they use. Combining profitability and long-term visibility, we believe that the share of revenue generated by video applications should continue to remain predominant.

In addition to Western Europe which remains your leading market, this year shows sustained growth in other regions covered by your fleet. How do you see these markets developing?

One of our Group’s major strengths is our resolution to combine solid leadership in mature digital markets in Western Europe with longstanding presence in a wider range of regions covered by our satellites. Our growth over the past ten years has come primarily from European Union countries which have experienced dramatic expansion of digital broadcasting and increase in volume of data traffic over broadband networks. This dynamic is now extending to all countries within our coverage.

Broadcasting and broadband services in Russia, Central Europe, the Middle East, North Africa and sub-Saharan Africa are today growing at a rate that is three to five times that of more mature markets of Western Europe.

We are reaping the benefits in these regions of our longstanding presence that has enabled us to build privileged relationships with the media groups that have emerged as dominant players over the last ten years and who are now experiencing strong commercial success with ambitious plans for expansion. The innovative culture of these groups and their capacity to leverage the step-changes afforded by digital technologies are at the heart of their impressive rate of growth. At launch they have already assembled an impressive array of national, international, general and thematic channels. Our satellites enable them to build large audiences within their own frontiers and to reach out to communities living overseas. In the new market of High Definition Television (HDTV), Russia’s NTV+ pay-TV platform, Poland’s Cyfra+ and “n” have already joined their opposite numbers SKY Italia in Italy and BSkyB in the United Kingdom in launching 100% high-definition channels this year.

“Our diversification into markets with strong business potential is a key factor driving lasting growth,,

In terms of in-orbit resources, how do you anticipate market demand?

Over recent years a number of major satellite operators have rationalised their satellite systems in order to maintain the balance between capacity and demand across Extended Europe. This balance is essential for preserving profit margins in our field and for ensuring that operators can continue their long-term investment plans, which necessitate a two to three year period from the order of a satellite to its launch.

Our Group has two key assets which enable it to respond to this challenge. The first is the high level of flexibility of our in-orbit resource which enables satellites to seamlessly replace one another. The second is the fact that our fleet is tightly concentrated along the geostationary arc over Europe, which enables us to quickly redeploy capacity from one location to another.

Building on these advantages, since 2001 we have pursued a dynamic “cascade” management strategy of our in-orbit resource which involves securing our key neighbourhoods and developing other positions. In order to do this, we anticipate the replacement of satellites at premium neighbourhoods with new satellites delivering higher power. Released ahead of time, the replaced satellites subsequently represent an additional resource available in orbit to consolidate an emerging position or seize a new market opportunity. This “cascade” policy preserves our strategic priority towards our core markets, increases the reliability of our fleet and gives our Group the flexibility and the resources we need to drive growth.

The launch of HOT BIRD™ 8 brought the number of our operational transponders in stable orbit to 505. Together with HOT BIRD™ 7A, which was launched in February 2006, these satellites have renewed a significant volume of capacity at the 13° East position, reducing the age of our Group’s key neighbourhood to 2.2 years at the end of the reporting period. Their entry into service released three satellites that have enabled us to open three new orbital positions serving Europe, the Middle East and North Africa.

A number of initiatives attracted attention this year, notably the order of the S-band payload, the opening of the market for double-feed reception from 9° and 13° East, and the launch of Ka-band Internet services. What weight do you give to innovation in the expansion of your resources?

In view of the nature of the digital environment in which we operate, technological innovation naturally plays a major role in our expansion strategy. Our two main paths of innovation concern technologies that increase the power, reliability and flexibility of our satellite fleet and technologies that expand the portfolio of applications we can provide.

In terms of consolidating our in-orbit resources, a total of five satellites were in construction as of 30 June 2007, of which three were ordered during the financial year. These satellites will be launched in 2008 and 2009. HOT BIRD™ 9 and HOT BIRD™ 10 form part of our programme to secure and rationalise our 13° East neighbourhood. Initiated with the launch of HOT BIRD™ 8, this programme comprises the deployment of three identical high-capacity satellites at our key video neighbourhood. This unique inter-satellite security programme, ensuring full redundancy, will be completed in 2009.

In parallel, we have taken a number of initiatives this year which are aimed at expanding satellite applications. In October 2006, we announced the order of an S-band payload on the W2A satellite. Jointly financed and operated by Eutelsat and SES Astra, this payload will provide the first S-band satellite capacity offering coverage of Europe. In 2009, this capacity will open a new field of mobile communications for broadcasting video content and interactive services to mobiles.

“With our excellent performance this year we have exceeded the targets set in December 2005 when our shares began trading on the stock market,,

Does the arrival of Abertis and CDC among your shareholders change your strategic directions?

Whereas Abertis and CDC individually joined our Group as shareholders, they both share a policy of long-term investments in infrastructure businesses and are actively involved in the development of the companies in which they invest. Their commitment gives us confidence for continuing to pursue the strategic directions we have implemented over the last few years. Two independent Directors, Pier Francesco Guarguaglini, Chairman and CEO of Finmeccanica and Lord Birt, former Director General of the BBC have also joined our Board of Directors. Together, all of our directors combine extensive industrial and financial experience of Eutelsat’s markets.

With the excellent performance achieved this year we have exceeded the targets set in December 2005 when our shares began trading on the stock market. Revenue has risen by 4.8% to 829 million euros. With our EBITDA margin at 78.7%, we have maintained our profitability at the highest level among Fixed Satellite Service operators. Our net debt level is fully under control at a multiple of 3 to 4 times EBITDA and we have increased our consolidated net result fourfold. Our Group is not only able to apply a policy of attractive return to shareholders but also to undertake a major investment programme securing lasting and profitable growth.

Giuliano Berretta
Chairman and CEO
Eutelsat Communications

Already in use in the United States and Asia, the S-band has successfully introduced many millions of subscribers to new mobile digital television and radio broadcasting services. Together with GPS and Galileo satellite-positioning systems, it will enable deployment in Europe of a new generation of interactive services for vehicles and professional fleets.

A second initiative was the opening in May 2007 of the 9° East position, which sits close to the HOT BIRD™ location. The proximity of both positions opens the possibility to European homes of using a single antenna equipped with an off-the-shelf dual-feed for receiving channels from our HOT BIRD™ constellation and EUROIRD™ 9. For our broadcasting clients, this brings great potential for expansion and enables them to capitalise on the installed base of satellite homes receiving channels from the HOT BIRD™ neighbourhood.

A third major innovative initiative concerns the development of our portfolio of value added broadband services. These services primarily target regions beyond range of terrestrial networks, where satellite coverage is often the only way to ensure access to broadband services. As is already the case for our D-STAR service, which has further consolidated inroads into enterprise, maritime and business aviation markets, Eutelsat joined forces in February 2007 with ViaSat, that produces innovative satellite and other wireless communication products, to launch in Europe the first satellite-based Ka-band Internet service, called Tooway™.

The major innovation with Tooway™ is that Internet by satellite can be accessed by consumers using competitively-priced equipment. On the satellite side, bandwidth is optimised with a multi-spot architecture of the Ka-band payload supplied by our HOT BIRD™ 6 satellite. Two years after their launch in North America, more than 300,000 households subscribe to Ka-band satellite broadband services. We are convinced that Europe will experience the same levels of success for this new generation of service, as the digital divide remains a reality in many suburban and rural areas. It is with this in mind that our Board of Directors recently approved the decision to order a satellite operating exclusively in Ka-band frequencies. This new infrastructure will open the door to a new generation of services including consumer broadband access and broadcasting local television and HDTV.

CORPORATE GOVERNANCE

Chaired by Giuliano Berretta, the Board of Directors of Eutelsat Communications is composed of ten members, including two independent directors. Through their responsibilities and experience in major international groups and in the public sector the directors bring to the Board a wealth of business knowledge of the media and telecommunications industries.

Following the acquisition by Abertis Telecom and CDC Infrastructure of shareholdings formerly held by certain significant shareholders, the composition of the Board of Directors was substantially modified during the financial year with the arrival of seven new members. Jean-Luc Archambault, Bertrand Mabile, Tobias Martínez Gimeno, Carlos Espinós Gómez, Carlos Sagasta Reussi, Andrea Luminari and CDC Infrastructure represented by Jean Bensaïd, respectively replaced the following board members who resigned their positions: Patrick Sayer, Gilbert Saada, Geoffrey Fink, William Collatos and the corporate shareholders CB Luxembourg 3, GS 2000 Eurovision Holding and BlueBirds 2 Participations.

During the shareholders' Annual General Meeting of 10 November 2006, two independent directors were elected for six year terms: Lord Birt, former Director General of the BBC and Frank Dangeard, CEO of the Thomson Group. Following Frank Dangeard's resignation, the Board of Directors decided on 25 July 2007 to co-opt Pier Francesco Guarguaglini, CEO of Finmeccanica Group to the Board to serve out the remainder of Frank Dangeard's term. This cooptation will be submitted to the next shareholders' Annual General Meeting for ratification.

In line with the Company By-laws, Board members are nominated by the Shareholders' meeting for a six-year term. A position as observer is reserved for the Executive Secretary of the EUTELSAT intergovernmental organisation.

The Board's activities included preparation of the Group's five-year Strategic Plan which maps orientations for the period 2007-2008 to 2011-2012. The Strategic Plan was approved on 25 July 2007. In addition to approving the Strategic Plan and examining the Group's half-year and full-year corporate and consolidated accounts, the Board's work included approving the annual budget, and deployment policy on in-orbit resources.

The Board also agreed to create a Selection and Compensation Committee, chaired by Tobias Martínez Gimeno. At its meeting on 25 September 2007 it approved the setting up of an Audit Committee, chaired by Jean-Luc Archambault and comprising three Board members.

Company management

Following the Board decision of 31 August 2005, the Chairman of the Board also acts a Chief Executive Officer.

Consequently, Giuliano Berretta, Chairman of the Board assumes responsibility for the general management of the company. An Executive Committee chaired by Giuliano Berretta brings together Jean-Paul Brillaud (Deputy Chief Executive Officer), Catherine Guillouard (Financial Director, who took up her position on 17 September 2007 following the resignation of Claude Ehlinger) and Philippe McAllister (General Counsel). Vanessa O'Connor (Corporate Communications Director) and Gilles Janvier (Head of Investor Relations) attend Executive Committee meetings.

The Executive Committee issues a quarterly report to board members which cover the Group's technical and sales activities, including main financial indicators by application.

The Management Committee of Eutelsat S.A. takes decisions on commercial, technical and operational activities. Its members include the Group's Executive Committee and Olivier Milliès-Lacroix (Commercial Director), Arduino Patacchini (Multimedia Director), Barry Saunders (Technical Director), Jacques Dutronc (Director of Missions and Programmes), Jesus Domingo Laborda (Operations Director), Izy Béhar (Human Resources Director) and Vanessa O'Connor (Corporate Communications Director).

Board of Directors

1 Giuliano Berretta

Chairman of the Board and Chief Executive Officer

2 Jean-Luc Archambault

Chief Executive Officer Lysios

3 CDC Infrastructure

Represented by Jean Bensaïd – Deputy Chief Financial Officer of the Caisse des Dépôts et Consignations

4 Lord Birt

Independent Director
Former Director General of the BBC

5 Carlos Sagasta Reussi

Finance Planning and Control Director, Abertis Telecom

6 Pier Francesco Guarguaglini

Independent Director
Chairman and Chief Executive Officer Finmeccanica

7 Andrea Luminari

Business Development Director, Abertis Telecom

8 Bertrand Mabile

Managing Director, SFR Entreprises

9 Tobias Martínez Gimeno

Managing Director, Abertis Telecom

10 Carlos Espinós Gómez

Deputy Managing Director and Commercial and Technology Director, Abertis Telecom

11 Christian Roisse

Observer
Executive Secretary EUTELSAT intergovernmental organisation



SHAREHOLDER RELATIONS

CONTACTS

Investor Relations:

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Tel: + 33 1 53 98 35 30
www.eutelsat.com/investors

Shareholder service EUTELSAT COMMUNICATIONS:

BNP PARIBAS SECURITIES
GCT Emetteurs Immeuble Tolbiac
75450 PARIS Cedex 09 France
Fax : + 33 1 40 14 58 90

PROVISIONAL FINANCIAL CALENDAR

23 October 2007:

Revenues for Q1 2007/2008

9 November 2007:

Annual General Meeting

14 November 2007:

Payment of the distribution approved at the AGM

21 February 2008:

Half-year results 2007/2008

May 2008:

Revenues for Q3 2007/2008

July 2008:

Full-year results 2007/2008

DATA SHEET

Eutelsat Communications shares

ISIN code: FR0010221234 – Ticker: ETL

Par value: E1

Share capital E217,401,082 on 20 September 2007

Market: Euronext Paris-Eurolist

Traded cash in Paris

Share eligible for Delayed Payment Service in Paris



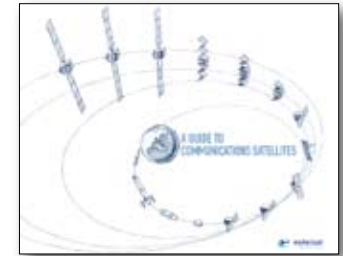
A policy of clear, timely and complete information

Since shares were floated on the stock market in December 2005, Eutelsat Communications has worked to provide the financial community with detailed, regular and easily accessible financial data.

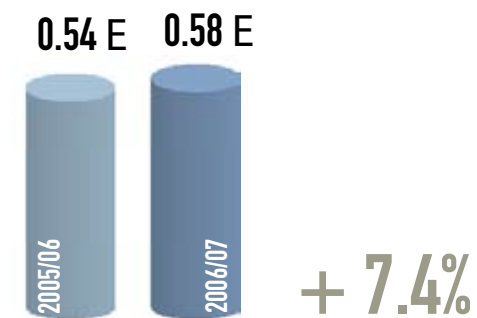
A dedicated section on the Group's website assembles financial and stock market information. Brochures, newsletters and press releases covering Group activity are also listed in the Investor Relations section.

Financial information meetings are held regularly for analysts, investors and media. Presentations for these occasions are made available in the Investor Relations section of the website.

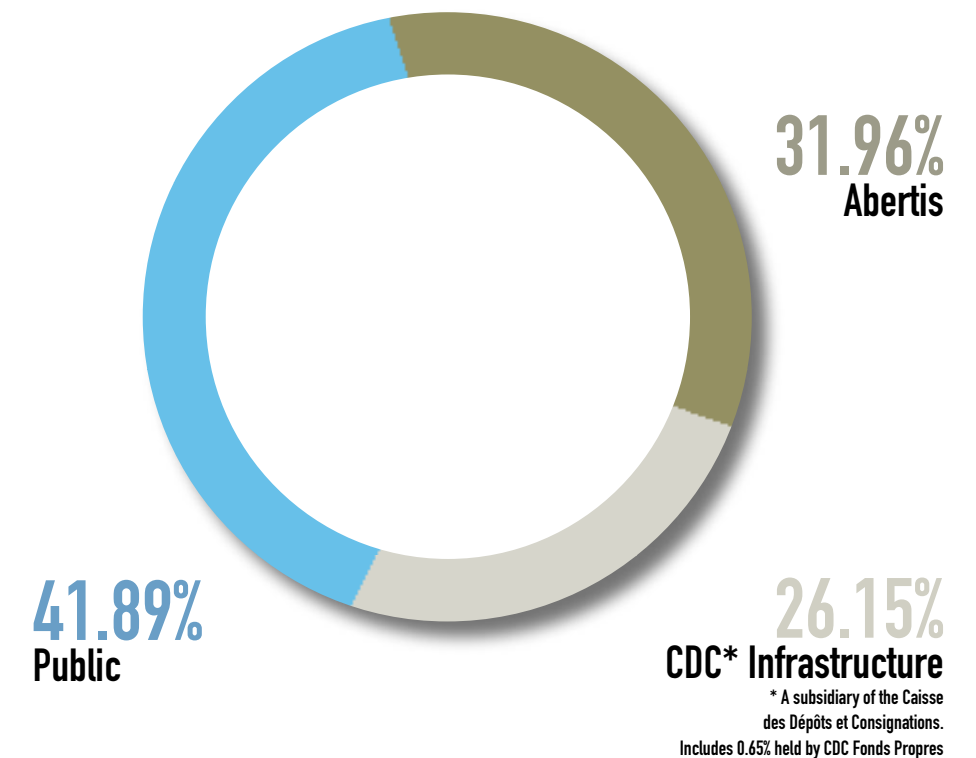
The Annual General Meeting of 10 November 2006 was a privileged moment for dialogue between management and shareholders. This exchange also led to the production of an Introduction to Satellite Communications to bring our shareholders closer to our satellites, their technology and the broad range of services they supply.



DIVIDEND PER SHARE

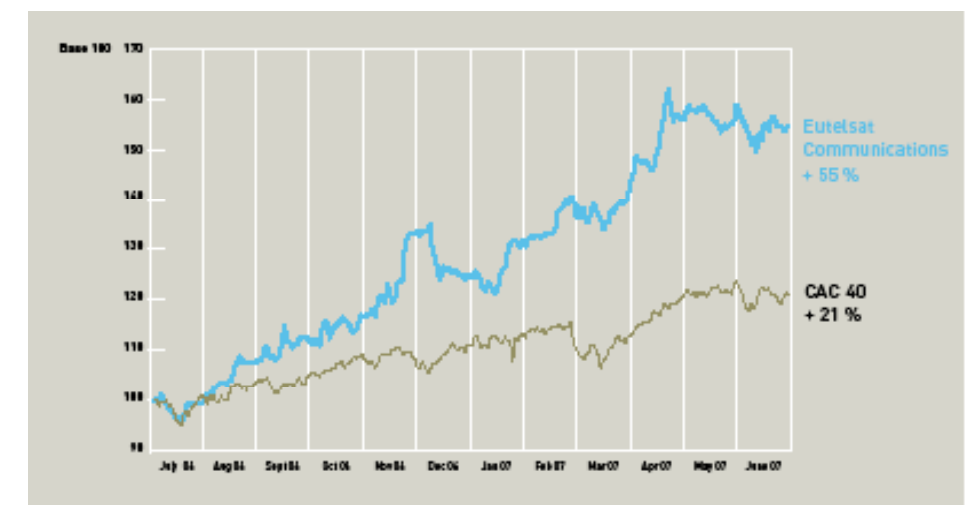


CAPITAL STRUCTURE AS OF 30 JUNE 2007



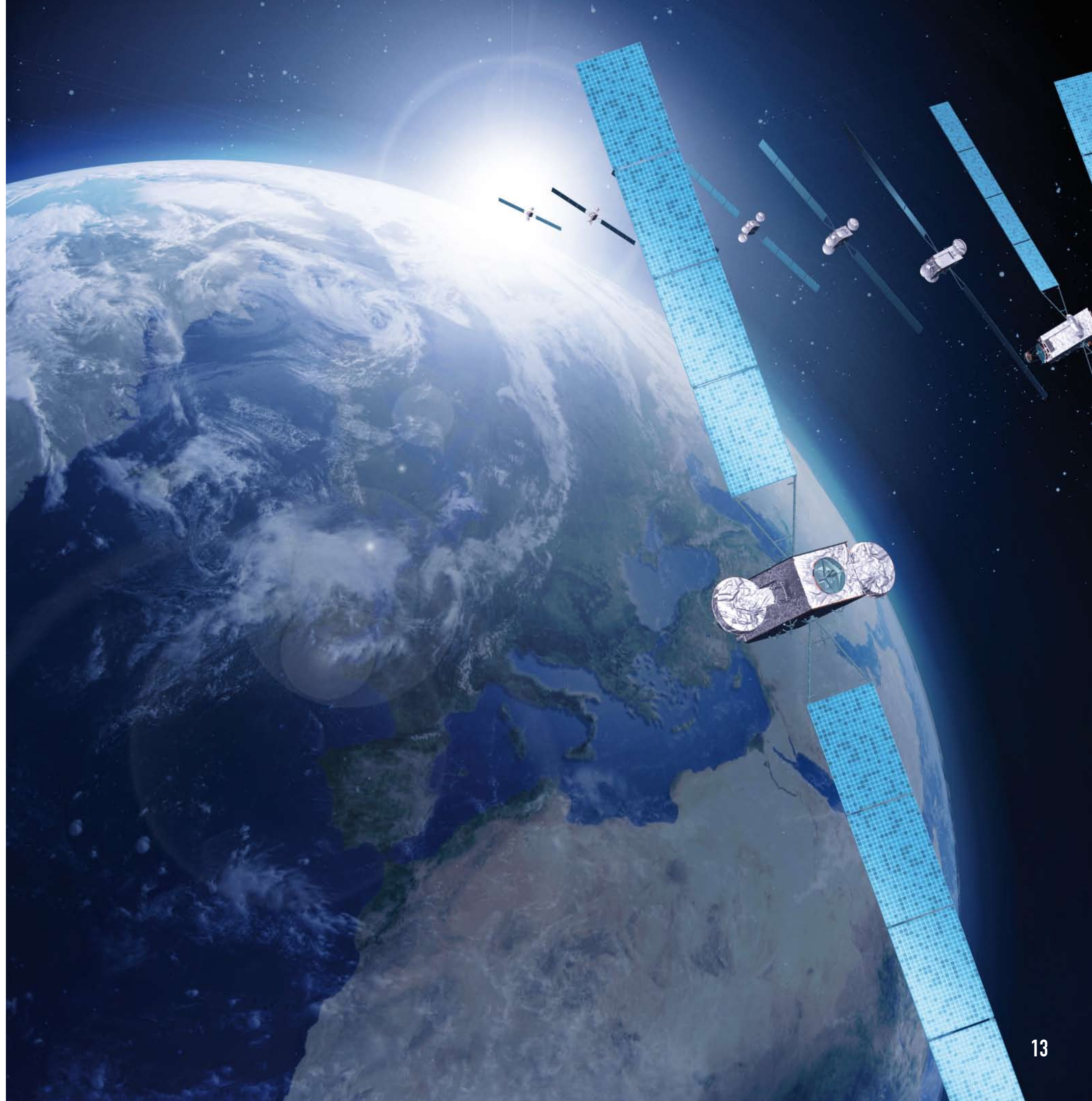
Eutelsat Communications and CAC 40 stock price evolution (source Euronext) from July 1, 2006 to June 30, 2007

Price 30 June 2006: E11.75
Price 29 June 2007: E18.05
Period high: E18.85
Period low: E11.17



Based on historic trading performance of the stock adjusted by a factor of 0.962937 for the period prior to 15 November 2006 to take into account the distribution made at this date.

**GEOSTATIONARY ORBIT:
A FINITE RESOURCE
HOSTING OUR
PRIME TECHNOLOGY**



DEVELOPING NEW RESOURCES IN 2006/2007

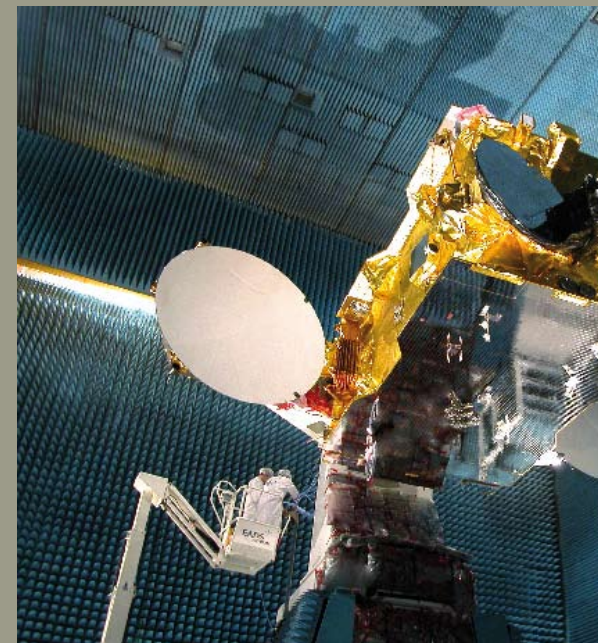
HOT BIRD™ 8's entry into commercial service in October 2006, following HOT BIRD™ 7A in April 2006, made it possible to renew a significant amount of broadcast capacity at the Group's key video neighbourhood. Three newly-released satellites opened three new orbital positions in the same year, enabling the Group to increase the number of operational transponders in stable orbit from 462 to 505.

JULY 06

Opening of a new orbital position at 7° West with the entry into service of ATLANTIC BIRD™ 4. Released from its initial assignment at 13° East, ATLANTIC BIRD™ 4 significantly boosts the Group's broadcasting resources for Middle East and North African markets.

AUGUST 06

Launch on 5 August of HOT BIRD™ 8 by a Proton M Breeze M rocket from the Baikonour Cosmodrome, Kazakhstan. Weighing 4.9 tonnes at lift-off, HOT BIRD™ 8 is the largest and most powerful European Ku-band broadcasting satellite ever launched. With 64 transponders, it is also the first in the programme initiated by the Group to colocate three identical high-power satellites at the HOT BIRD™ neighbourhood. In 2009, they will provide full redundancy at the Group's leading video neighbourhood.



MARCH/APRIL 07

Opening of a new position at 4° East with the redeployment of HOT BIRD™ 3. Renamed EUROBIRD™ 4 for its new commercial mission, this satellite benefits from strong coverage of the Middle East, enhancing the Group's resources to serve demands from government administrations.

The Group also acquired the Ku-band capacity on France Télécom's TELECOM 2C satellite that operates in inclined orbit at 3° East.

MAY 07

Opening of a new neighbourhood at 9° East with the entry into service of EUROBIRD™ 9, formerly HOT BIRD™ 2. This position, whose proximity with the HOT BIRD™ satellites enables reception with a single domestic antenna opens substantial new potential for expansion of broadcasting services in Europe and the Mediterranean Basin.

JANUARY 07

Deployment at SkyPark's Turin teleport of a hub providing in-flight Internet connectivity for business aviation in Europe. This new service, based on D-STAR technology is jointly operated for the European market by ViaSat and Skylogix. It uses capacity on Eutelsat's ATLANTIC BIRD™ 2 satellite to ensure seamless connectivity during flights over European airspace and the Mediterranean Basin.





INVESTMENT TO RENEW EXPAND INNOVATE

At 30 June 2007 the Group was operating a fleet of 24 satellites, 19 of which are fully-owned. Located at 20 orbital positions between 15° West and 70.5° East, the Group's satellites offer coverage across Europe, Africa, the Middle East, Russia, Central Asia and large parts of the Asian and American continents. The Group also owns two of the largest teleports in Europe, located in Rambouillet (France) and in Turin (Italy).

Two years on average elapse from the order of a satellite to its launch. In order to accommodate the constraints of this schedule and to ensure a high degree of commercial reactivity, since 2001 Eutelsat has pursued a policy of anticipating replacement of satellites at mature orbital positions. Satellites released in advance from their initial mission represent an additional in-orbit resource that can consolidate an emerging position or open the door to a new market opportunity.

This dynamic of cascading satellites enables the Group to constantly optimise its infrastructure and manage in-orbit security and capacity expansion. This approach preserves strategic priorities, increases reliability, reduces risk in orbit and equips Eutelsat with full flexibility and resources to fuel new growth.

Ensuring full optimisation of our in-orbit resources through security and expansion

In-orbit security, a key asset of the HOT BIRD™ neighbourhood

With 102 operational transponders, the three satellites forming the HOT BIRD™ constellation at 13° East constitute one of the world's most powerful broadcasting systems. To consolidate in-orbit security at this strategic position Eutelsat Communications has initiated a programme comprising three large and identical satellites to ensure full in-orbit redundancy. HOT BIRD™ 8, the first satellite in this new generation was launched in August 2006. It will be joined in mid-2008 by HOT BIRD™ 9 which was ordered by the Group during the last financial year. This unique inter-satellite redundancy will be completed with HOT BIRD™ 10, which was ordered in October 2006 and scheduled for launch in 2009. Following their launches, HOT BIRD™ 9 and 10 will release the HOT BIRD™ 6 and 7A satellites for new commercial missions.

New orbital positions to fuel growth

With the launches of HOT BIRD™ 7A and 8, the Group's HOT BIRD™ 2, 3 and 4 satellites were each redeployed during the financial year to new orbital positions and rebranded respectively EUROBIRD™ 9, EUROBIRD™ 4 and ATLANTIC BIRD™ 4. Two of the new positions, 7° West and 4° East, address strong demand for capacity for the Middle East and North Africa from existing clients.

ATLANTIC BIRD™ 4 was relocated to 7° West to support expansion of digital broadcasting by the Egyptian satellite operator Nilesat whose satellites also serve the Middle East and North Africa from the same orbital location. At its entry into service at 4° East new contracts from government administrations were activated on EUROBIRD™ 4.

Multi-satellite reception to capitalise on strong audience penetration

The relocation of EUROBIRD™ 9 at 9° East underscored Eutelsat's objective to promote multi-satellite reception in Europe. This new neighbourhood opens broadcasting markets by enabling channels to access the established audience of homes equipped for DTH reception from the HOT BIRD™ satellites. Channels broadcasting from the HOT BIRD™ neighbourhood at 13 degrees East and 9° East can be received by a single antenna fitted with a dual-feed LNB. EUROBIRD™ 9 consequently opens a new neighbourhood in Europe offering the potential to access 48 million homes already equipped for DTH reception from the HOT BIRD™ position. Once released from its current mission by the arrival of HOT BIRD™ 9, the HOT BIRD™ 7A satellite will move to consolidate this 9° East, increasing capacity from 20 to 38 transponders.



EUTELSAT COMMUNICATIONS' WHOLLY-OWNED SATELLITES

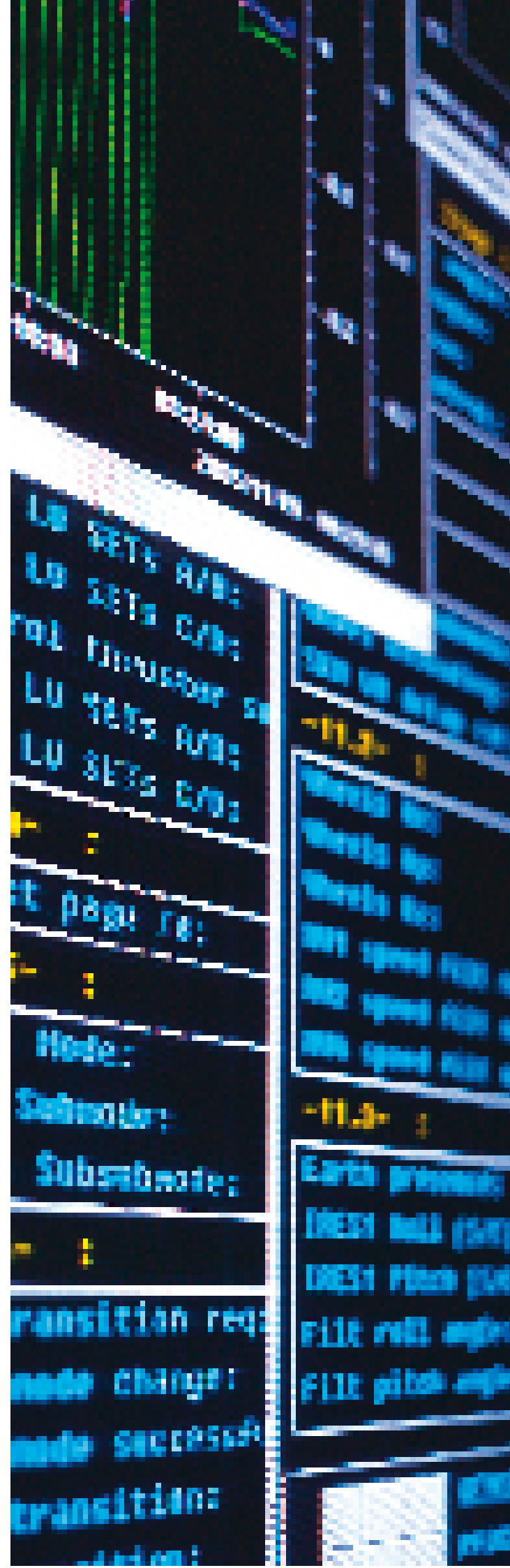
SATELLITE	ORBITAL POSITION	COVERAGE
HOT BIRD™ 6	13° E	Europe, North Africa, Middle East
HOT BIRD™ 7A	13° E	Europe, North Africa, Middle East
HOT BIRD™ 8	13° E	Europe, North Africa, Middle East
EUROBIRD™ 1	28.5° E	Europe
EUROBIRD™ 2	25.5° E	Europe, North Africa, Middle East
EUROBIRD™ 3	33° E	Europe
EUROBIRD™ 4	4° E	Europe, North Africa, Middle East
EUROBIRD™ 9	9° E	Europe, North Africa, Middle East
W1	10° E	Europe, Africa, Middle East
W2	16° E	Europe, Africa, Middle East
W3A	7° E	Europe, Africa, Middle East
W4	36° E	Africa, Russia, Eastern Europe
W5	70.5° E	Europe, Middle East, Asia
W6	21.5° E	Europe, Africa, Middle East
SESAT 1	36° E	Europe, North Africa, Middle East, Asia
ATLANTIC BIRD™ 1	12.5° W	Europe, North Africa, Middle East, Americas
ATLANTIC BIRD™ 2	8° W	Europe, North Africa, Middle East, Americas
ATLANTIC BIRD™ 3	5° W	Europe, Africa, Middle East, Americas
ATLANTIC BIRD™ 4	7° W	Central Europe, North Africa, Middle East

CAPACITY ON THIRD-PARTY SATELLITES

SATELLITE	ORBITAL POSITION	COVERAGE
TELSTAR 12	15° W	Europe, Americas
EXPRESS A3	11° W	Europe, North Africa, Middle East
SESAT 2	53° E	Europe, North Africa, Middle East, Asia
TELECOM 2D	8° W	Europe
TELECOM 2C	3° E	Europe

FUTURE LAUNCHES

SATELLITE	ORBITAL POSITION	COVERAGE
HOT BIRD™ 9	13° E	Europe, North Africa, Middle East
HOT BIRD™ 10	13° E	Europe, North Africa, Middle East
W2M	16° E	Europe, North Africa, Middle East
W2A	10° E	Europe, North Africa, Middle East
W7	36° E	Europe, Russia, Africa, Middle East, Asia



NEW PROGRAMMES

Five satellites are currently being built, for launches between 2008 and 2009. Ordered during the previous financial year, construction is progressing to plan of HOT BIRD™ 9, to be delivered by EADS Astrium, and W2M, to be delivered by a consortium assembling EADS Astrium and ISRO. In the 2006-2007 financial year, the Group placed orders for three further satellites: W2A and W7 from Thales Alenia Space and HOT BIRD™ 10 from EADS Astrium.

Ordered in September 2006, W2A will replace the W1 satellite and boost resources available at 10° East with 46 Ku-band transponders and 10 C-band transponders covering Europe, the Middle East and Africa. W2A will also carry Europe's first S-band payload. Operated by a joint venture assembling Eutelsat SA and SES Astra, the S-band payload will open a new frequency spectrum in Europe bringing together satellite and terrestrial retransmitters in a single ubiquitous network for new-generation mobile services. Three main markets present major potential uses for this payload: digital television and radio services to mobile handsets and interactive services onboard vehicles. W2A is scheduled for launch in early 2009.

Ordered in October 2006, HOT BIRD™ 10 forms part of the programme to renew and secure the 13° East video neighbourhood. Identical to the HOT BIRD™ 8 and HOT BIRD™ 9, satellites, it will carry 64 Ku-band transponders. Its launch is scheduled for first quarter of 2009.

Ordered in December 2006, for launch in the third quarter of 2009, W7's 70 Ku-band transponders will replace SESAT 1, and increase capacity threefold at 36° East where it will be colocated with W4. W7 will provide six footprints covering Europe, Russia, Africa, the Middle East and Central Asia. A key mission will be to support the expansion of pay-TV services in Russia and sub-Saharan Africa, two rapidly expanding markets where the Group is one of the leading suppliers of satellite capacity since 2000.

**MORE THAN EVER,
WE NEED SPACE
TO COMMUNICATE**





Since 2005 Eutelsat has pursued a strategy focused on enhancing its in-orbit resources for video applications and developing a pole of value-added services. These strategic directions are founded on the expansion of digital broadcasting and broadband markets in Western Europe and also in emerging markets served by the Group's satellites.

MARKET TRENDS

The dynamics of satellite broadcasting and the development of regional markets show that Eutelsat's strategy is on track

Market trends observed over the past two years by analyst firm Euroconsult confirm that the Group's strategy is on the right track. In 2006, demand for video applications continued to grow faster than the overall Fixed Satellite Services (FSS) market. In a global market experiencing 4.8% growth in capacity in 2006, video applications grew at a rate of 8%.

While consolidating key video neighbourhoods serving Western Europe, the Group has also pursued the expansion of in-orbit resources in the growing markets of Central Europe, the Middle East, North Africa and sub-Saharan Africa.

Here again, market figures show the solid foundation of Group strategy. In its 2007 annual survey, Euroconsult highlights the strong growth of digital broadcasting and broadband services in these regions. In 2006, demand for satellite capacity rose by 19.2% in Russia and Central Asia, 9.3% in the Middle East and North Africa, 8.9% in sub-Saharan Africa and 4.6% in Central Europe following 26% growth in 2005. North American and Western European markets continued to account for more than 40% of worldwide demand and almost half (49%) of worldwide FSS revenues.

+ 8%
Growth in satellite video applications worldwide

+ 11.7%
Growth in video applications for the Group

72.2%
Proportion of video applications in Group revenue

MARKETS PRESENTING GROWTH OPPORTUNITIES FOR THE GROUP

* Sources: Eutelsat Strategy Department, Euroconsult – World Satellite Communications and Broadcasting Market Survey 2007

- The number of digital satellite channels broadcast worldwide should double by 2016 to more than 34,000. HDTV will represent 20% of this offer with nearly 7,000 channels.
- In Extended Europe, digital channels should increase from 6,100 in 2006 to 11,000 in 2016, including 900 HDTV channels.
- Demand from businesses, administrations and consumers for satellite Internet access should increase by 5.6% each year to 2016. The arrival of the first Ka-band multi-spot satellites in Europe by 2010 will significantly reduce MHz costs per user. In North America, two years after launch, consumer broadband services using Ka-band supplied by WildBlue and Telesat already serve 300,000 subscribers.
- In 2007, major Hollywood studios defined technical standards for digital cinema. With the replacement cycle of projection equipment in cinemas, digital distribution of films should progressively replace traditional reels. Through their suitability for point-to-multipoint distribution, satellites are well-placed to benefit from this new market.
- From 2009, the opening of the S-band via satellite in Europe should significantly boost resources for operators of mobile television services as well as interactive services for vehicles in complement to positioning services to be provided by Galileo.



SATELLITE DIRECT-TO-HOME RECEPTION BOOSTED BY TAKE-UP OF DIGITAL

In 2006, according to Idate's 2007 Digiworld survey, worldwide revenues for television services reached 258 billion euros, up 6.3% compared with 4.5% growth in 2005. While advertising remains the number one source of financing, revenues generated from pay-TV showed the highest growth rates, confirming the good positioning of satellites in this market.

Of a total 1.1 billion television homes worldwide, the number equipped for DTH satellite reception increased by 6.7% in 2006, reaching 184 million homes. DTH satellite reception is growing fastest in digital households, with a 9.6% growth rate. At the end of 2006, nearly half of the world's digital homes (49%) were receiving television Direct-to-Home by satellite or via community reception.

In the pay-TV market the number of homes subscribing to a satellite offer increased by 8.6% to 83 million. Euroconsult estimates that this growth rate should continue, raising the number of homes subscribing to a satellite package in 2016 to over 164 million worldwide, despite the emergence of new distribution networks.

+ 6.7%
Worldwide growth of homes equipped for DTH reception

+ 8.6%
Worldwide growth of homes subscribing to a satellite pay-TV platform

94%
Penetration by Eutelsat satellites of cable and satellite homes in Extended Europe

VIDEO APPLICATIONS

Benefiting from the dynamics of digital broadcasting markets, revenues generated by video applications rose by 11.7% during the year, to reach 590.4 million euros. This high growth rate was achieved with the new in-orbit resources made available following the launches of the HOT BIRD™ 7A and HOT BIRD™ 8 satellites, and the re-allocation to video applications of capacity previously used for data services or multi-usage.

Extended Europe, which is served by the Group's premium HOT BIRD™ and EUROIRD™ 1 video neighbourhoods, benefited from strong growth in digital broadcasting. The two locations combined registered a 11.5% increase in their audience of satellite homes. Markets served by the Group's other video neighbourhoods showed even more significant take-up as digital services take hold, providing viewers with substantial improvement in signal quality, access to international channels as well as multiple thematic channels. The immediate deployment in some of these markets of set-top boxes using MPEG-4 compression creates highly favourable conditions for cost-efficient introduction of High Definition.

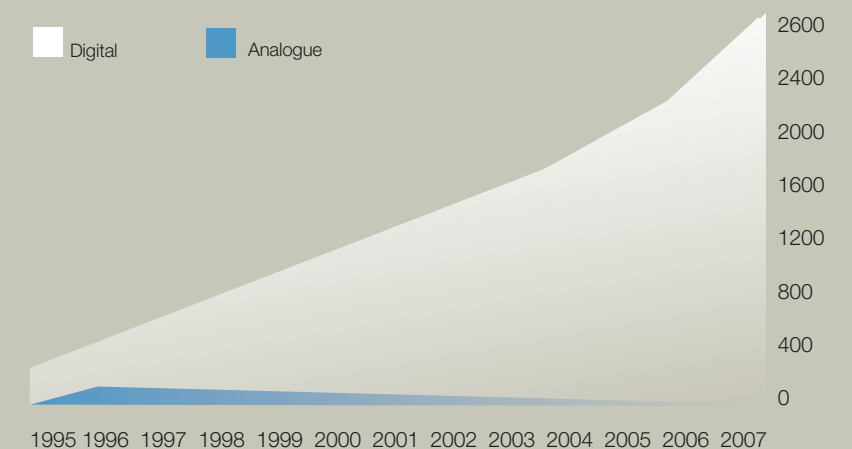
Leveraging its historically strong position in Extended Europe, Eutelsat has proactively increased resources allocated to video applications. Extra capacity was made available following the arrival in orbit of the HOT BIRD™ 7A and HOT BIRD™ 8 satellites. Both satellites renewed a sizeable volume of capacity at the Group's premium video neighbourhood, and enabled redeployment of three satellites to new locations. Two were relocated to new positions for broadcasting: ATLANTIC BIRD™ 4 (formerly HOT BIRD™ 4) opened up the 7° West position in July 2006 while EUROIRD™ 9 (formerly HOT BIRD™ 2) began commercial service in May 2007 at 9° East.

This new capacity enabled the Group to register over the financial year a 23% increase in number of channel broadcast across its fleet, up to 2,608 from 2,121.

VIDEO NEIGHBOURHOODS BROADCASTING 2,600 CHANNELS, UP 23%

30% of the 487 new channels that began broadcasting during the year via Eutelsat's video neighbourhoods are from Western Europe.

70% are addressing markets in Russia, Central Europe, the Middle East and Africa.



VIDEO APPLICATIONS

With nearly 30 pay-TV platforms and an audience of over 165 million homes, Eutelsat confirms its pole position in Extended Europe and across the African continent.

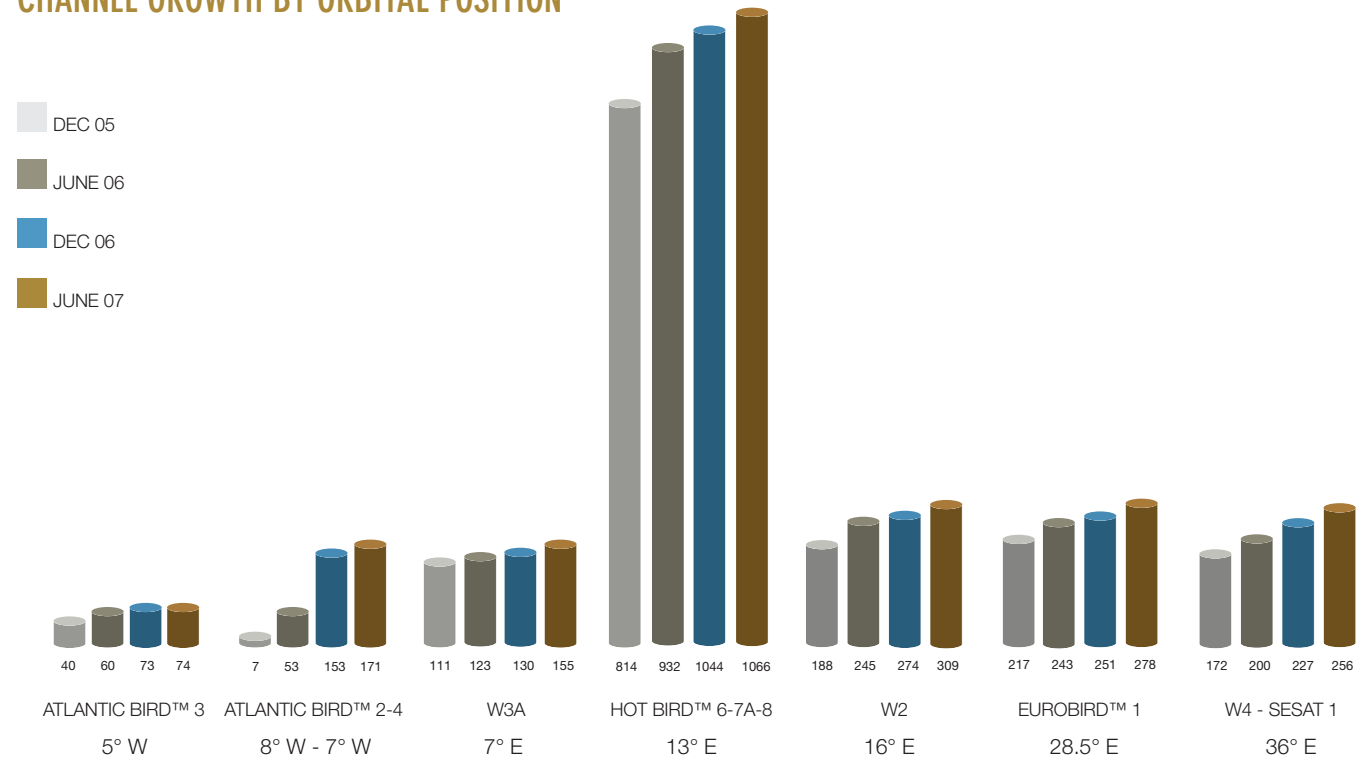
Growth of the number of channels broadcast by the Group's satellites is primarily driven by the continuing expansion of SKY Italia in Italy, BskyB in the UK, MultiChoice in sub-Saharan Africa, NTV+ and Tricolor in Russia, Cyfra+ and TVN in Poland, Nova in Greece and Digiturk in Turkey. New platforms were also launched during the year, notably TV Tel in Portugal, Gateway in sub-Saharan Africa and Total TV Slovenia in Slovenia.

Free-to-air (FTA) broadcasting also demonstrated robust growth with the arrival of 282 channels broadcasting from one or several of the Group's video neighbourhoods in order to maximise their audience in domestic and foreign markets. New free-to-air channels include national broadcasters ORTM (Mali), TVR (Romania), CTM (Moldavia), RTS (Senegal), RTK (Kosovo) and RTR and VGTRK (Russia).

Free-to-air broadcasting has also been boosted by the launch of a new generation of news channels whose objective is to give a national or regional perspective on current events. New channels in this category include France 24, Al Jazeera International and Russia Today. With the same goal of reaching communities, the KabelKiosk service supplied to cable networks in Germany, Austria, Luxembourg and Switzerland by Eutelsat's German subsidiary increased its programme offer to 60 channels in nine languages: English, Spanish, French, German, Italian, Polish, Russian, Serbian and Turkish.

All of the Group's key video neighbourhoods show increasing take-up of channels broadcast

CHANNEL GROWTH BY ORBITAL POSITION



VIDEO APPLICATIONS

HDTV: consumer take-up of HD displays is progressing as pay-TV platforms launch HD channels

In 2006, High Definition television was already a reality in the USA and Japan where, according to Idate, HDTV services were watched by approximately 10% of TV homes. In Europe and the Group's emerging markets, HDTV take-up is still held back by limited availability of programming and set-top boxes in MPEG-4 format.

The Group's major pay-TV clients have confirmed that HDTV is a priority and a number launched their first offers in 2006 and 2007, including SKY Italia in Italy, BSkyB in the UK, "n" and Cyfra Plus in Poland and NTV+ in Russia. The number of HDTV channels broadcast by the Group's satellites rose during the year from 12 to 22.

Another indicator confirming the emergence of HDTV across Europe is consumer take-up of HD displays. In April 2007 GfK estimated that the number of homes in major European markets equipped with HD displays varied from 7% to nearly 17%.

The UK, Switzerland, the Netherlands, Germany, Belgium and France have exceeded the 10% threshold. With the natural equipment replacement cycle these figures should increase threefold by the end of 2008. Flat screens represent 80% of new television sets sold in 2007.

In terms of channels broadcast, Euroconsult estimates that the number of HDTV channels broadcast worldwide in 2016 should exceed 6,900, including 900 in Extended Europe.

DTT DEPLOYMENT: THE GROUP STRENGTHENS ACTIVITY IN CHANNEL DELIVERY TO TV TOWERS

Launched in Western Europe in 2004, Digital Terrestrial Television (DTT), is now undergoing rapid deployment across Europe. At the end of 2006 over 44 million homes already owned a DTT set-top box, representing a 53% increase over one year (source: Dataxis). Similar to channel distribution to cable headends, the Group is deriving new activity from these broadcast networks by delivering digital multiplexes to terrestrial retransmitters. As a result of a commitment to equitable access to DTT channels, the Group is also broadcasting channels to homes located beyond range of terrestrial transmitter reception. The Group's principal clients in the DTT market in 2007 were Mediaset and RAI in Italy, Télédiffusion de France in France, SRG-SSR in Switzerland and Arqiva in the UK.



VIDEO APPLICATIONS

Mobile TV: a new development opportunity

In addition to linear television, consumer demand for new broadcasting technologies for mobile and video on-demand services is confirmed by all market studies. These emerging services, which are at varying stages of development throughout the world, constitute new opportunities for the Group. Similar to digital broadcasting, which benefited from the ubiquitous coverage supplied by satellites, their mass-market take-up of mobile services should stimulate the satellite market.

The Group launched major initiatives during the financial year in order to seize opportunities in these markets with the highest levels of efficiency and competitiveness.

In October 2006, the Group announced the order of an S-band payload on the W2A satellite. Located in the lower frequencies of the radio frequency spectrum, the S-band has optimal technical characteristics for video broadcasting and two-way satellite transmissions with small mobile devices.

S-band via satellite is already a commercial success in markets in the USA, South Korea and Japan. Over 15 million Americans subscribe to digital radio services broadcast via S-band, while South Korea has six million mobile TV users on mobile phones. Japan has over 10 million owners of mobile television handsets with 1.6 million new terminals sold each month. The S-band capacity on the W2A satellite is a joint investment by Eutelsat

Communications and SES Astra. A 50/50 joint venture company will operate and commercialise this payload, which should enter into service in early 2009. In addition to mobile television, the S-band payload opens opportunities for security and information services to mobile devices in vehicles as a complement to positioning services to be supplied by GPS and Galileo.



EUROBIRD™ 9 opens a new pole for broadcasting in Europe

The redeployment of the HOT BIRD™ 2 satellite to 9° East in May 2007, which marked the opening of a new video neighbourhood was a second strategic initiative for the Group. Rebranded EUROBIRD™ 9 for its new commercial mission, this satellite provides broadcasters with an ideally located expansion platform serving Europe. Its key asset is its proximity to the HOT BIRD™ satellites, which enables channels from both positions to broadcast to single domestic antennas equipped with a double-feed. Immediately following its entry into service it was selected by Portugal's new pay-TV platform, TV Tel.

The 9° East position will be consolidated in 2009 with the arrival of the HOT BIRD™ 7A satellite, released from its first commercial mission after the launch of HOT BIRD™ 9. HOT BIRD™ 7A will increase from 20 to 38 transponders the capacity of the Group's new European broadcasting hub.

For broadcasters already at the HOT BIRD™ position at 13° East, EUROBIRD™ 9 opens significant broadcasting capacity and the potential to reach the installed base of antennas already equipped for HOT BIRD™ reception. For channels seeking to rapidly build their audience in Europe, EUROBIRD™ 9 is a privileged gateway to 48 million HOT BIRD™ DTH homes as well as the thousands of hotels, hospitals and community buildings already equipped for satellite reception.



DATA AND BROADBAND

In addition to video applications, Eutelsat operates a significant pole of data and broadband services which represented 19.4% of Group activity in the 2006/2007 financial year, generating 159 million euros in revenues.

With the allocation in 2006 and 2007 of new resources to video applications, the Group pursued a highly focused policy towards the development of data and broadband services.

This strategy is centred on addressing activity towards regions and applications with low or inexistent competition with terrestrial networks. The Group gains high levels of profitability from this segment which includes commercialisation of satellite capacity and providing value-added services which integrate capacity, terminals and on-ground services.

Targeting markets where satellite has unique assets

In view of the continuous growth in video applications, satellite-delivered data services have experienced varying development patterns depending on application and region. According to the 2007 survey by Euroconsult, the satellite interconnection market of major telecommunications networks has decreased by an average of 6% per year since 2001, mainly due to increased competition from fibre networks. Over the same period the direct telecommunications market using satellite terminals (VSAT) increased by 10% in the enterprise market and 35% in the government administration market. Eutelsat focuses the development of its data activities on this market, in close collaboration with major telecommunications operators who deploy applications dedicated to their own clients on the Group's satellite capacity.

Principal applications are network protection for major corporations, interconnection of remote sites, monitoring of industrial and oil & gas infrastructure (platforms and gas pipelines) and data distribution and exchange for financial, media and retail distribution sectors.

At June 30, 2007 the main clients of the Group's data activities included France Telecom/GlobeCast, Telespazio, BT, Deutsche Telekom, AT&T, Hughes Network Systems, Belgacom, Cable & Wireless, Monaco Telecom and IABG.

Internet access via satellite, a continuously expanding market

With 1.7 million VSAT terminals worldwide, the satellite broadband market is concentrated in less densely populated territories where it remains the only solution for enterprises, administrations and individuals to access broadband networks.

In most emerging markets covered by the Group's satellites less than 25% of the population has broadband connectivity via a terrestrial network. In these markets, Eutelsat provides direct links via satellite between VSAT terminals and teleports of major regional operators such as Orascom, Bentley Walker, Caprock, Emperion, GT&T and Horizon Satellite Services.

For new players or operators whose activity does not require full deployment of their own teleports, the Group provides value-added services via its subsidiary, Skylogic. These services range from hosting of client hubs at Skylogic's SkyPark teleport in Turin (Italy), to turnkey services that include supply of user terminals and network administration. Skylogic also supports the first phase of development of broadband service operators. After training teams at the Skylogic teleport for the first few months of its service in Algeria, Orascom Telecom Group opened its own teleport in Algiers.

In Western Europe, broadband terrestrial networks are now reaching approximately 80% or more of the population. In these markets, Skylogic principally focuses on regional authorities who are implementing universal broadband programmes for local municipalities, administrations and schools. In 2006 and 2007, the Group initiated or continued deployment of far-reaching programmes requiring several hundred terminals in Ireland, Italy (Tuscany, Piedmont) and Spain on behalf of the Diputación Provincial de Zaragoza.

During the financial year, revenues from the Group's value-added services increased by 5%, to 31.4 million euros

DATA AND BROADBAND



40% INCREASE IN D-STAR TERMINALS

Launched in 2003, the two-way D-STAR service recorded a 40% increase in number of terminals deployed during the year, to 7,424 terminals at 30 June 2007. Sub-Saharan Africa and North Africa account for more than half of this increase.

Directly communicating with Eutelsat satellites and totally independent of terrestrial networks, D-STAR terminals enable a permanent connection to the Internet backbone to be set up for a computer network or a local Wi-Fi loop.

The principal users of D-STAR are small and medium-sized enterprises, communities and schools located beyond reach of broadband terrestrial networks, as well as civil protection agencies requiring rapid deployment of full communications solutions at an intervention site.

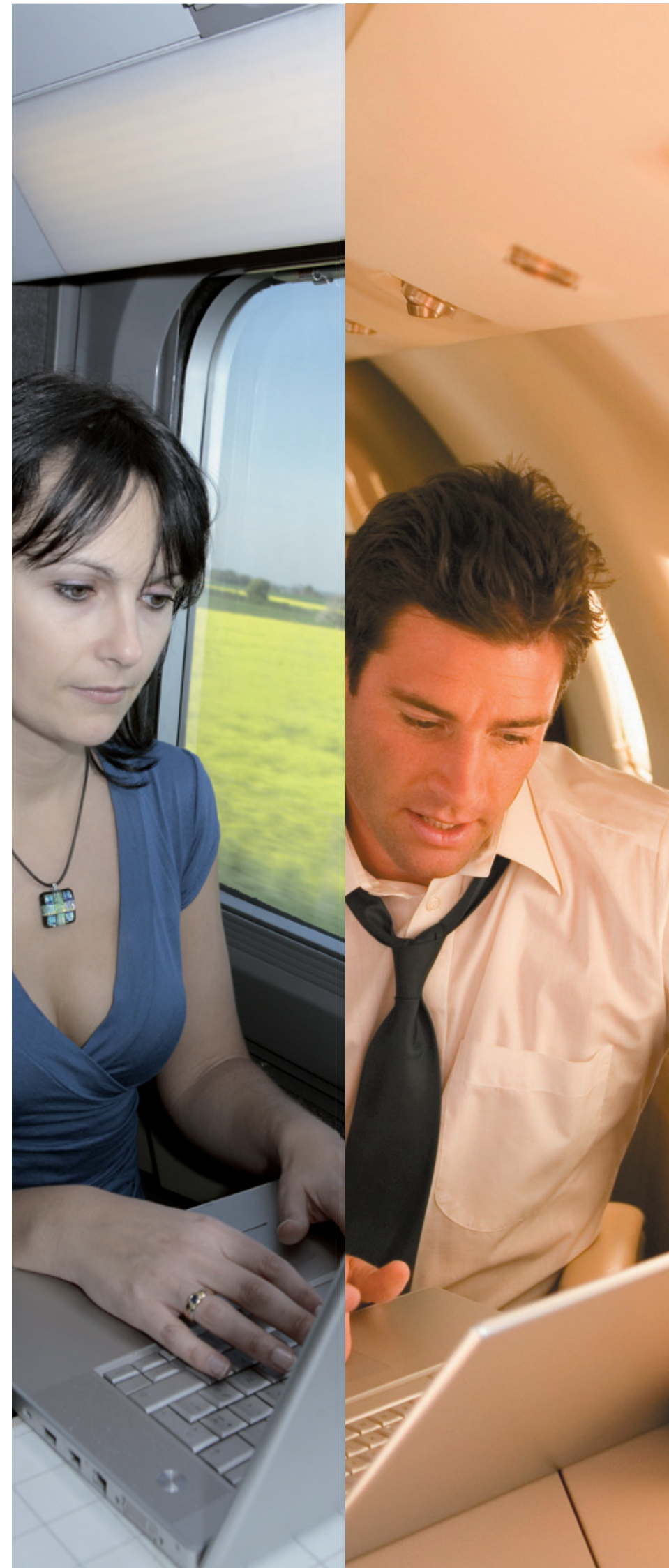
Three additional markets facing no direct competition from terrestrial networks offer scope for further development of Skylogic's D-STAR technology: maritime and in-flight applications, and rail transport, which is currently in its first test phase.

Launched in May 2006 on the first two cruise-ferries belonging to the Grandi Navi Veloci fleet, maritime D-STAR has been deployed to the entire Grimaldi Group fleet since early 2007. Backed by Vodafone Malta for GSM routing and Skylogic's teleport in Turin for Internet access, this service offers a full range of bitrates so that commercial cruise ships and private yachts can access GSM and Internet networks at sea. The maritime D-STAR service has also been deployed on vessels operated by the Danish navy.

In the in-flight market, in January 2007 Skylogic teamed with ViaSat to open at the SkyPark teleport the first hub in Europe offering in-flight Internet access for business aviation. Using capacity on ATLANTIC BIRD™ 2 the service was deployed during the financial year on 40 business jets by ARINC, the world leader in communication services for aviation.

A milestone was reached in June 2007 for the third market for D-STAR mobile applications with the announcement by SNCF French Railways of the launch of the first phase of Internet connection tests onboard high-speed trains on the new TGV-Est line in eastern France. This new multimedia service is managed by a consortium assembling Orange Business Services, Alstom, Cap Gemini and Eutelsat.

Alongside services based on D-STAR technology, D-SAT mobile services and EutelTRACS for shipping and road transport consolidated their business with 35,000 terminals at 30 June 2007, up from 31,000 at 30 June 2006.



Skylogic, the Group's broadband subsidiary, deploys D-STAR technology for new services in-flight, at sea and on trains

INNOVATION

Eutelsat launches the first Ka-band broadband service in Europe

Two years after the launch of consumer satellite broadband services in the Ka-band by WildBlue and Telesat in North America, close to 300,000 homes have subscribed to this product developed by ViaSat. On the strength of this take-up, in February 2007 Eutelsat and ViaSat announced they would join forces to launch in Europe by the end of 2007 a consumer satellite broadband service called Tooway™.

Like North America, Europe offers significant potential market as the digital divide remains a reality in many suburban and rural areas. In 2010, more than six million homes in Western Europe, eight million in Eastern Europe and three and a half million in Turkey will still not be served terrestrial broadband networks.

The major innovation of Tooway™ is to bring satellite-based Internet access to consumers at attractive pricing levels and with speeds that are comparable to terrestrial networks. The reduction in costs is achieved by optimising consumption of bandwidth through a multi-spot architecture via Ka-band frequencies on the HOT BIRD™ 6 satellite.

In comparison to terminals for professional markets, a threefold reduction in the cost of Tooway™ consumer equipment has also been achieved through the considerable economies of scale made possible by the open DOCSIS standard. This standard is already used by more than 20 million cable households worldwide.

The first Tooway™ hub entered into service in September 2007 at Skylogic's SkyPark teleport in Turin and a second hub will go into service in Madrid, Spain. The first consumer terminals will be available before the end of 2007. In 2010 Eutelsat will launch a dedicated Ka-band satellite to support widescale roll-out of Tooway™ consumer services across Extended Europe.

The compact consumer equipment for Tooway™ comprises a 67cm antenna with a Ka-band LNB to receive data at up to 4 Mbps. A 2-watt amplifier enables upstream transmissions to the satellite at speeds in excess of 1 Mbps. A modem provides the interface between the outdoor equipment and the PC or Local Area Network.



MULTI-USAGE

Alongside video, data and broadband activities, Eutelsat Communications' Multi-usage segment covers short-term capacity contracts.

These contracts are principally requirements for satellite capacity from government administrations. This market is directly linked to worldwide geopolitical situations that require governments to provide communications resources for interventions on-site.

A second part of the Multi-usage segment is lease of capacity to other satellite operators pending the launch of a new satellite.

These short-term contracts allow the Group to optimise its fleet filling factor. During the financial year, services provided to government administrations grew by 8.3%, mainly due to the entry into service of EURO-BIRD™ 4 which offers strong coverage of the Middle East. Following the termination in April 2007 of a lease by the satellite operator Arabsat, the majority of the released capacity was reallocated to Video Applications.

HUMAN RESOURCES

Our Human Resources policy aims to ensure that in France, and each of our subsidiaries located in North and South America, Italy, Germany, the United Kingdom, Poland and Malta, the Group's 529 staff continue to expand their expertise and specialisation in order to respond with the highest levels of technical competence and knowledge to each of our markets.

With close to 30 nationalities represented among team members and a client base worldwide, our Group is characterised by highly diverse backgrounds and cultures. In a digital telecommunications environment where skillsets are continually evolving, the capacity to innovate and increase competitiveness are at the heart of the Group's success in the marketplace. To support these goals, our Group takes care to develop every team member's skills, while seeking to give everyone a stake in the company's performance.

Developing skills

In our high technology sector, excellence is a key performance objective. The training requirements of operational entities take the shape of a customised programme for every team member. Developing management and organisational skills, perfecting competence in new technologies, expanding personal efficiency and the knowledge of satellite telecommunications: almost 70% of team members working in technical, sales and support positions benefited from at least one training course in 2006. A multidiscipline in-house e-learning portal is also available to all team members.

Sharing in company performance

To strengthen company loyalty, the Group's objective is to offer the most favourable working conditions within the framework of legal, social and tax régimes in French. A broad range of social benefits is provided, notably to support long-term savings, with a particular view to improving retirement.

Team members can benefit from a corporate savings plan (Plan d'Epargne d'Entreprise) to build up a stock portfolio in a collectively managed context and benefit from company co-payments. Since the Group was listed on the stock market, this scheme includes a fund invested in Eutelsat Communications' shares. As in the previous financial year, the implication of all team members in achieving results and in ensuring Group performance was recognised through a scheme to grant free shares that are frozen over the medium term, in line with applicable legal regulations.

Recognising individual contributions also requires a regular flow of information on the Group's business financial, social, political, ethical and cultural goals. New work tools, changes in the satellite fleet, commercial achievements, our involvement in the telecommunications sector and in Europe are all highlighted via a series of internal communications tools, including the Intranet and a monthly newsletter, that encourage a better knowledge of Group business and contribute to further developing an efficient working climate.



SUMMARY OF FINANCIAL REPORT



SUMMARY OF FINANCIAL REPORT

KEY FINANCIAL DATA

Consolidated revenues

Revenues for 2006-2007 were up by 4.8% on last year, sustained by strong momentum of Video Applications. Full-year 2006-2007 revenues include 11.7 million euros of penalties related to late delivery of the HOT BIRD™ 7A satellite. Excluding one-off revenues and at a constant exchange rate, revenue growth was 6.8%.

Revenues derived from Video Applications increased by 11.7% to 590.4 million euros, taking the proportion of overall revenues of this activity to 72.2%. A total of 19.4% of revenues was generated by Data and Value-Added Services and 7.3% by Multi-Usage applications.

		Twelve months ended June 30		
		2006	2007	Change
Key elements of the consolidated income statement				
Revenues	€m	791.1	829.1	+4.8%
EBITDA*	€m	616.5	652.6	+5.9%
EBITDA* margin	%	77.9	78.7	+0.8 pt
Consolidated net income	€m	40.2	170.0	N.A.
Diluted earnings per share	€	0.122	0.718	N.A.
Key elements of the consolidated cash flow statement				
Net cash flow from operating activities	€m	501.1	527.7	+5.3%
Capital expenditure	€m	(230.9)	(350.1)	+51.6%
Operating free cash flow	€m	270.2	177.6	(34.3%)
Key elements of financial structure				
Net debt	€m	2,228	2,295	+3%
Net debt/EBITDA*	x	3.6	3.5	-0.1x
Key operational metrics				
Backlog	€bn	4.0	3.7	-7.5%
Leased transponders	Units	373	404	+8.3%

* EBITDA is defined as operating income before depreciation, amortisation and other operating income/charges (impairment charges, dilution profits (losses), insurance compensations, etc.).

Consolidated EBITDA

Consolidated EBITDA was 652.6 million euros compared to last year's figure of 616.5 million euros, representing a rise of 5.9%. The EBITDA margin rose to 78.7% compared to 77.9% for the 2005-2006 financial year. Excluding one-off revenues the EBITDA margin would have been 78.4%.

Consolidated operating charges

Operating charges for the year of 176.5 million euros are made up of operating costs and selling, general and administrative expenses. With continued tight control over cost structure, operating charges represented 21.3% of revenues, down by nearly one percentage point in comparison to the preceding financial period. In particular, while maintaining the same level of coverage, the Group reduced in-orbit insurance costs upon renewal in November 2006 of its annual contract.

Depreciation/amortisation and other operating charges

Depreciation/amortisation for the year was 300.8 million euros compared to 285.8 million euros last year. The 5.3% increase in depreciation and amortisation expenses is mainly due to entry into service in October 2006 of HOT BIRD™ 8, and accounting over the entire fiscal year of HOT BIRD™ 7A which entered into service in April 2006. These two operations fully offset the decrease in depreciation expenses related to the depreciation of EUROBIRD™ 4 (formerly HOT BIRD™ 3).

Other operating revenues (costs) mainly include 37.5 million euros related principally to insurance compensations for the damage incurred following the technical incident on the W1 satellite during the previous fiscal year, for which agreements were reached during fiscal year 2006-2007. A 25.0 million euro expense was also recorded corresponding to the depreciation of EUROBIRD™ 4 following the technical incident on October 4, 2006.

Operating income consequently increased by 58.8 million euros, taking the operating margin up to 43.7%.

Income tax

The tax expense for 2006-2007 was 92.2 million euros against tax proceeds of 89.7 million euros last year. The substantial improvement in the effective tax rate at 36.3% for the 2006-2007 financial year followed the simplification of the Group's corporate structure, which was achieved according to plan.

Consolidated net result

The Group's consolidated net result was 170 million euros, up by 129.8 million euros. This strong growth can be attributed to the following factors: 19.4% growth in operating income, the absence of the non-recurring net charge (44.5 million euros) in the previous fiscal year in relation to debt restructuring, the 26.9 million euro decrease in interest charges resulting from the refinancing of senior debt during the previous financial year and reduction of the fiscal year average debt following the IPO of December 2005. The net result also reflects substantial improvement in the effective tax rate at 36.3% for the 2006-2007 financial year and growth in income from equity investments reflecting the excellent financial performance of Hispasat, the leading satellite operator in Spanish and Portuguese-language markets, of which Eutelsat owns 27.69%.

Backlog

At 3.7 billion euros, the backlog represents 4.5 times annual revenues. The slight erosion of the backlog compared with June 30, 2006 reflects the higher average fleet age, a major part of the backlog being composed of contracts for the entire operational life of the corresponding satellite, which are generally concluded or renewed upon entry into service of new satellites.

A total of 92% of the backlog relates to the Group's Video Applications. The average residual duration of leases in the backlog is 7.3 years.

Fill Factor

At 30 June 2007, the Group had a fill factor of 80.0% for its 505 transponders in stable orbit. This is the equivalent of 404 transponders compared to 373 at 30 June 2006 and reflects an increase of 8.3% in the number of leased transponders.

The 31 additional transponder leases reflect the good commercial performance of the Group during the reporting period, notably the growth of video applications in emerging markets served by the Group's major video neighbourhoods and a continued high fill factor of more than 95% at premium video neighbourhoods.

Cash flow and net debt

Net cash flow from operating activities rose by 5.3% to 528 million euros. Compared with the previous fiscal year, the 91 million euro decrease in operating free cash flow reflects a 119 million euro increase in capital expenditure at 350 million euros. This is notably dedicated to the launch of HOT BIRD™ 8, to the construction of HOT BIRD™ 9 and W2M, and to the procurement during the financial year of HOT BIRD™ 10, W2A and W7.

Compared with a year ago, net debt was up 67 million euros as of June 30, 2007, reflecting the investment programme and the consolidated distribution in November 2006 of 124 million euros. Financial debt is completely hedged against interest rates fluctuations, wholly until November 2011 and partly until June 2013. At 3.5x, the net debt to EBITDA ratio was stable compared with June 30, 2006.



CONSOLIDATED BALANCE SHEET

(In thousands of euros)

	30 June 2006	30 June 2007
ASSETS		
Non-current assets		
Goodwill	750 714	758 179
Intangible assets	875 237	829 791
Satellites and other property and equipment, net	1 749 597	1 705 635
Prepayments for assets under construction	310 116	461 477
Investments in associates	117 461	124 599
Financial assets	2 955	3 061
Deferred tax assets	18 738	1 380
Total non-current assets	3 824 818	3 884 122
Current assets		
Inventories	2 257	2 092
Accounts receivable	213 716	220 976
Other current assets	19 889	28 373
Current tax receivable	1 957	8 585
Financial instruments	62 613	135 883
Cash and cash equivalents	264 055	45 479
Total current assets	564 487	441 388
TOTAL ASSETS	4 389 305	4 325 510

(In thousands of euros)

	30 June 2006	30 June 2007
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity		
Common stock	215 692	217 401
Additional paid-in capital	907 485	776 136
Reserves and retained earnings	16 179	242 522
Minority interests	70 924	75 454
Total shareholders' equity	1 210 280	1 311 513
Non-current liabilities		
Non-current bank debt	2 445 850	2 308 978
Other non-current liabilities	76 048	60 466
Other non-current payables and deferred revenues	58 483	45 507
Non-current provisions	50 333	38 385
Deferred tax liabilities	302 985	304 932
Total non-current liabilities	2 933 699	2 758 268
Current liabilities		
Current bank debt	29 757	23 185
Other current liabilities	19 498	23 273
Accounts payable	42 376	44 048
Fixed assets payable	41 650	61 062
Taxes payable	20 305	-
Other current payables and deferred revenues	80 140	94 521
Current provisions	11 600	9 640
Total current liabilities	245 326	255 729
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4 389 305	4 325 510

CONSOLIDATED INCOME STATEMENT

(In thousands of euros, except per data)

	Twelve-month period ended 30 June 2006	Twelve-month period ended 30 June 2007
Revenues	791 070	829 086
Revenues from operations	791 070	829 086
Operating costs	(72 664)	(62 526)
Selling, general and administrative expenses	(101 886)	(113 938)
Depreciation and amortisation	(285 805)	(300 849)
Other operating revenues	-	37 501
Other operating costs	(27 006)	(26 745)
Operating income	303 709	362 529
Financial income	49 665	16 710
Financial expenses	(229 235)	(124 870)
Financial result	(179 570)	(108 160)
Income from equity investments	5 819	7 866
Net income before tax	129 958	262 235
Income tax expense	(89 724)	(92 215)
Net income (loss)	40 234	170 020
Group share of net income (loss)	30 420	159 377
Minority interests' share of net income	9 814	10 643
Earnings per share attributable to Eutelsat Communications' shareholders		
Basic earnings per share in €	0.137	0.732
Diluted earnings per share in €	0.122	0.718

CONSOLIDATED STATEMENT OF CASH FLOW

(In thousands of euros)

	Twelve-month period ended 30 June 2006	Twelve-month period ended 30 June 2007
Cash flow from operating activities		
Net income (loss)	40 234	170 020
Income from equity investments	(5 819)	(7 866)
(Gain) / loss on disposal of assets	(18)	224
Other non-operating items	302 121	187 364
Depreciation, amortisation and provisions	307 825	316 549
Deferred taxes	(10 747)	(4 411)
Accounts receivable	(16 246)	(12 896)
Other current assets	3 760	(6 525)
Accounts payable	3 355	2 738
Other payables and deferred revenues	(28 658)	11 349
Taxes paid	(94 659)	(128 872)
NET CASH INFLOW FROM OPERATING ACTIVITIES	501 148	527 674
Cash flows from investing activities		
Acquisitions of satellites and other property and equipment	(230 858)	(350 065)
Proceeds from sale of assets	250	57
Acquisition of minority interests	(66 988)	(19 914)
Changes in other long-term assets	(1 397)	(109)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(298 993)	(370 031)
Cash flows from financing activities		
Changes in capital	838 516	2 673
Distributions	(12 195)	(124 338)
Additional long-term and short-term debt	1 900 522	1 886
Repayment of long-term and short-term debt	(2 449 997)	(167 280)
Repayment in respect of performance incentives and long-term leases	(66 826)	(15 622)
Interest and other fees paid	(189 127)	(92 971)
Interest received	2 546	10 358
Other cash flows	4 849	1 384
NET CASH FLOWS FROM FINANCING ACTIVITIES	28 288	(383 910)
Impact of exchange rate on cash and cash equivalents	(19)	(5)
Increase (decrease) in cash and cash equivalents	230 424	(226 272)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	32 606	263 030
CASH AND CASH EQUIVALENTS, END OF PERIOD	263 030	36 758
Cash reconciliation		
Cash and cash equivalents	264 055	45 474
Overdraft included under debt ^[1]	(1 025)	(8 716)
Cash and cash equivalents per cash flow statement	263 030	36 758

[1] Overdrafts are included in determining "Cash and cash equivalents per the cash-flow statement" as they are repayable on demand and form an integral part of the Group's cash-flow management.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

SELECTED FINANCIAL DATA
FROM ANNUAL
FINANCIAL STATEMENTS
OF EUTELSAT S.A.
Operating company of the Group

(In thousands of euros, except share data)

	Common stock			Reserves and retained earnings	Minority interests	Total
	Number	Amount	Additional paid-in capital			
30 June 2005	278 732 598	278 733	-	(25 489)	125 158	378 402
Translation adjustment				150	8	158
Changes in fair value of cash-flow hedges				50 507	2 164	52 671
Tax impact				(16 050)	(747)	(16 797)
Income and expenses recognised directly under equity				34 607	1 425	36 032
Net income of the period				30 420	9 814	40 234
Total income and expenses recognised for the period				65 027	11 239	76 266
Change in capital	(63 040 006)	(63 041)	907 485	79		844 523
Treasury stock				(28)		(28)
Change in scope of consolidation					(36 394)	(36 394)
Distributions					(11 895)	(11 895)
Benefits for employees upon exercising options, and free shares granted				954	49	1 003
ABSA commitments				(19 534)	(58)	(19 592)
Liquidity offer				(4 830)	(17 175)	(22 005)
30 June 2006	215 692 592	215 692	907 485	16 179	70 924	1 210 280
Translation adjustment				(865)	(31)	(896)
Changes in fair value of cash-flow hedges				68 399	708	69 107
Tax impact				(23 551)	(244)	(23 795)
Income and expenses recognised directly under equity				43 983	433	44 416
Net income of the period				159 377	10 643	170 020
Total income and expenses recognised for the period				203 360	11 076	214 436
Change in capital	1 708 490	1 709	(14 874)	16 453		(3 288)
Treasury stock				(26)		(26)
Change in scope of consolidation					(1 460)	(1 460)
Distributions			(116 476)		(7 717)	(124 193)
Benefits for employees upon exercising options, and free shares granted				922	(4)	918
ABSA commitments				3 202		3 202
Liquidity offer				2 433	2 635	5 068
30 June 2007	217 401 082	217 401	776 135	242 523	75 454	1 311 513

BALANCE SHEETS

(In thousands of euros)

	30 june 2006	30 june 2007
ASSETS		
Long-term assets		
Intangible assets	12 805	10 498
Tangible assets	2 040 773	2 140 979
Financial assets	144 109	170 987
Total long-term assets	2 197 687	2 322 464
Current assets		
Inventories	787	588
Accounts receivable	229 281	238 024
Other debtors	5 335	17 835
Cash and marketable securities	4 839	8 613
Total current assets	240 242	265 060
Deferred revenues	64 537	61 741
TOTAL ASSETS	2 502 466	2 649 265
LIABILITIES AND SHAREHOLDERS' EQUITY		
Common stock (997 672 773 ordinary shares as of 30 June 2007 with a nominal value of € 0.65 per share)	646 071	648 487
Additional paid-in capital	352 888	355 342
Legal reserve	33 547	47 073
Free reserve	172	92
Retained earnings	-	8 512
Result for the year	270 527	239 827
Advance payments on dividends	(89 345)	-
Regulated provisions	78 187	115 393
Total shareholders' equity	1 292 047	1 414 727
Provisions for risks	10 646	8 621
Provisions for expenses	20 677	16 201
Total provisions for risks and expenses	31 323	24 822
Bank debt	877 671	718 878
Other bank debt	14 848	17 003
Total bank debt	892 519	735 881
Accounts payable	32 600	44 096
Tax and employee-related payable	47 762	31 274
Fixed assets payable	144 139	140 788
Other payables	32 075	227 625
Total operating debt	256 576	443 784
Deferred revenues	30 001	30 050
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2 502 466	2 649 265

INCOME STATEMENT

(In thousands of euros)

	Twelve-month period ended 30 June 2006	Twelve-month period ended 30 June 2007
Revenues	754 875	809 040
Costs eligible for capitalisation	9 996	8 269
Grants received	893	898
Release of provisions and reclassification of costs	95 745	16 726
Other income	74	44
Total operating income	861 583	834 977
Purchase of goods and variations of inventories	1 813	923
Other purchases and external charges	123 249	108 297
Taxes and assimilated	11 548	13 538
Wages	34 577	35 365
Social charges	18 045	17 467
Depreciation, amortisation and provisions	247 771	263 337
Other charges	1 200	2 817
Total operating charges	438 203	441 743
Operating income (loss)	423 381	393 234
Financial income	8 505	14 104
Financial expenses	43 062	51 331
Financial result	(34 557)	(37 227)
Exceptional income	36 617	78 701
Exceptional charges	58 994	67 853
Exceptional result	(22 377)	10 848
Mandatory employee profit-sharing	3 415	3 914
Income tax	92 504	123 114
NET INCOME	270 527	239 827