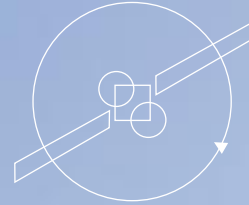


Expanding space **to communicate**

PANORAMA 2009-2010



- Someplace, somewhere, not too far away.



Contents



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(Biography of Sempé, who has been commissioned to illustrate the cover of our annual report).



Born in Bordeaux in 1932, Jean-Jacques Sempé is well known for his many albums of cartoons and as an illustrator for The New Yorker. In collaboration with René Goscinny, he has authored several books in the Le Petit Nicolas series which have been translated throughout the world. Jean-Jacques Sempé lives and works in Paris.

Eutelsat, Europe's leading satellite operator



More than ever, communication is a vital part of our every day lives and a powerful engine driving economic growth. Faced with essential but finite digital resources, we have the responsibility to build infrastructure that ensures efficient and equitable access to new communications networks.

Eutelsat, the leading satellite operator in the regions spanning Europe, the Middle East and Africa, is making a significant contribution to deploying this infrastructure.

Our satellites broadcast many thousands of television channels that facilitate cultural diversity and freedom of expression. They also operate as a complement to terrestrial networks so that broadband access, which fosters economic development and social inclusion, can be a reality in all regions.

Propelling forward a new generation of broadband and rich video services, that include HDTV and 3D, contributing to breaking down the digital divide, leveraging the ability of satellites to optimise available spectrum, are just some of the challenges opening immense opportunities for the continued development of our Group.

In-orbit resources

Situation November 2010



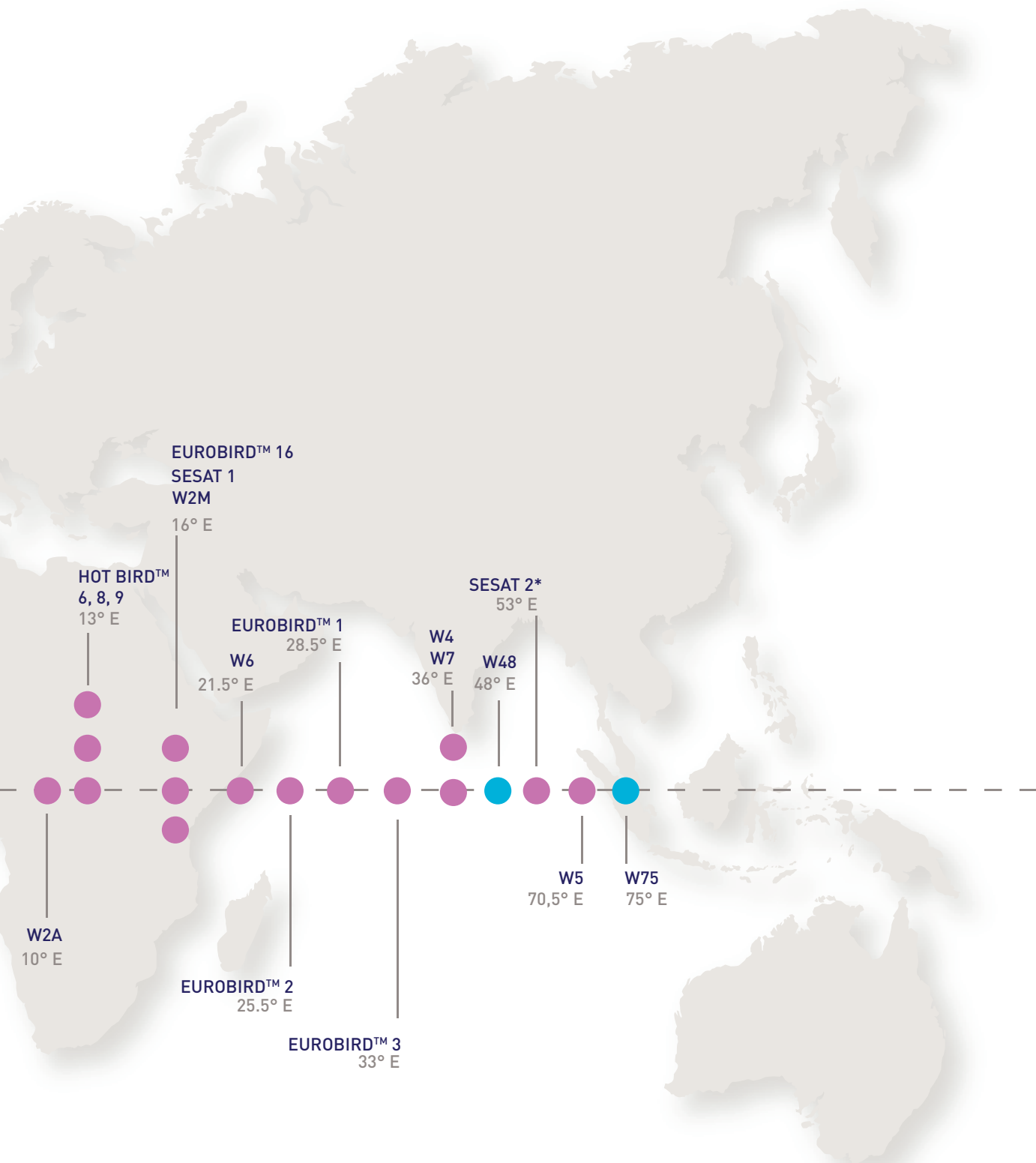
* Capacity on third-party satellites

- Stable orbit
- Inclined orbit

Future satellites:

W3B, KA-SAT,
W3C, ATLANTIC BIRD™ 7, W6A
W5A, EUROBIRD™ 2A







Giuliano Berretta

Chairman of the Board of Directors

“Our results signal a strong future for the satellite industry.”



Record financial performance

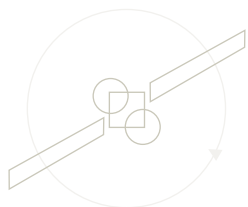
The excellent results of Eutelsat Communications for 2009-2010 are a source of great satisfaction for our Group. They reflect both a solid dynamic and strong prospects for continued growth. Propelled by the expansion of the digital economy, they also signal the tremendous potential of the satellite industry at global level.

There is already abundant evidence that satellites can respond to the seemingly limitless growth in data exchange and a constant flow of new applications. They also represent an essential platform for worldwide circulation of video and for the promotion of cultural diversity and freedom of expression, irrespective of national boundaries. Going forward, they will be a vital resource for decongesting the terrestrial networks

Giuliano Berretta

Chairman of the
Board of Directors





which will be unable to indefinitely absorb explosion in demand, and for ultra high-speed broadband services that will need to reach all territories to build an inclusive digital environment. Satellites are frequently the best-placed, or indeed the only technology that can enable communication irrespective of a user's location. From their altitude 36,000 km above planet Earth, they will continue to contribute to transforming our daily lives and to improving communication between citizens across the globe.

Such is the power of satellites, and such is the mission of Eutelsat, a group that remains dedicated to the values that inspired its creation 30 years ago and that underpin our position as a pioneer in the satellite industry. This year, Eutelsat has continued to lead the way, strengthening resources to respond to the requirements of an expanding digital economy and our strong commercial effort. This has generated an excellent set of results.

Revenues were remarkable for the financial year ending 30 June 2010, increasing by 11.3% to 1,047 million euros. Our EBITDA is up 11.5% to 827.8 million euros and our already solid backlog has been further reinforced. Eutelsat has risen to the full set of strategic challenges set for the year and has enthusiastically developed business across all the geographic regions where we are active.

Our results therefore confirm the continued strength and relevance of Eutelsat's business model. Successful adaptation to new markets, growth and profitability all spell a promising future, captained by responsible management and a tremendous capacity to prepare the ground for future markets.

In this respect, I pay tribute to Michel de Rosen who joined Eutelsat just one year ago. He and his team have succeeded in steering a

smooth transition and in achieving record financial performance.

Backed by these strengths and the recognition of our customers and shareholders, we can view Eutelsat's future with even greater confidence than ever.



“Continuing to grow faster than our markets, while maintaining a constant vigil on customer service.”

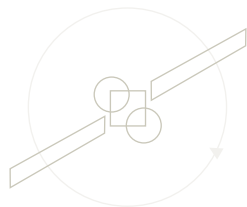
 At the heart of a **rapidly-expanding digital economy**

Our Group can congratulate itself on the excellent results for 2009-2010. They are the outcome of an ambitious strategy pursued with conviction and energy over several years, of the right technology choices and of the outstanding commitment of our teams worldwide who are intent on serving the needs of our customers. This performance instils great confidence in our future.

Our ambition is clear: to continue to grow faster than our markets while maintaining a constant vigil on customer service, to maintain high profitability and to consolidate the role of our satellites at the heart of a rapidly-evolving digital economy.

Michel de Rosen
Chief Executive Officer





> THE RESULTS FOR 2009-2010 ARE PARTICULARLY REWARDING, BOTH IN TERMS OF GROWTH AND PROFITABILITY.

Revenues were up a record 11.3% to 1,047 million euros, with headway achieved across our full set of activities. Each experienced sustained dynamic thanks to the full effect of the four new satellites brought into service in 2009 and 2010.

We achieved growth of over 9% in the Video Applications sector, with the number of television channels broadcast by our satellites increasing by 14% to over 3,600. The results of the most recent two-yearly survey conducted by Eutelsat on satellite and cable penetration also underscore the commercial dynamic of this segment. With over 200 million homes in Europe, Africa and the Middle East receiving channels through our satellites, there is clear evidence of the quality of our orbital positions and the value of increasing capacity for broadcasting.

Growth in Data and Broadband Services was almost 18%. The dynamic of this market is inextricably tied in with the worldwide increase in the flow of information and consumer adoption of digital services and devices. Multi-usage posted a 24% increase as a result of sustained demand for government services, notably in Central Asia and the Middle East.

Our objectives for growth go hand in hand with maintaining a high level of profitability. With EBITDA up by 11.5% last year, our Group outperformed its own record and sits in pole position among top

satellite operators. This result was achieved through a policy of strict cost control and by constantly increasing efficiency and productivity.

We can look to the future with confidence, buoyed by a backlog of almost five billion euros, which represents 4.7 times our revenues and gives us exceptional visibility.

> OUR STRONG PERFORMANCE IS THE RESULT OF PURSUING THE RIGHT STRATEGY WITH CLEAR DETERMINATION.

Our strategy is guided by three key pillars:

- **To pursue an ambitious in-orbit investment programme to serve customer needs in our three markets.**

As an essential component of an expanding digital economy, the demand for satellite capacity is growing by 5 to 6 % per year for broadcast and broadband services. All factors are coming together to ensure that Eutelsat continues to build sustained growth, backed up by our major satellite programme: the constant increase in the number of television channels; the surge in HDTV and the emergence of 3DTV, each of which require two to three times more bandwidth than Standard Definition television; the need to complement the terrestrial networks which do not reach all territories; the exponential growth of Internet traffic, especially in emerging economies. The same features apply in the field of government services where major satellite capacities are required for expanding applications, notably communications with unmanned aircraft systems.

With seven satellites in construction and due to be fully deployed by early 2013, we will increase available capacity by 25% over the coming three years. By conducting one of the biggest investment programmes in our sector (investing an average of 450 million euros a year), our objective is to strengthen our position among the topmost satellite infrastructures



in the world. Our ongoing aim is to build long-term contracts with our customers, as well as strategic agreements and partnerships.

• **To respond to the expanding requirements of the digital economy**

The rapid take-up of digital services and the need for them to be accessible to a full community of users further broadens the opportunities for Eutelsat. Now, more than ever, we are convinced that broadcast and broadband markets represent significant vectors for growth for our Group. HDTV is undergoing steady roll-out. FRANSAT, our satellite-delivered platform of Digital Terrestrial Television (DTT) channels, which we launched in France a year ago, is already available in several hundred thousand homes. The emergence of fibre in Europe will in fact only exacerbate the digital divide: terrestrial networks cannot reach isolated and rural areas and nearly 15 million homes in Europe are already beyond range of ADSL networks. We are convinced that satellite technology can provide a service comparable to ADSL and will operate as an essential complement to terrestrial platforms.

We are excited by the contribution that our KA-SAT infrastructure will make to the broadband environment once this programme goes live in 2011. It will allow us to significantly boost our Tooway™ service by accelerating downlink speeds from 3.6 Mbps to 10 Mbps for more than a million European homes. Thanks to its revolutionary configuration, this new-generation multi-beam Ka-band satellite will facilitate coverage of all territories in harmony with terrestrial networks, and considerably reduce consumer broadband costs, pegging them at levels comparable to ADSL or fibre.

• **To consolidate our presence in high-growth regions**

We intend to continue to strengthen our resources for countries rapidly transforming into a fully digital environment. Central and Eastern Europe, Russia, Africa and the Middle East this year accounted for 63% of the growth in the number of channels broadcast by our fleet. We benefit from a longstanding presence in these regions, which has enabled us to build strong relationships with the reference telecom and media groups pursuing significant ambitions.

Our objectives are clear: to consolidate and strengthen our position as a key player in our sector with focus on organic growth, and continued profitability. We have multiple key strengths that equip us to achieve these objectives including an international team of highly skilled men and women, whom I thank for their devotion and efficiency. They represent an exceptional wealth of high-technology skills, long-standing experience in executing complex industrial programmes and strong human qualities. They are driven by the unflagging determination to execute projects with quality and to satisfy our clients.

Together, our Group will continue to rise to the long-term challenge of delivering growth, profitability and reliability for the benefit of our customers and shareholders.

The Executive Committee

Set up by Michel de Rosen since his appointment as Chief Executive Officer, the Executive Committee of Eutelsat Communications defines and steers a strategy whose overall direction is reviewed by the Board of Directors.

The Committee comprises directors who have been with the Group for several years, including Jean-Paul Brillaud, Deputy CEO and Vice-chairman of the Committee, Catherine Guillouard, Chief Financial

Officer, who were joined this year by Andrew Wallace, Chief Commercial Officer, and David Bair, Chief Technical Officer who assumed their respective appointments at Eutelsat in June and July 2010. Jacques Dutronc, Director of Satellite Missions and Programmes is Committee secretary.

DAVID BAIR
Chief Technical Officer
Committee member

MICHEL DE ROSEN
Chief Executive Officer
Committee Chairman

CATHERINE GUILLOUARD
Chief Financial Officer
Committee member



JEAN-PAUL BRILLAUD
Deputy Chief Executive Officer
Committee Vice-Chairman

JACQUES DUTRONC
Director of Satellite
Missions & Programmes
Committee secretary

ANDREW WALLACE
Chief Commercial Officer
Committee member

Corporate Governance

Comprising 10 members contributing complementary industrial and financial experience, Eutelsat's Board of Directors is committed to ensuring vigilant governance, as well as to the Group's continuing development and the interests of shareholders.

The Executive secretary of the EUTELSAT Intergovernmental Organisation is an observer on the Board, while two representatives of the Works council for the Eutelsat S.A. operating company also participate as observers, sharing the same information as directors.



In addition to existing legal and regulatory provisions, and with a view to ensuring good corporate governance, the Group's Board of directors adopted a new set of in-house regulations on 10 November 2009. These regulations address the prevention of conflicts of interest, supervision of operations involving the company's stock and the implementation of a process to evaluate the running of the board. This evaluation was carried out in February 2010 by the independent firm, Spencer Stuart, and the results published in the company's annual report (Document de référence). The Board met 13 times in the course of the year and posted an attendance rate of 94%.

Following the Annual General Assembly of Shareholders' meeting of 10 November 2009 and the Board meeting held the same day, the functions of non-executive Chairman of the Board and Chief Executive Officer were separated. Giuliano Berretta continues in the office of Chairman of the Board

during the year and Michel de Rosen, who joined the Group as Deputy Chief Executive Officer on 11 June 2009, was elected to the Board and as Group Chief Executive Officer.

Francisco Reynes, who also sits on the Abertis Board of directors, was co-opted at the Group's Board meeting of 22 June 2010 to replace Carlos Sagasta-Reussi, who resigned from office on 16 April 2010. The resolution to co-opt Francisco Reynes will be presented at the meeting of the Annual General Assembly shareholders on 9 November 2010.

The nomination to the Board of Olivier Rozenfeld (who also sits on the Board of Iliad group) and Carole Piwnica (who is also a director of Aviva) will also be presented to shareholders at the Annual General Assembly. These nominations underscore Eutelsat's commitment to pursue governance policies respecting the principles of plurality and independence recommended by the AFEP-MEDEF Code.

Board of Directors

GIULIANO BERRETTA

Chairman of the Board

JEAN-LUC ARCHAMBAULT

Chief Executive Officer, Lysios

LORD BIRT

Independent Director

CDC INFRASTRUCTURE

Represented by Jean Bensaid
Deputy Finance & Strategy Director, Caisse
des Dépôts et Consignations

MICHEL DE ROSEN

Chief Executive Officer, Eutelsat Communications

CARLOS ESPINÓS-GÓMEZ

Deputy Managing Director & Member of
the Executive Committee of Abertis Telecom

ANDREA LUMINARI

Business Development Director, Abertis Telecom

BERTRAND MABILLE

Chief Executive Officer,
Carlson Wagonlit France

TOBIÁS MARTÍNEZ GIMENO

Managing Director and Member
of the Executive Committee of Abertis Telecom

FRANCISCO REYNES MASSANET

Chief Executive Officer, Abertis

CHRISTIAN ROISSE

Executive Secretary, EUTELSAT
Intergovernmental Organisation

> **BOARD COMMITTEES IN 2009-2010**

The Board meeting of 22 June 2010 also resolved to transform the Strategy & Investment work group into a committee. This takes to three the number of committees mandated to prepare the work of the Board.

Audit Committee:

Jean-Luc Archambault, Chairman
 Lord Birt
 Andrea Luminari
**Met 13 times during
 the financial year**

**Selection and Remuneration
 Committee**

Tobías Martínez Gimeno, Chairman
 Carlos Espinós-Gómez
 Lord Birt
**Met 15 times during
 the financial year**

**Strategy and Investment
 Committee**

Carlos Espinós-Gómez, Chairman
 Giuliano Berretta
 Michel de Rosen
 Lord Birt
 Bernard Mabilie
**Met seven times during
 the financial year**

Management Committee of **Eutelsat S.A**

This Committee of 15 members manages the operating activities of Eutelsat S.A.

1. RAPHAËL MUSSALIAN
 Director of Engineering

2. ARDUINO PATACCHINI
 Director of Multimedia & Value-Added
 Services

3. YOHANN LEROY
 Director of Strategy

4. VANESSA O'CONNOR
 Director of Corporate Communications

5. YVES BLANC
 Director of Institutional & International
 Affairs

6. JACQUES DUTRONC
 Director of Satellite Missions and Programmes

7. DAVID BAIR
 Chief Technical Officer

8. CATHERINE GUILLOUARD
 Chief Financial Officer

9. MICHEL DE ROSEN
 CEO

10. JEAN-PAUL BRILLAUD
 Deputy CEO

11. ANDREW WALLACE
 Chief Commercial Officer

12. SYLVIE LALLEMENT
 General Counsel

13. IGNACIO GONZALEZ NUÑEZ
 Chief Risk Officer

14. IZY BÉHAR
 Director of Human Resources

15. MANUEL CALVO
 Director of Operations

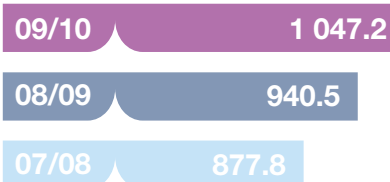


Key figures 2009/2010

+ 11.3%

REVENUES (M€)

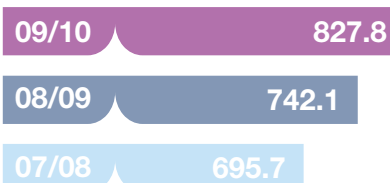
2009-2010 was a record year for Eutelsat with revenues increasing by more than 100 M€ to 1,04 bn€.



+ 11.5%

EBITDA¹ (M€)

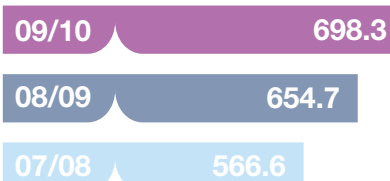
While activities increased, the Group's EBITDA margin of 79% was maintained at one of the highest levels of profitability in the sector



+ 6.7%

CASH FLOW FROM OPERATING ACTIVITIES (M€)

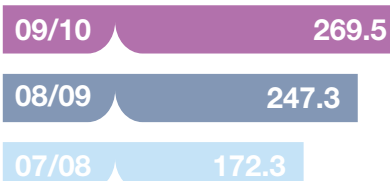
Net cash flow from operating activities enables the Group to continue to fully self-finance capital expenditure and generate operating free cash flow² of over 200 M€.



+ 9.0%

NET INCOME (M€)

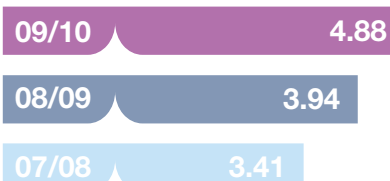
The 9% increase in Net income is remarkable, particularly in light of the non-recurring income of 25 M€ in the previous year.



+ 23.8%

BACKLOG (bn€)

Backlog posted an increase twice that of revenues and is equivalent to almost 4.7 years of revenues.



1 - EBITDA is defined as operating income before depreciation and amortisation

2 - Operating free cash flow is defined as net cash flow from operating activities less acquisition of satellites and other property, plants and equipment, net of disposals and insurance reimbursement.

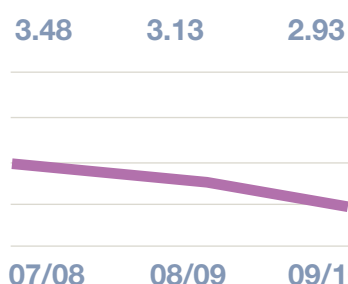


"Our goal for the next three years is clear: to pursue profitable growth, fuelled by the dynamics of our markets and the expansion of our resources."

- 0.20 pt

NET DEBT / EBITDA RATIO

The Group's net debt ratio improved for the 5th consecutive year, further consolidating its financial structure.



Outlook 2010 - 2013

Sustained growth

In view of the strong potential of all the Group's markets, Eutelsat is targeting a rhythm of compound average annual revenue growth of over **7%** for the period July 2010 to June 2013. This growth is in line with the **25%** increase in resources forecast over the same period.

Objective of high profitability

The Group is committed to pursuing profitable growth while maintaining an EBITDA margin of over **77%** for each of the next three years.

Active and clearly targeted capital expenditure strategy

With a strategy combining increased in-orbit security with the deployment of new resources, the Group will continue to invest an average of **450 M€** per year in order to further penetrate markets offering the highest potential for growth.

Solid financial structure

The Group intends to retain a Net debt to EBITDA ratio of less than 3.5x, and preserve the "investment grade" rating attributed in 2010 by Moody's and Standard & Poor's.

An attractive shareholder remuneration policy

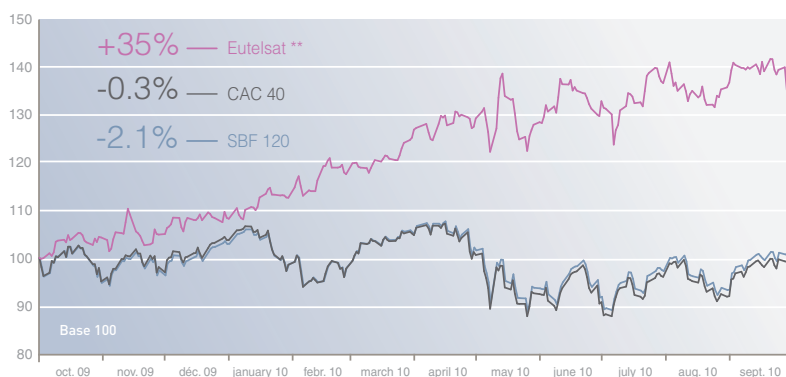
The Group reaffirms its commitment to sharing the results of its growth with shareholders, with between **50%** and **75%** distribution of annual consolidated net income

Stock Market and Shareholders



For the fourth consecutive year, Eutelsat Communications' shares have outperformed the indices of the financial market on which it is listed. The Group's profile as a solid infrastructure and the continued potential for growth of the markets where it concentrates its activity are two key features underpinning this performance.

> **Stock track record adjusted for the securities transactions and distribution in November 2009.**



* Source Euronext

** (from 1 October 2009 to 30 September 2010).

Situation 30 September	2008	2009	2010
Market capitalisation	4.07 bn€	4.572 bn€	6.163 bn€
Share evolution	+ 11.4%	+ 15.2%	+ 35%
CAC40 evolution	- 29.46%	- 5.9%	- 0.3%
ETL period high	20.35 €	21.07 €	29.38 €
ETL period low	16.50 €	14.14 €	20.73 €
Number of shares at 30 September 2010	219 641 955	220 113 982	220 113 982

With 35% progress between 01/10/09 and 30/09/10, the performance of Eutelsat Communications' share price shows investor confidence in the Group's capacity to deliver sustainable and profitable growth, which is communicated on a regular and transparent basis.

Roadshows have been organised throughout the year in financial centres in Europe, North America and Asia, as well as meetings with individual shareholders in French cities.



Share data

ISIN Code: FR0010221234 Ticker ETL
Nominal value: 1€
Stock market: Euronext Paris-Eurolist
Cash trading in Paris

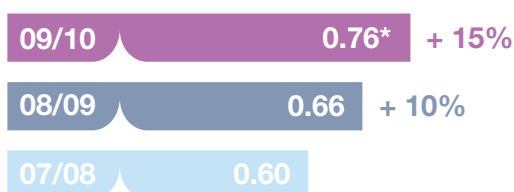
Security eligible for Deferred Settlement Service (SRD) in Paris
Indices: CAC MID 100 – CAC TECHNOLOGY – SBF 120 – NEXT 150

An **attractive** distribution policy

PROGRESS IN DIVIDENDS (in euros per share)

In accordance with commitments to share the results of its growth with shareholders, Eutelsat will submit a resolution to the AGM of 9 November 2010 of the distribution of 0.76 € per share. This represents 62% of the consolidated net income and is 15% up on last year's distribution, which itself was 10% higher than the previous year.

+ 15%

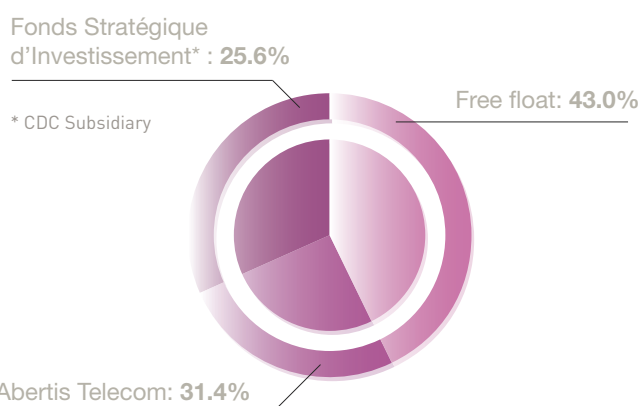


(*) Sum proposed to the Annual General Assembly of 9 November 2010.

SHAREHOLDER BREAKDOWN (at 30 June 2010)

With Abertis and the Fonds Stratégique d'Investissement (FSI), Eutelsat benefits from the support of two reference shareholders who on a long-term basis work with the infrastructure companies in which they invest.

More than 10,000 individual and 150 corporate investors who are principally located in Europe and North America are also shareholders in the Group's floating capital.



ESTIMATED FINANCIAL CALENDAR

3 November 2010: Revenues for first quarter 2010/2011
 17 February 2011: Half year results for financial year 2010-2011
 10 May 2011: Revenues for third quarter 2010/ 2011
 28 July 2011: Full-year results for financial year 2010/2011

Contacts and Information

Internet: www.eutelsat.com
 Email: investors@eutelsat-communications.com
 Telephone: +33 1 53 98 35 30

Our strategy positions us at the heart of the key applications driving the digital economy

Portfolio of activities at 30 June 2010



71.1%

VIDEO APPLICATIONS

Direct-to-Home broadcasting of TV and radio channels – Distribution of TV programmes to cable, DTT and ADSL headends– Newsgathering – Programme exchanges between broadcasters.



19.5%

DATA NETWORKS AND BROADBAND

Interconnection for telephony networks and corporate networks – Data broadcasting – Internet backbone connectivity for access providers – Direct Internet access services by satellite – Messaging and positioning for professional mobile services.



9.4%

MULTI-USAGE

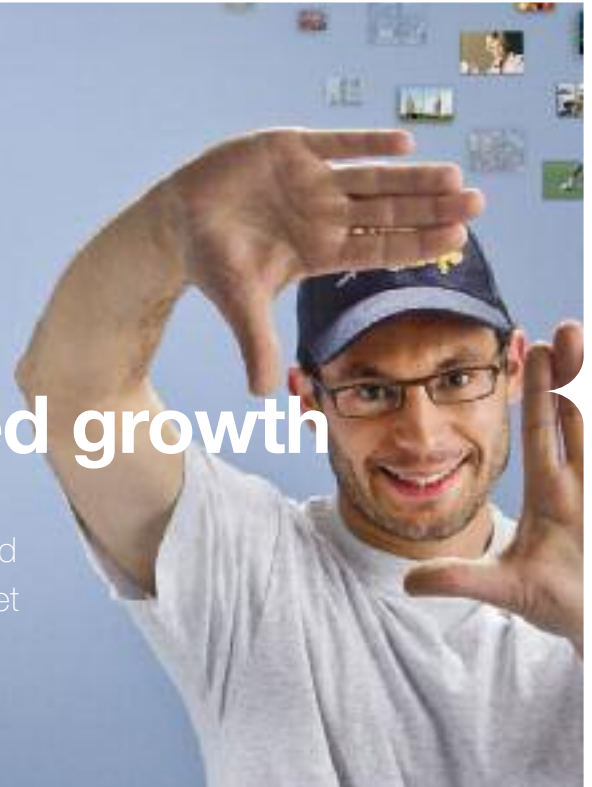
Lease of capacity to government administrations or other satellite operators.





A sector in **continued growth**

The role of satellites will be further strengthened by government recognition that a vibrant market for digital services can drive economic growth



The expansion of Eutelsat's business activities is propelled by the constant flow of new broadcast and broadband services. It is further strengthened by government recognition that a vibrant market for digital services can drive economic growth and that satellites can contribute to building an inclusive digital environment. The use of satellites is consequently forecast to continue to expand to ensure content delivery to terrestrial headends and to complement coverage with direct reception.

Video applications, which include broadcasting and professional video exchanges, dominate the demand for satellite services, accounting for 57% of use worldwide in 2009. The number of satellite-delivered TV channels increased in the year from 24,000 to 27,000 and are forecast to exceed 40,000 by the end of the decade, 20% of channels broadcasting in High Definition. The Internet continues its onward march, with market analysis showing traffic increasing by 40% to 60% a year. The number of users worldwide equipped for Direct-to-Home Internet services stands at nearly 1.5 million, increasing by 30% in one year.

Satellite business networks, that are mainly concentrated in areas that are unserved or underserved by terrestrial networks, have grown by 27% to nearly two million VSAT terminals.

With the parallel expansion of broadcast and broadband markets, demand for satellite capacity rose in 2009 by 5.2% and 8.7% respectively. Two other business activities also posted strong growth. The first, up by 15.1%, is the market for government services, which continues to be stimulated by requirements in the Middle East and the increasing number of countries deploying intercontinental military communications networks. The second is the market for corporate data networks, which has grown by 17.4% and is driven by globalisation of professional exchanges and the expanding use of satellites for multicasting audio, video and data content.

With all business activities combined, the Fixed Satellite Services (FSS) market accounted for a world market of \$10.3 billion in 2009 compared to \$9.8 billion in 2008. Euroconsult predicts a 6% growth in worldwide revenues for 2010, up on figures for 2009. Within Eutelsat's footprint, emerging regions should remain the strongest contributors to this dynamic, notably Central Europe (+10%), the Middle East (+9.4%), Russia and Central Asia (+6.8%).



→ **ENSURING SUSTAINABLE AND PROFITABLE ORGANIC GROWTH**

The Group is pursuing a strategy based on prioritising organic growth and assigning in-orbit resources to markets that benefit from the ubiquitous coverage of satellites, particularly for broadcast and broadband services.

In a highly capital-intensive industry based on long cycles, Eutelsat's focused development enables the Group to optimise return on investment by generating significant free cash flow, and secures high visibility on revenues generated by contracts which are frequently concluded for the life-span of a satellite.

→ **CONTINUOUS INVESTMENT TO SUPPORT CUSTOMER GROWTH**

The second pillar of the Group's strategy is to maintain a high and regular level of investment in order to strengthen in-orbit security and expand the fleet. Over 40% of revenues are channelled into investment programmes.

This commitment allows Eutelsat to capture opportunities opened up by the emergence of new digital economies and to build a relationship of trust with clients and a growing installed base of professional and consumer antennas pointed to our orbital positions.



Our value-generating business model is built on three strategic pillars

→ **REPEATING THE SUCCESS OF SATELLITE TELEVISION IN THE BROADBAND MARKET**

The Group's third strategic priority is connected to the increasingly significant impact of the Internet on everyday life, requiring service providers to frequently depend on satellites to complement terrestrial network coverage.

Through a portfolio of value-added services designed for Internet users, Eutelsat will be Europe's pioneer player in Ka-band frequencies optimised for delivering a new generation of broadband solutions. The Group's objective is to leverage technologies and services that enable the Internet to fan out to users in even the most rural locations, repeating the successful formula of satellite television.



Group activities 2009 - 2010

Propelled by the continuing expansion of broadcast and broadband markets, all the Group's activities contributed to record growth during the year.

Four satellites went into commercial service in 2009 and 2010, enabling Eutelsat to increase resources for clients and to capture opportunities in the markets served by an overall footprint reaching up to 150 countries.



+ 9.2%

742.0 M€

VIDEO APPLICATIONS



+ 17.8%

203.7 M€

DATA NETWORKS AND
BROADBAND



+ 30.1%

98.1 M€

MULTI-USAGE





Video applications

The volume of television channels broadcast by Eutelsat satellites has doubled in five years, from 1,800 to 3,600.



Satellites make it possible to broadcast a channel to a vast audience for a few euro cents per home per year

→ A STRATEGY BASED ON A PRIORITY ALLOCATION OF RESOURCES

With revenues for the year up by 9.2% to 742 million euros, Video Applications continue to dominate the Group's activities, accounting for 71% of activity. Eutelsat has been implementing a strategy focussed on increasing resources for video in response to the surge of digital broadcasting in all the regions covered by its fleet, and to the emergence of new broadcasting formats, including HDTV, 3D and mobile video.

Video activity leverages the core strength of satellites to broadcast a channel to a vast audience for a few euro cents per home per year. This economic efficiency enables Eutelsat to build long-term relationships with customers and to develop a significant installed base of antennas pointing at its video neighbourhoods. Broadcasting contracts are consequently frequently concluded for the duration of a satellite's life and represented 92% of the Group's backlog at 30 June 2010. Combining visibility and profitability, Video Applications are forecast to continue to be the key driver of the Group's activity.

➔ **NEW RESOURCES TO DRIVE GROWTH**

The 2009-2010 financial year benefited from the full effect of the three satellites brought into service in 2008 and 2009 and the arrival of the W7 satellite in January 2010. These additional resources, together with the redeployment of six satellites already in orbit, brought the number of transponders allocated to video services to 477 at 30 June 2010, ranking the Group as one of the top satellite operators in the video market in Europe, the Middle East and Africa.

Consolidated by these additional and back-up resources, Eutelsat's video positions registered an almost 15% increase in the number of channels broadcast, with 471 new channels.

The ATLANTIC BIRD™ 4A satellite, which entered into service in April 2009, was a main contributor to this growth, driving from 180 to 321 the volume of channels broadcast in the Middle East and North Africa from the 7° West position occupied with Nilesat, the Egyptian operator. The entry into service of the W7 satellite at 36° East in January 2010 was another major source of growth. With its commercialisation, major contracts were triggered for satellite's lifespan, with Intersputnik, for the Russian NTV-Plus and Tricolor platforms, and with Multichoice Africa for the DsTV platform. Both groups increased to 20 the number of transponders leased at 36° East and launched a total of 74 new channels in the second half of the financial year.

Two other neighbourhoods also posted double-digit growth: 16° East covering Central Europe and Indian Ocean islands, and 9° East, the most recent of the Group's orbital positions. Opened in May 2007 to host new platforms in extended Europe, this neighbourhood has witnessed rapid take-up, driven by the success Russia's Platforma HD, Hungary's Hello HD and the development of the KabelKiosk digital programme and service platform for European cable networks.

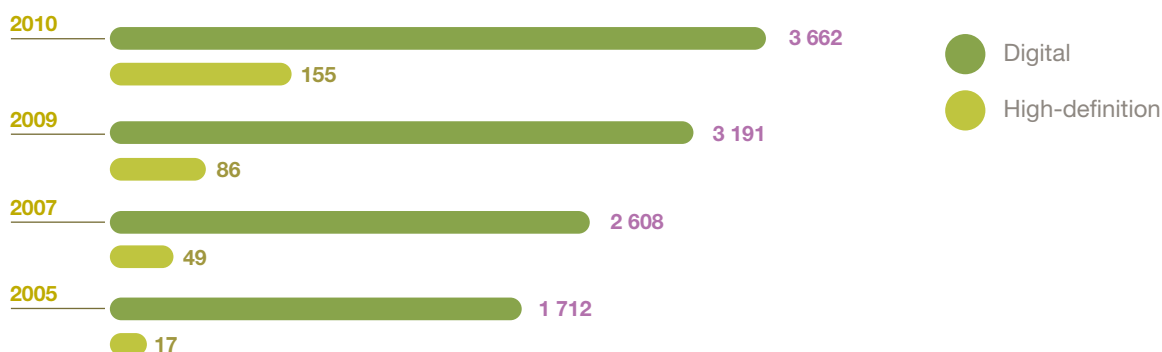


471 new television channels joined the fleet in 12 months



With more than 1,100 channels, the flagship HOT BIRD™ neighbourhood confirms its pole position in Europe, the Middle East and Africa

Growth of television channels on Eutelsat satellites



Video applications

Over 9 out of 10 satellite and cable homes in Europe, the Middle East and North Africa receive television from a Eutelsat satellite, either Direct-to-Home or via a terrestrial network



→ SATELLITE RECEPTION IS GROWING IN ALL MARKETS COVERED BY EUTELSAT SATELLITES

As another indicator of the dynamism of the Group's video markets, the number of homes equipped for satellite and cable reception broke the barrier of 200 million during the financial year. In Europe, the Middle East and North Africa, more than 9 out of 10 satellite and cable homes receive television from a Eutelsat satellite, either Direct-to-Home or via a terrestrial network.

Measured every two years in 46 countries in Eutelsat's footprint, Eutelsat's satellite and cable survey is conducted by market research firms that include TNS, Ipsos and GfK. Its conclusions on the development of TV reception equipment continue to show favourable trends. In the overall market for satellite and cable reception, which increased globally by 8.8% between 2008 and 2010, Direct-to-Home reception in Europe, the Middle East and North Africa grew twice as fast, at a rate of 16%. More than 18 million additional homes in these regions have equipped for satellite reception (Direct-to-Home or community antenna) in the last two years.

→ EMERGING MARKETS REMAIN THE MAIN GROWTH ENGINE FOR VIDEO

The number of homes equipped for Direct-to-Home reception in Western Europe continued to increase between 2008 and 2010, by 5.8%, to represent one in three homes. This growth is chiefly driven by key pay-TV platforms, especially HDTV channels, and also by the deployment of national DTT (Digital Terrestrial Television) satellite platforms for homes beyond range of quality terrestrial reception.

The biggest increases are registered in countries where digital transition is accelerating. Satellite reception has increased by 16% in the Middle East and North Africa, from 42 million homes to 48.7 million homes. In Eastern Europe it has risen by 44% to 26 million homes, meaning that more than eight million homes have selected Direct-to-Home reception over the last two years.

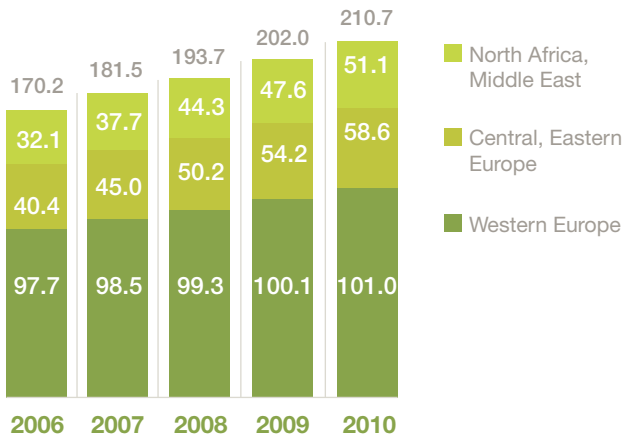
Eastern Europe also continues to show strong growth (+63%) of pay-TV subscribers. In Poland, one of Eutelsat's longstanding markets where the Group serves the Cyfra+, Cyfrowy Polsat, N and Orange Polska platforms, the number of subscribers to satellite-delivered pay-TV has risen from 4.7 million to 6.1 million in two years. Growth in Russia is as significant, with subscribers more than doubling to 4.7 million between 2008 and 2010. This development underlines the success of the NTV-Plus and Tricolor packages which are both broadcast by Eutelsat, Tricolor having seen its subscription-free satellite service audience top the four million household mark.



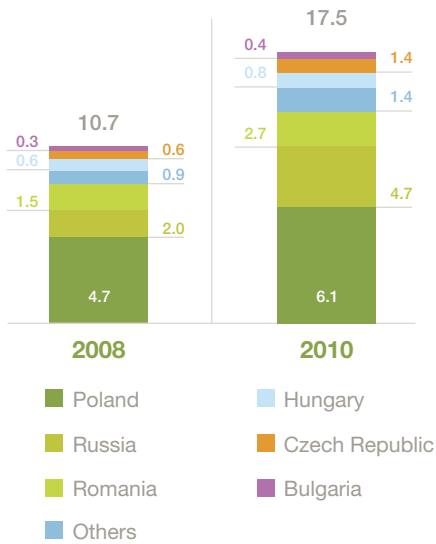
10 million new subscribers to satellite-delivered pay-TV platforms (2008 – 2010)



> Number of homes (in millions) equipped for satellite (Direct-to-Home / community) or cable reception



> Zoom on the increase of pay-TV subscribers in Central & Eastern Europe (in millions)



These figures confirm the on-going strength of pay TV, which according to Eutelsat’s survey increased over two years by 22.7% in the 46 countries measured, to 51.4 million homes, showing nearly 10 million new subscribing homes.

Video applications



→ HDTV: IN A VIRTUOUS CIRCLE OF GROWTH

With High Definition channels present in 23 of the 39 platforms using Eutelsat's satellites, HDTV is now in a virtuous circle of growth, driven on one hand by sales of HD-Ready and Full-HD consumer displays, and on the other by compelling HD content. Launched in Europe seven years ago, HD displays had been acquired by 81 million viewers by the end of 2009, representing almost one in two TV homes. Screen Digest forecasts that sales in Europe should reach 50 million units in 2010.

Following in the wake of cinema, sports and documentaries, other programmers, including cultural, music and information channels, are progressively adopting HD while Video-on-Demand (VOD) offerings are also putting HD at the forefront of their promotions.

HD capacity requirements, which are 2.5 times more than Standard Digital (SD) channels, anchor satellites as a prime broadcasting platform.

According to Lyngsat, the number of HD channels broadcast by satellite in extended Europe rose by 55% in 2009, from 194 to 301. The number of HD channels broadcast by Eutelsat's satellites grew during the year by 80%, from 86 to 155.

All of the Group's video positions are benefiting from the take-up of HD, confirming it as a trend simultaneously taking root in multiple regions. Emerging markets present particularly favourable ground by leapfrogging direct to SD/HD compatible decoders, while Western European markets require user equipment upgrades. The premium HOT BIRD™ position accounts for one third of the 155 HD channels broadcast by Eutelsat, with the other channels distributed across the Group's portfolio of video positions. Eutelsat forecasts that 500 HD channels will be broadcasting through its satellites in the next five years, in line with its objectives to increase capacity for video.



→ 3D KICKS OFF WITH THE FIFA WORLD CUP™

Live coverage in 3D of more than 250 hours of matches during the FIFA World Cup™ will be remembered as one of the most remarkable broadcasting achievements of the year. The event was an opportunity for all players in the industry to demonstrate to the general public the significant potential of this new technology.

Coming only a few weeks after 3D transmissions of the Finals of the Rugby 6 Nations and the French Tennis Open, 3D images of the FIFA World Cup™ captivated thousands of viewers in cinema houses that were transformed for the occasion into virtual stadiums.

Spurred by this development, several leading broadcasters launched pre-commercial 3D channels on Eutelsat satellites in 2010. Orange TV, Al Jazeera Sports Channel 3D and NTV-Plus all announced that their initial offerings would propose high-profile sports and music events. Satellites will be a privileged platform for broadcasting bandwidth-hungry 3D programmes, as is already the case for HDTV.



“Demand for satellite transponders continues to be driven by ongoing innovations that deliver consumers a richer and more vivid television experience. The digital TV revolution that began in the 1990s generated an explosion in the number of thematic channels offered to European viewers. Over the last few years, the move to HDTV has provided another key growth driver.

The ‘entertainment’ genre accounted for almost a quarter of the HD channels launched in Europe by October 2010. However, interestingly the next most vibrant thematic area for HD channel introductions is the documentary category, with no fewer than 111 HD documentary channels now on air – just ahead of the 108 HD sports services. The maturity of the HD thematic channel business is demonstrated by the fact that there are already 12 children’s channels, 16 in the ‘life-style’ category, and 41 music services. After HDTV comes the latest innovation of 3D. Driven initially by the push to add another visual dimension to coverage of major sports events, 3D broadcast is rapidly becoming a commercial reality.”

Ben Keen, Analyst, Screen Digest



Video applications

→ DIGITAL CINEMAS OPEN UP TO EXCEPTIONAL EVENTS

The FIFA World Cup™ also provided Eutelsat with an opportunity to expand the number of cinemas equipped for reception of exceptional events in High Definition and in 3D. Today, over 450 cinemas in Europe can offer consumers access to live broadcasts by satellite on giant screens with high-fidelity sound and image. Seventeen of the 60 FIFA World Cup™ matches in South Africa were broadcast in 3D via Eutelsat's satellites to 225 cinemas in 21 countries.

These out-of-home events require high throughput in the range of 40 Mbps, which only satellites are capable of providing simultaneously to cinemas in multiple geographic locations. Live transmissions of New York's MET opera productions, which were launched two years ago in Europe by Eutelsat and Ciel Ecran, have been extended to sports and concerts with the support of specialist production companies, including DBW Communications.

For the concert by the German band Fantastische 4, a total of 150 3D specialists collaborated with OpenSky to broadcast images filmed in 3D by 48 cameramen from KUK-Filmproduktion. 100 cinemas were especially equipped for satellite reception by Bewegte Bilder, with the concert attracting more than 35,000 fans from Germany, Switzerland, Austria, Luxembourg and Belgium.





→ SATELLITE SUPPORTS DIGITAL SWITCHOVER FOR PUBLIC TELEVISION

Initiated in Europe ten years ago, digital switchover for national terrestrial channels is part of government plans to free up spectrum by replacing analogue signals with digital channels that are between six and eight times more spectrum efficient.

In order to ensure that no home is excluded from digital reception, public authorities have supported the launch of satellite-based platforms as a complement to terrestrial coverage, notably to serve homes unable to receive a quality terrestrial signal due to hilly contours, a remote location or interference.

Working alongside public and private broadcasters in France, Switzerland, Algeria, Spain and Italy, Eutelsat's satellites are supporting digital switchover by feeding terrestrial networks and complementing coverage in rural, frontier and mountainous areas.

In France, following on from the mission initiated 20 years ago to complement analogue coverage from Eutelsat's 5° West position, Eutelsat decided in 2009 to create a subsidiary, called FRANSAT. This new subsidiary provides French DTT channels for homes already equipped for satellite reception from 5° West so that users can transition to digital without changing their antenna.

Today, via a range of 15 approved decoders, several hundred thousand homes are equipped for Direct-to-Home reception from the ATLANTIC BIRD™ 3 satellite at 5° West in order to access France's 19 free-to-air Standard Digital channels, four HD channels, the 24 regional services of France Télévisions and nine local and thematic channels, FRANSAT has become a key player in the French digital broadcasting landscape, thereby ensuring its continued role as a complement to the national terrestrial network.

HOT BIRD™ TV AWARDS

The 14th edition of the **HOT BIRD™ TV AWARDS** to be held on **19 November 2010** in Venice will distinguish excellence in thematic broadcasting. Over 150 channels from more than **20 countries** took part in the 2010 event. Read about the nominees and winners at www.hotbirdtvawards.com.



Data and **broadband**

Satellites are already essential for connecting terrestrial networks and for delivering broadband to millions of businesses around the world



Eutelsat benefits from longstanding presence in markets in Africa, Central Asia and the Middle East that are driving growth of data and broadband

→ **MARKETS BEYOND EUROPE MAINTAIN THEIR DOMINANT SHARE OF PROFESSIONAL SERVICES**

Revenues generated by Data and Broadband Services were up 17.8% for the year to 203.7 M€, accounting for 19.5% of the Group's business portfolio. This segment covers capacity leased by telecoms operators for VSAT networks, and Value-added Services that bundle capacity with terminals and ground services. Revenue from each activity rose by 17.3% and 19.3% respectively, to reach 157.4 M€ and 46.3 M€.

Analysis by Euroconsult shows that data services represent 43% of FSS revenues worldwide, with 6.4% growth in 2009. The new growth posted by this activity is driven mainly by broadband services for businesses and interconnection of GSM networks in countries with insufficient terrestrial infrastructure.

Eutelsat's growth rate for the year was double the world market, reflecting the Group's longstanding presence in high-growth regions that include Africa, Central Asia and the Middle East. This





Data services have grown twice as fast as the world market

performance, which was achieved while maintaining high profitability, is the result of the strategy to prioritise areas with low penetration of terrestrial networks.

→ **27% INCREASE IN WORLDWIDE SALES OF SATELLITE TERMINALS**

Standardisation and the consequent decrease in costs of satellite terminals is a key trend moving this market forward. Four main manufacturers - Hughes Network Systems, Gilat, ViaSat and iDirect - currently share 85% of sales, with the installed base of VSAT terminals almost doubling over five years to almost two million.

Sales of user terminals worldwide increased by 27% in 2009. They enable telecoms links to be operated that are totally independent from terrestrial networks and are primarily used by telecoms operators, businesses and administrations for connecting remote sites and securing communications in the event of disruption of a terrestrial network.

Demand for satellite capacity is forecast to continue to grow, driven mainly by Internet Service Providers who use satellites to connect local platforms to the Internet backbone, by GSM operators who rely on satellites to interconnect transmitters in emerging countries, and by the need for businesses located beyond range of terrestrial coverage to use satellites for broadband access.

The Middle East, Africa and Central Asia, that already represent flagship markets for Eutelsat's data and broadband activity, are expected to continue to drive growth. In these regions, GSM penetration has just passed 50%, posting a 36% rise per year since 2005 in terms of users. Meanwhile, the Internet, which is currently only connecting one home in 10 in these regions, has grown by an annual rate of 27% over the last five years.



Data and broadband



➔ CONSUMER BROADBAND ACCESS, A SIGNIFICANT GROWTH ENGINE FOR SATELLITE SERVICES

The consumer satellite broadband market, which has been gathering speed since 2005, is taking root as one of the main growth engines for the Fixed Satellite Services sector, with new Internet-optimised resources expected to further stimulate growth. According to Euroconsult's 2010 study, the number of users worldwide equipped for Direct-to-Home broadband increased by 22%, from 1.216 million to 1.485 million.

Consumer broadband has been identified as a priority by many governments in Europe, who have implemented national programmes over the last two years to engage users with the benefits of the Internet for information, education and social inclusion. These programmes systematically deploy satellite technology

to complement the gaps in terrestrial networks, which still leave 8% of homes in Western Europe and 20% in Central and Eastern Europe beyond range of ADSL.

In order to address mass-market development of consumer broadband services in Europe, Eutelsat joined forces in 2007 with ViaSat to launch the Tooway™ service which benefits from the economies of scale of ViaSat's SurfBeam® technology which already powers Internet access in 500,000 homes in North America.

Launched at the end of 2007 by Eutelsat's subsidiary Skylogic, Tooway™ has benefited from the mass-market experience in North America which has driven down terminal costs for a service comparable to ADSL. Tooway™ is provided through a network of 63 distributors in 30 countries including SFR, Swisscom, Fastweb, Bentley Walker, Numéo, Hellas On Line, Satellite Broadband Ireland, Tring, Avonline and Telecable.

This first phase of deployment has enabled Skylogic and its partners to build a significant pool of experts, which includes several hundred



Fewer than 40% of Europeans access 2 Mbps terrestrial broadband



professional installers in Europe. Training sessions organised by Skylogic have been held in the field and at its teleport facilities in Turin that manage the Group's value-added services.

→ **TOOWAY™ RAMPS UP FOR KA-SAT**

The 2009-2010 financial year was also marked by significant mobilisation by Skylogic's technical teams to prepare for the arrival in 2011 of the KA-SAT satellite. To be launched in December 2010, KA-SAT will be the first in Europe of a new-generation of multi-beam Ka-band satellites. It will be able to extend the availability of the Tooway™ service throughout Europe and the Mediterranean Basin and increase download speeds for subscribers to 10 Mbps.

In today's environment, where more than 90% of Internet traffic combines video and audio, the success of Web 2.0 risks pushing the current capacities of terrestrial networks to their limit. According to Idate, only 40% of Europeans have access to broadband speeds of over 2 Mbps, whereas television through the Internet requires double this speed.

To support the objective of delivering broadband speeds of 10 Mbps to more than a million homes in Europe, Skylogic has pursued the deployment of ten hub stations, which will enter into service with the arrival of the KA-SAT satellite in early 2011. Connected to the Internet backbone, the ten interconnected stations will form a ground network enabling optimised use of KA-SAT's 82 spotbeams and will increase overall capacity to over 70 Gigabits, which is 20 times more than that of a traditional Ku-band satellite.

Data and broadband

→ IRELAND RISES TO THE CHALLENGE OF BROADBAND FOR ALL HOMES

The purpose of the National Broadband Scheme, initiated by the Irish government in 2007, addresses the digital divide and the objective to bring broadband access to 223,000 residences, as well as many businesses located beyond range of current broadband networks.

Selected in November 2008 by the National Broadband Scheme, the mobile phone operator Three was assigned the mandate to provide universal coverage for these "white zones". The first year's deployment of services connected to the operator's 3G network enabled broadband availability in Ireland to increase to 90% of the country. However, the limitations of this deployment are reached in the most rural areas, where the only economically logical solution is to deploy supplementary coverage by satellite.

As part of the second stage in the programme, in 2009 the Irish operator Three selected Eutelsat's Tooway™ service, distributed in Ireland by Satellite Broadband Ireland led by CEO Kevin Ryan : "Twelve months on, we can confirm that satellite is fulfilling its function as provider of the best supplementary broadband coverage to connect homes and businesses located in 8 - 10% of the least populated areas of Ireland. The deployment of the Tooway™ service in Ireland has fundamentally changed ways of looking at the nation's digitisation and we are currently awaiting the launch of the KA-SAT satellite, which will allow us to deploy a new generation of high-power satellite services for the general public." The Irish National Broadband Scheme will benefit fully from the commissioning of the KA-SAT satellite in early 2011, with two of the 82 spotbeams being focused on Ireland.





➔ **EUTELSAT RENEWS PARTNERSHIP WITH TELECOMS SANS FRONTIÈRES (TSF)**

Since its creation in 1998, Telecoms Sans Frontières (TSF) has brought support to over 500 humanitarian and health organisations in 60 countries, using small satellite terminals to set up emergency communications. Eutelsat has been working alongside TSF since 2007, enabling the association to add the D-STAR service to the technologies regularly deployed. In addition to intervention in crisis situations, TSF pursues sustainable development initiatives, including building telecom networks for communities in the most remote locations.

➔ **9,000 BOATS AROUND THE WORLD EQUIPPED FOR SATELLITE-DELIVERED BROADBAND ACCESS**

The rapid take-up of broadband has also opened opportunities for Eutelsat's Ku-band satellites to penetrate the maritime market. According to industry analysts Comsys, more than 9,000 vessels are equipped with VSAT terminals to traditional L-band communications systems. The global satellite maritime market, which mainly comprises merchant ships, fuel operating, transport fleets and cruisers, grew by 17% a year between 2007 and 2009.

Maritime communications, which represent a niche market for Eutelsat, posted a 31% increase in revenues for the year, mainly as a result of expanding services opened in 2008 by Eutelsat and Speedcast. The partnership combines each company's footprint with an automatic intersatellite switching system and was boosted this year by the launch of a small 60 cm antenna, designed to address the coastguard, fishing boat and yacht market.



In-orbit operations

Seven satellites are in construction, for launches planned by early 2013. They form part of a significant programme pursued by Eutelsat since 2008 to expand resources and raise in-orbit security. These new satellites will increase Eutelsat capacity by 25%.

The programme covers the replacement of existing satellites by more powerful, higher-capacity craft. Released from its original orbital position, in-orbit satellites represent an available resource for consolidating alternative positions to develop new market opportunities. This strategy of dynamic management of resources increases flexibility and delivers the scope and capacity to further develop the business.



INVEST

Eutelsat average annual investment to secure and expand its fleet is €450 million, equivalent to 50% of revenues.



RENEW

With an average age of 5.3 years as at 30 June 2010, Eutelsat's fleet is one of the youngest in geostationary orbit.



INNOVATE

With KA-SAT, Eutelsat will launch Europe's first High Throughput Satellite.



In-orbit operations



With a resource comprising capacity on 26 satellites operating at 20 locations in geostationary orbit at 30 June 2010, Eutelsat's fleet is the third largest globally and the most concentrated on markets in Europe, Africa, the Middle East and central Asia. Through satellites located in an arc spanning from 15° West to 75° East, reach also extends as far as the Americas and to the Indian sub-continent.

The financial year was marked by the continuing expansion and optimisation of Eutelsat's in-orbit resources, with the successful launch and entry into service of the W7 satellite, the redeployment of some existing resources and the procurement of three additional satellites to be launched from 2012 to 2013.

The W7 satellite, Eutelsat's most powerful spacecraft to date, was lofted into orbit on 24 November 2009 by a Proton Breeze M rocket supplied by ILS and was commercially available at 36 degrees East in January

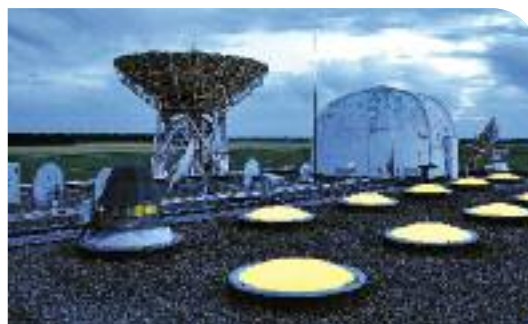
2010. Collocated with W4 and equipped with 70 transponders connected to five high-performance beams, the satellite has doubled resources at the 36 degrees East location occupied by Eutelsat since 2000. The satellite in particular enables Eutelsat to keep pace with the significant growth of digital broadcasting in Russia and Sub-Saharan Africa and also provides reach across Europe, Africa, the Middle East and Central Asia for telecom and data markets.

Following W7's full entry into service at 36° East, Eutelsat's SESAT 1 satellite was released for a new mission. The satellite was redeployed to 16° East to be collocated with Eutelsat's W2M and EURO BIRD™ 16 satellites. The three Ku-band satellites are configured to provide continuity of service for clients at 16° East following the anomaly which occurred on January 27 on the W2 satellite, which was subsequently deorbited.

The successful launch of W7 and the redeployment of existing satellites raised Eutelsat's resources in stable orbit to 652 transponders at 30 June 2010, from 589 at 30 June 2009. The fleet age was also reduced to an average of 5.3 years, reconsolidating Eutelsat's



With an 87.5% fill rate, the exceptional strength of Eutelsat's fleet is confirmed in all of the group's markets



system as one of the youngest in the commercial satellite sector worldwide. Meanwhile, the fill rate, which represents the volume of stable orbit capacity leased compared to capacity available, settled at 87.5% compared to 88.8% at 30 June 2009.

With the addition during the year of three new satellite programmes, the Group is now planning to launch a total of seven satellites by early 2013, in line with the objective of average annual investment of €450 million. The line-up in order of launch comprises W3B, KA-SAT, W3C, ATLANTIC BIRD™ 7, W6A W5A, and EURO-BIRD™ 2A. It reflects Eutelsat's policy of anticipating requirements by replacing satellites already in operation with higher-capacity and more powerful spacecraft. Replaced satellites, which are released before the end of their in-orbit life, are subsequently redeployed to other positions in order to optimise the spread of resources to generate continued growth. The scheduled launch in late 2010 of the KA-SAT satellite also underscores the Group's ambition to be in the vanguard of new-generation consumer broadband services and other data and video services requiring high-throughput. Work progressed during the year on KA-SAT's construction by Astrium and on the

deployment of the 10 hub stations across Europe that will form part of the interface between the satellite's 82 spotbeams, users and the Internet.

Eutelsat entrusted to EADS Astrium the contract to deliver a 48-transponder Ku-band satellite called W5A, which will be launched in fourth quarter 2012 to replace W5. W5A will more than double Eutelsat's resources at the 70.5° East position, which sits at the crossroads of three continents, enabling businesses and government agencies to execute rapid, efficient and scalable connections between Europe, Africa and large parts of Asia. It will be used for a range of professional applications that include government services, broadband access, GSM backhauling and professional video exchanges in Europe, Africa and Central and South-East Asia.

Each of the satellite's four high-performance fixed beams will be focused over a distinct zone: Europe,

In-orbit operations



Africa, Central Asia and South-East Asia reaching as far as Australia. Through a high degree of on-board connectivity, clients will be able to use the beams either for regional coverage or to interconnect continents. This will support high-growth services that include secure government communications in Central Asia through hubs located in the region or in Europe, business networks between South-East Asia and Africa, and direct connectivity between Europe and Australia.

A second satellite, awarded to Thales Alenia Space, is for a 40-transponder Ku-band craft called W6A to drive up by 50% the capacity available at Eutelsat's 21.5° East location. Scheduled for launch in third quarter 2012, the satellite will replace Eutelsat's W6 craft at a core neighbourhood anchored over 10 years for data, professional video and government services. In order to respond to the Group's fastest-growing markets for data and broadband services it will be equipped with one broad footprint sweeping





across Europe into North Africa and Central Asia, and two dedicated high-power beams to add increased flexibility for regional coverage of North Africa and the Middle East.

Work was finalised in the course of the financial year on the requirements for a high-capacity satellite at 25.5° East to replace Eutelsat's EURO-BIRD™ 2 craft and expand and diversify resources at this key orbital position for Middle East and North Africa markets. Within the framework of a strategic partnership signed in May 2010 between Eutelsat and ictQATAR (representing the State of Qatar) to invest in and operate a satellite, a construction contract was concluded in July 2010 with Space Systems/Loral (SS/L)

To enter into service in early 2013, this powerful satellite will provide a significantly expanded mission and superior coverage across the Middle East, North Africa and Central Asia to follow on from EURO-BIRD™ 2. The spacecraft's multi-mission architecture is designed to enable ictQATAR and Eutelsat to respond to demand for capacity for the fastest-growing applications in the Middle East and North Africa, including video broadcasting, enterprise communications and government services. In addition to securing Ku-band continuity for Eutelsat and resources for ictQATAR, it will initiate a Ka-band capability to open business opportunities for both partners in the venture.

The Group continues to diversify and expand the on-ground resources needed to control its satellite system and expand its portfolio of Value-Added services. In the course of the financial year a new teleport called Skylogic Mediterraneo was inaugurated in Sardinia. The nine antennas already deployed at the teleport support the development of video



broadcasting services, communications in the C-band with Africa, as well as a significant part of the Group's mobile and maritime activity.

Work also progressed during the year on building and operational preparation in Madeira of a new Telemetry Command and Ranging (TCR) site, which will be

integrated into Eutelsat's TCR network. The first phase was completed, with site infrastructure and relevant Ku-band facilities to control up to four satellites in-orbit. The on-going second phase will increase site capability to support up to eight satellites from early 2011.

EUTELSAT COMMUNICATIONS' WHOLLY-OWNED SATELLITES

SATELLITE	ORBITAL POSITION	COVERAGE
HOT BIRD™ 6	13° East	Europe, North Africa, Middle East
HOT BIRD™ 8	13° East	Europe, North Africa, Middle East
HOT BIRD™ 9	13° East	Europe, North Africa, Middle East
EUROBIRD™ 1	28.5° East	Europe
EUROBIRD™ 2	25.5° East	Europe, North Africa, Middle East
EUROBIRD™ 3	33° East	Europe
EUROBIRD™ 4A	4° East	Europe, North Africa, Middle East, Central Asia
EUROBIRD™ 9A	9° East	Europe, North Africa, Middle East
EUROBIRD™ 16	16° East	Europe, Middle East, Indian Ocean islands
SESAT 1	16° East	Europe, North Africa, Middle East
W2M	16° East	Europe, Middle East, Indian Ocean islands
W2A	10° East	Europe, Middle East, Africa
W3A	7° East	Europe, Middle East, Africa
W4	36° East	Africa, Russia
W5	70.5° East	Europe, Middle East, Asia
W6	21.5° East	Europe, Middle East, Africa
W7	36° East	Europe, Africa, Russia, Central Asia
W48 (inclined orbit)	48° East	Central Europe, Middle East, Central Asia
W75 (inclined orbit)	75° East	Middle East, Central Asia
ATLANTIC BIRD™ 1	12.5° West	Europe, Middle East, Americas
ATLANTIC BIRD™ 2	8° West	Europe, Middle East, Americas
ATLANTIC BIRD™ 3	5° West	Europe, Americas, Africa
ATLANTIC BIRD™ 4A	7° West	Middle East

CAPACITY LEASED ON THIRD-PARTY SATELLITES

Telecom 2D (inclined orbit)	8° West	Europe
Telstar 12	15° West	Europe, Americas
SESAT 2	53° East	Europe, North Africa, Middle East, Asia

FUTURE SATELLITES

W3B	October 2010	Europe, Africa, Middle East, Central Asia
KA-SAT	December 2010	Europe, North Africa, near Middle East
W3C	2011	Europe, Africa, Middle East, Asia
ATLANTIC BIRD™ 7	2011	North Africa, Middle East
W6A	2012	Europe, North Africa, the Middle East, Central Asia
W5A	2012	Europe, Africa, Middle East, Central Asia, South-East Asia
EUROBIRD™ 2A	2013	Middle East, North Africa, central Asia

Satellite to be jointly owned and operated with ictQATAR

Human resources

Sharing skills in
a stimulating work
environment



The 635 employees from 28 countries working at Eutelsat share multiple skills, enabling the Group to constantly develop its expertise, innovate for the future and increase the Group's activity in up to 150 countries covered by the satellite fleet.

The focus of training and team mobilisation centres around client satisfaction. Cooperation across activities and between divisions in order to deliver operational excellence for the benefit of clients is a permanent source of discussion. It drives the pursuit of work methods based on good practices and fuels the global competitiveness of the company.

→ DEVELOPING SKILLS TO MAINTAIN HIGH EXPERTISE

Skills development is aimed at the teams already in place who are looking to increase their levels of expertise, and also at new recruits to the Group.

Eutelsat offers employees a broad range of training programmes, both through internal seminars coordinated by a staff member on a specific subject, and through personal development training. This includes the "Process Com" programme which was carried out during the year for managers, project managers and cross-function managers. The objective of the training is to raise interpersonal skills within the company and with clients and partners.



At the crossroads of the space, telecoms and broadcasting sectors, the Group assembles 635 professionals from 28 countries

Developing skills also means maintaining a presence and interaction with higher education to explain Eutelsat's activities and attract new talent. Eutelsat consequently conducts an active partnership policy with universities and research laboratories.

→ SUSTAINABLE DEVELOPMENT

Through a 'sustainable development' joint labour management group set up on the initiative of management and the 'Comité d'Entreprise', Eutelsat is committed to making sustainable development the business of all staff and integrating it into daily practices.

The Group pursues two action lines: to reduce the environmental impact of its activities and to identify daily initiatives where each individual, alone or collectively, can change his or her habits to adopt a responsible attitude towards the environment. The Group has achieved a significant reduction in energy consumption (water, electricity, fuel), implemented material recycling processes (computer consumables, paper, lights, plastic objects) and built an individual sense of responsibility through awareness campaigns.

→ RESPONSIBLE DEVELOPMENT

Through its adherence to the *Charte de la diversité en entreprise*, Eutelsat has confirmed its commitment to diversity, skills recognition and equal employment opportunities.

Eutelsat was the first company in the telecoms sector to sign an agreement this year on employees in the second half of their careers (*Accord Cap Seniors*), demonstrating its citizenship and advocacy of a mix of ages, origins and career backgrounds.

This signature underscores a commitment to fostering an enriching mix of skills which contribute to the competitiveness of the company. As the first French company to propose to employees to take part in the *Arrondi Solidaire* initiative in favour of local employment, Eutelsat is also asserting its social responsibility.

Other initiatives are aimed at developing qualified employment in rural areas, notably with the location of new teleports in Sardinia and Madeira, which are generating requirements for training programmes for locally-recruited personnel.

Eutelsat also continues to pursue initiatives in favour of the protected work sector in order to identify what specific activities can be recurrently assigned to this field.

For all of its employees, the Group is committed to a range of motivating company advantages (free share attribution plans for all Group employees, wage savings plans supported by a beneficial match funding policy) and creating a positive and flourishing internal work environment



Financial report summary **2009-2010**

Auditors : **Ernst & Young and Autres and Mazars**

Financial report

summary

> KEY FINANCIAL DATA

Twelve months ended June 30	2008	2009	2010	Change
KEY DATA OF CONSOLIDATED INCOME STATEMENT				
Revenues (M€)	877.8	940.5	1 047.2	+ 11.3 %
EBITDA*(M€)	695.7	742.1	827.8	+ 11.5 %
EBITDA margin (%)	79.3	78.9	79.0	
Group share of net income (M€)	172.3	247.3	269.5	+ 9.0 %
Diluted earnings per share (€)	0.789	1.126	1.224	+ 8.7 %
KEY DATA OF CONSOLIDATED CASH FLOW STATEMENT				
Net cash flow from operating activities (M€)	566.6	654.7	698.3	+ 6.7 %
Capital expenditure (M€)	422.5	416.6	494.4	+ 18.7 %
Operating free cash flow (M€)	144.1	358.7	203.9	- 43.2 %
KEY DATA OF FINANCIAL STRUCTURE				
Net debt (M€)	2 422	2 326	2 424	+ 4.2 %
Net debt/EBITDA (X)	3.48	3.13	2.93	
Backlog (bn €)	3.41	3.94	4.88	+ 23.8 %
KEY OPERATING INDICATORS				
Leased transponders (Units)	468	523	570	
Fill factor (%)	93.4 %	88.8 %	87.5 %	

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



→ CONSOLIDATED REVENUES

Consolidated revenues posted a sharp rise of 11.3% for the year to reach 1,047.2 M€, with the Group's entire activities contributing to growth: Video Applications were up 9.2% to 742.0 M€, Data Services progressed by 17.3% to 157.4 M€, Value Added Services rose by 19.3% to 46.3 M€ and Multi-usage was up 30.1% to 98.1 M€. "Other revenues and non-recurring revenues" essentially comprise late delivery penalties for the W2A and W7 satellites. They amount to 3.4 M€ at 30 June 2010.

At constant euro/dollar parity, revenue growth compared with the previous year was 12.6%. Excluding "non-recurring revenues" and at constant euro/dollar parity, this figure would have been 12.4%.

Video Applications retain their dominance in the Group's activities, accounting for 71.1% of revenues, excluding non-recurring and other revenues. The share in revenues generated by Data and Valued Added Services and by Multi-usage stand at 19.5% and 9.4% respectively.

→ CONSOLIDATED OPERATING CHARGES

Operating charges, comprising operating costs and selling and administrative expenses, represented 21.0% of revenues for 2009-2010 against 21.1% for 2008-2009. The 10.6% increase in operating charges (+21 M€) compared with the previous year, is lower than the increase in revenue growth, reflecting not only the Group's stringent cost control policy, but also the increase in resources devoted to developing new activities (FRANSAT, TOOWAY™), the increase in selling costs linked to the expansion of the Group's activities in areas with high growth potential and the increase in in-orbit life insurance costs in line with fleet development.

→ CONSOLIDATED EBITDA

Consolidated EBITDA was up 85.7 M€ to 827.8 M€, representing an 11.5% increase compared with the full year ending 30 June 2009. The Group's consolidated EBITDA margin therefore reached 79.0% compared to 78.9% in 2008-2009, maintaining the Group for the 5th consecutive year at the highest level of profitability among leading Fixed Satellite Service operators.

→ OPERATING INCOME

At 508.6 M€, operating income was up by nearly 40 M€ compared with the previous year, despite the increase in depreciation expenses and non-recurring income in the previous year of 25.0 M€.

Depreciation charges were up 19.1 M€. This development is in correlation with the high increase in satellite capacities since January 2009. "Other operating income and expenses" were sharply down, the previous year mainly showing non-recurring income of 25.0 M€ received in exchange for the transfer of certain rights related to Hispasat, while the 2009-2010 financial year chiefly posted an exceptional depreciation in the W75 satellite of 5.5 M€.

→ NET INCOME ATTRIBUTABLE TO THE GROUP

Net income attributable to the Group was up 9.0% to 269.5 M€. It reflects excellent operating performance and maintenance of financial results at a level

almost identical to the previous year, despite ad-hoc financial costs linked to the refinancing of the entire debt of the Group's subsidiary, Eutelsat S.A.. This emphasises the efficiency of the refinancing operation, as well as interest and exchange rate coverage policies, which made it possible to benefit fully from the drop in rates and reduce interest costs, thus compensating throughout the year for non-recurring costs related to the refinancing. In addition, the contribution of equity-accounted companies also rose by 11.8%, once again reflecting the quality of the performance of Hispasat, the satellite operator on the Spanish and Portuguese markets in which Eutelsat holds a 27.69% share.

→ CASH FLOW

The Group continued to generate very high cash flow from operating activities of nearly 700 M€, representing 66.7% of revenues and up by 43.6 M€ (+ 6.7% compared with the previous year) despite non-recurring income of 25.0 M€ received in exchange for the transfer of certain rights related to Hispasat, and the refund of an advance corporation tax payment of 21.6 M€ during the 2008-2009 financial year.

Total satellite investments, which are financed entirely by cash flow from operating activities, amounted to 494.4 M€ compared to 416.6 M€ for the previous year. This figure includes investments linked to satellite programmes already underway, and the order of two new satellites during the year.

Operating free cash flow* of over 200 M€ remains largely a surplus. The downturn compared with the previous year is due to the above-mentioned increase in capital expenditures, as well as receipt of an insurance reimbursement in 2008-2009 of 120.5 M€ for the W2M satellite. Excluding non-recurring items, operating free cash flow would have been up by 6.4%.

* Operating free cash flow is defined as net cash flow from operating activities less acquisition of satellites and other property, plant and equipment, net of disposals and insurance reimbursement.

* Net debt includes all bank debt and all liabilities from long-term lease agreements, less cash and cash equivalents and marketable securities (net of bank credit balances).

→ NET DEBT

The net debt* to EBITDA ratio improved, from 3.13x a year ago to 2.93x at 30 June 2010, despite increased capital expenditure and distribution to shareholders (up 10% to 156.2 M€).

At 30 June 2010, the Group's total net debt was 2,424.3 M€, and chiefly comprised: 1,615 M€ in borrowings under the "Eutelsat Communications Refinancing Loan"; 850 M€ in bond issues issued by Eutelsat S.A.; 0.6 M€ debt relating to Eutelsat S.A. subsidiaries, and 41.3 M€ in cash and cash equivalents and marketable securities (net of bank credit balances).

During the financial year ending 30 June 2010, Eutelsat S.A. proceeded with the refinancing of existing syndicated facilities for the total amount of 1.3 bn€ via two transactions: the issue of 7-year bonds of 850 M€ ("Bonds"), and the signing of a 5-year renewable loan agreement for the amount of 450 M€ ("Eutelsat S.A. Bank Loan").

Furthermore, the Group's financial debt currently comprises syndicated facilities of 750 M€ undrawn.

In previous financial years, the Group put hedging instruments in place against interest rate variations covering a large part of syndicated facilities up to their maturity. Therefore, the average cost of debt drawn by the Group during the first half of 2009-2010 was 3.61% net of hedging effects, a decrease on 2008-2009 (4.15%) due to the drop in interest rates.

→ BACKLOG

At 4.88 bn€, backlog posted an increase of nearly 24% during the year, which was twice that of revenues, reflecting excellent sales performance and the strengthening of in-orbit resources with, in



particular, the arrival of the W7 satellite at the beginning of the second half-year period. Totalling the equivalent of nearly 4.7 years of Group revenues, backlog contracts have a weighted average residual life of eight years. Video Applications account for 92% of backlog.

Selected consolidated financial statement of **Eutelsat Communications**

> CONSOLIDATED BALANCE SHEET (In thousands of euros)

ASSETS	30 June 2009	30 June 2010
NON-CURRENT ASSETS		
Goodwill	807 752	807 752
Intangible assets	751 484	709 195
Satellites and other property and equipment, net	1 780 519	1 797 588
Construction in progress	543 717	732 913
Investments in associates	216 502	232 928
Non-current financial assets	2 561	3 049
Deferred tax assets	36 937	52 624
TOTAL NON-CURRENT ASSETS	4 139 472	4 336 049
CURRENT ASSETS		
Inventories	1 771	1 372
Accounts receivable	298 792	298 816
Other current assets	17 203	13 510
Current tax receivable	3 407	2 867
Current financial assets	5 053	4 900
Cash and cash equivalents	143 745	59 519
TOTAL CURRENT ASSETS	469 971	380 984
TOTAL ASSETS	4 609 443	4 717 033

> CONSOLIDATED BALANCE SHEET (CONTINUATION)

(In thousands of euros)

LIABILITIES AND SHAREHOLDERS' EQUITY	30 June 2009	30 June 2010
SHAREHOLDERS' EQUITY		
Share capital	219 804	220 114
Additional paid-in capital	526 047	497 128
Reserves and retained earnings	584 913	725 951
Non-controlling interests	67 070	69 112
TOTAL SHAREHOLDERS' EQUITY	1 397 834	1 512 305
NON-CURRENT LIABILITIES		
Non-current financial debt	2 454 678	2 446 102
Other non-current financial liabilities	51 775	49 164
Other non-current debt	20 332	1 469
Non-current provisions	30 095	30 156
Deferred tax liabilities	266 874	289 501
TOTAL NON-CURRENT LIABILITIES	2 823 754	2 816 392
CURRENT LIABILITIES		
Current financial debt	14 090	32 866
Other current financial liabilities	138 428	160 661
Accounts payable	41 508	40 956
Fixed assets payable	72 036	30 424
Taxes payable	33 638	12 618
Other current payables	77 318	97 153
Current provisions	10 837	13 658
TOTAL CURRENT LIABILITIES	387 855	388 336
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4 609 443	4 717 033

> **CONSOLIDATED INCOME STATEMENT**
(In thousands of euros, except per share data)

	Twelve-month period ended 30 June 2009	Twelve-month period ended 30 June 2010
Revenues	940 541	1 047 224
REVENUES FROM OPERATIONS	940 541	1 047 224
Operating costs	(72 104)	(80 877)
Selling, general and administrative expenses	(126 325)	(138 552)
Depreciation and amortisation	(294 271)	(313 419)
Other operating income	145 769	148
Other operating charges	(121 968)	(5 973)
OPERATING INCOME	471 642	508 551
Financial income	29 938	32 868
Financial expenses	(129 562)	(133 512)
FINANCIAL RESULT	(99 624)	(100 644)
Income from associates	15 954	17 843
NET INCOME BEFORE TAX	387 972	425 750
Income tax expense	(127 988)	(143 239)
NET INCOME	259 984	282 511
Group share of net income	247 348	269 501
Portion attributable to non-controlling interests	12 636	13 010
Earnings per share attributable to Eutelsat shareholders		
Basic earnings per share in €	1.126	1.224
Diluted earnings per share in €	1.126	1.224

> COMPREHENSIVE INCOME STATEMENT

(In thousands of euros)

	Twelve-month period ended 30 June 2009	Twelve-month period ended 30 June 2010
NET INCOME	259 984	282 511
OTHER ITEMS OF GAIN OR LOSS ON COMPREHENSIVE INCOME		
Translation adjustment	(697)	3 813
Tax effect	-	(858)
Changes in fair value of cash-flow hedging instruments	(219 732)	(24 663)
Tax effect	75 694	8 491
TOTAL OF OTHER ITEMS OF GAIN OR LOSS ON COMPREHENSIVE INCOME	(144 735)	(13 217)
TOTAL COMPREHENSIVE INCOME STATEMENT	115 249	269 294
Group share of net income	104 604	255 760
Portion attributable to non-controlling interests	10 645	13 534

> CONSOLIDATED STATEMENT OF CASH FLOWS

(In thousands of euros)

	Twelve-month period ended 30 June 2009	Twelve-month period ended 30 June 2010
CASH FLOW FROM OPERATING ACTIVITIES		
Net income	259 984	282 511
Income from equity investments	(15 954)	(17 844)
(Gain) / loss on disposal of assets	20	120
Other non-operating items	100 137	238 525
Depreciation, amortisation and provisions	411 335	321 824
Deferred taxes	(4 944)	15 428
Changes in accounts receivable	(73 851)	(19 274)
Changes in other assets	20 945	4 447
Changes in accounts payable	5 650	12 430
Changes in other debt	27 788	8 821
Taxes paid	(76 378)	(148 702)
NET CASH INFLOW FROM OPERATING ACTIVITIES	654 732	698 286

> CONSOLIDATED STATEMENT OF CASH FLOWS (continuation)

(In thousands of euros)

	Twelve-month period ended 30 June 2009	Twelve-month period ended 30 June 2010
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of satellites, other property and equipment and intangible assets	(386 802)	(494 362)
Acquisitions of equity investments	(29 750)	-
Proceeds from sale of assets	198	8
Insurance indemnities on property and equipment	120 545	-
Acquisition of non-controlling interests	(7 458)	(6 737)
Changes in other non-current financial assets	(279)	(12)
Dividends received from associates	2 473	3 169
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(301 073)	(497 934)
CASH FLOWS FROM FINANCING ACTIVITIES		
Changes in capital	-	-
Distributions	(141 737)	(156 196)
Increase in debt	39 843	843 472
Repayment of debt	-	(850 184)
Repayment in respect of performance incentives and long-term leases	(15 994)	(14 329)
Other loan-related expenses	-	(9 554)
Interest and other fees paid	(108 626)	(76 930)
Interest received	5 791	1 498
Termination indemnities on derivatives settled	-	(38 015)
Other changes	2 946	315
NET CASH FLOWS FROM FINANCING ACTIVITIES	(217 777)	(299 923)
Impact of exchange rate on cash and cash equivalents	(619)	(464)
Increase (decrease) in cash and cash equivalents	135 263	(100 035)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	6 109	141 372
CASH AND CASH EQUIVALENTS, END OF PERIOD	141 372	41 337
CASH RECONCILIATION		
Cash	143 745	59 519
Overdraft included under debt (1)	(2 373)	(18 182)
Cash and cash equivalents per cash flow statement	141 372	41 337

(1) Overdrafts are included in determining "Cash and cash equivalents" in the cash-flow statement as they are repayable on demand and form an integral part of the Group's cash-flow management. They are shown as "Current financial debt" under "Current liabilities" in the balance sheet.

> CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(In thousands of euros, except share data)

	Common stock			Reserves and retained earnings	Non-controlling interests	Total
	Number	Amount	Additional paid-in capital			
AS OF 30 JUNE 2008	219 641 955	219 642	662 566	469 511	65 525	1 417 244
Net income for the period				247 348	12 636	259 984
Other items of gain or loss on comprehensive income				(142 744)	(1 991)	(144 735)
TOTAL COMPREHENSIVE INCOME STATEMENT				104 604	10 645	115 249
Transactions affecting the capital (1)	162 010	162	(4 772)	4 610	-	-
Treasury stock				(215)	-	(215)
Transactions with non-controlling interests				(626)	(696)	(1 322)
Distributions			(131 747)	-	(9 990)	(141 737)
Benefits for employees upon exercising options and free shares granted				3 667	-	3 667
ABSA commitments				2 913	538	3 451
Liquidity offer				448	1 049	1 497
AS OF 30 JUNE 2009	219 803 965	219 804	526 047	584 913	67 070	1 397 834
Net income for the period				269 501	13 010	282 511
Other items of gain or loss on comprehensive income				(13 471)	524	(13 217)
TOTAL COMPREHENSIVE INCOME STATEMENT				255 760	13 534	269 294
Transactions affecting the capital	310 017	310	(310)	-	-	-
Treasury stock				263	-	263
Transactions with non-controlling interests				(4 183)	(2 170)	(6 353)
Distributions			(28 609)	(116 636)	(10 951)	(156 196)
Benefits for employees upon exercising options and free shares granted				1 563	40	1 603
ABSA commitments				(1 002)	2 245	1 243
Liquidity offer				5 273	(656)	4 617
AS OF 30 JUNE 2010	220 113 982	220 114	497 128	725 951	69 112	1 512 305

(1) The amount shown as additional paid-in capital includes negative retained earnings of €4,610 thousand for this item at 30 June 2008.

Selected financial data from annual statements of **Eutelsat S.A.**

> BALANCE SHEETS (in thousands of euros)

ASSETS	30 June 2009	30 June 2010
LONG-TERM ASSETS		
Intangible assets	10 094	10 691
Tangible assets	2 212 003	2 424 398
Financial assets	329 057	338 595
TOTAL LONG-TERM ASSETS	2 551 154	2 773 685
CURRENT ASSETS		
Inventories	310	829
Accounts receivable	325 255	333 719
Other receivables	13 776	30 387
Cash and marketable securities	104 444	7 407
TOTAL CURRENT ASSETS	443 785	372 643
Prepaid expenses	46 616	46 716
TOTAL ASSETS	3 041 554	3 192 744

> BALANCE SHEETS

(in thousands of euros)

LIABILITIES AND SHAREHOLDERS' EQUITY	30 June 2009	30 June 2010
Common stock (1 013 138 125 ordinary shares as of 30 June 2010 with a nominal value of €0.65 per share)	658 414	658 540
Additional paid-in capital	366 100	366 319
Legal reserve	65 733	65 841
Free reserve	48	-
Retained earnings	3 484	7 293
Result for the year	277 413	257 575
Advance payments on dividends	-	-
Regulated provisions	198 269	292 707
TOTAL SHAREHOLDERS' EQUITY	1 569 461	1 648 276
Provisions for risks	11 797	13 370
Provisions for expenses	7 495	10 329
TOTAL PROVISIONS FOR RISKS AND EXPENSES	19 292	23 699
Other bond issues	-	850 000
Loans and bank debt (*)	852 474	27 586
Other financial debt	28 803	36 221
TOTAL BANK DEBT	881 277	913 807
Accounts payable	43 730	48 442
Tax and employee-related payable	35 644	38 949
Fixed assets payable	102 078	61 119
Other payables	357 882	416 565
TOTAL OPERATING DEBT	539 335	565 074
Deferred revenues	32 189	41 888
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3 041 554	3 192 744
(*) part maturing within one year	202 474	27 586

> **INCOME STATEMENT**
(in thousands of euros)

	Twelve-month period ended 30 June 2009	Twelve-month period ended 30 June 2010
Revenues	935 481	1 025 337
Costs eligible for capitalisation	31 699	22 602
Grants received	1 031	460
Release of provisions and reclassification of costs	15 626	21 056
Other income	193	1
TOTAL OPERATING INCOME	984 031	1 069 456
Purchase of goods and changes in inventories	1 221	2 364
Other purchases and external expenses	125 362	145 579
Taxes and assimilated	15 364	15 789
Wages	39 804	41 064
Social charges	20 067	22 239
Depreciation, amortisation and provisions	263 561	277 427
Other charges	846	1 453
TOTAL OPERATING CHARGES	466 224	505 915
OPERATING RESULT	517 806	563 541
Financial income	34 675	28 680
Financial expenses	77 897	107 753
FINANCIAL RESULT	(43 222)	(79 073)
Exceptional income	222 838	41 265
Exceptional charges	269 932	119 619
EXCEPTIONAL RESULT	(47 094)	(78 355)
Mandatory employee profit-sharing	4 283	4 387
Income tax	145 794	144 151
NET INCOME	277 413	257 575

COVER ILLUSTRATION

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WITH THANKS

to all colleagues and partners
who contributed to this document

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