

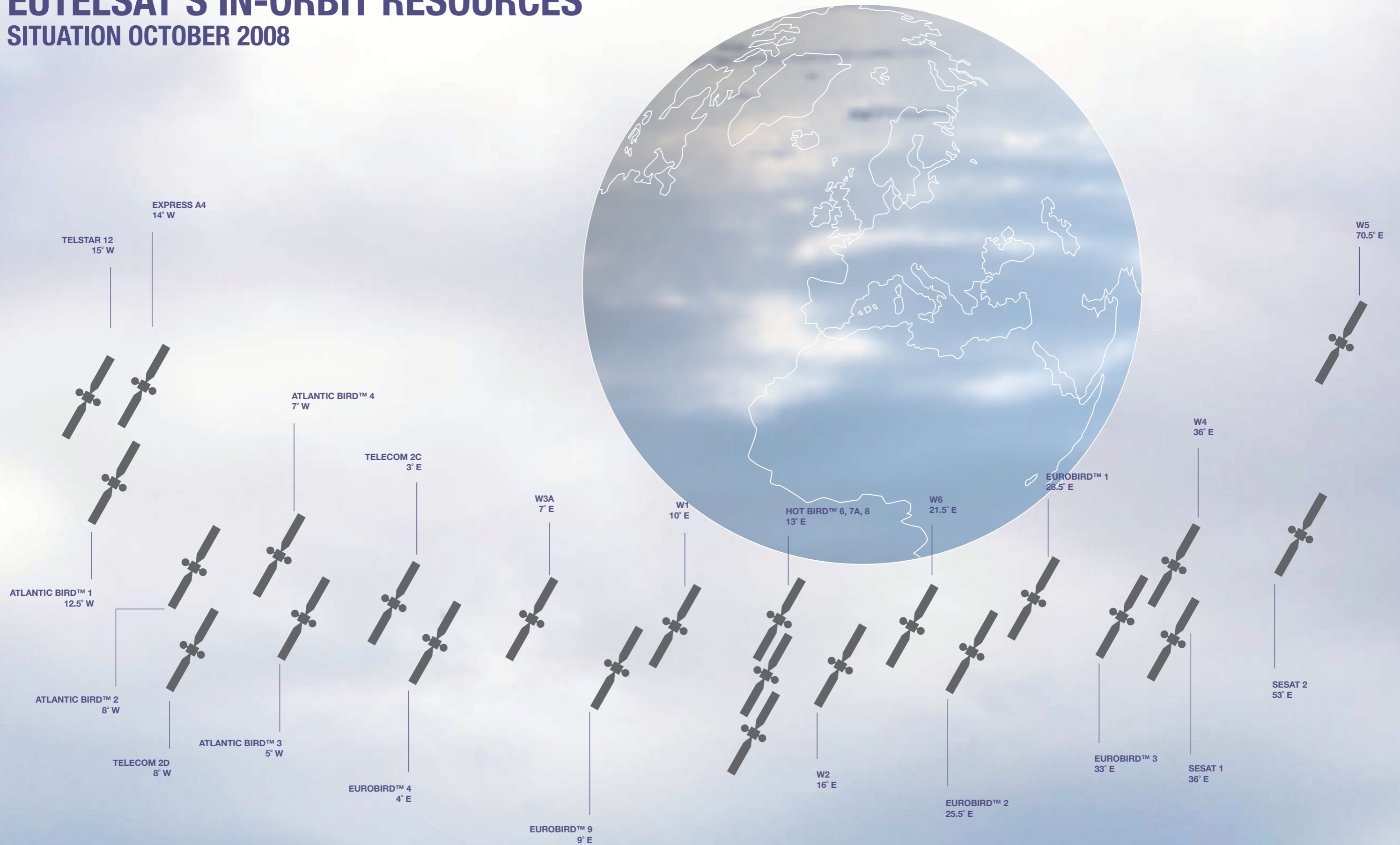


MORE THAN EVER WE NEED SPACE TO COMMUNICATE



EUTELSAT'S IN-ORBIT RESOURCES

SITUATION OCTOBER 2008



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The rapid expansion of digital networks and the globalisation of markets are raising new challenges in today's world.

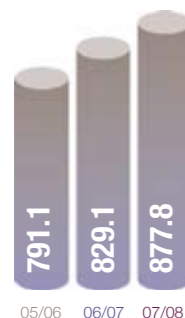
Delivering the speeds needed for fast access to information, respecting the planet, bridging the digital divide and promoting cultural diversity are just some of the tremendous opportunities that will increase the role of satellites at the heart of the Information Society.

Eutelsat Communications S.A. is the holding company of the Eutelsat Group. Its role is to oversee the strategic and financial activities of the Eutelsat Group. Operating activities presented in this Panorama are conducted by Eutelsat S.A., the Group's main subsidiary, which is 95.91% owned by Eutelsat Communications. Eutelsat S.A. is the 100% owner of Skylogic S.p.a., which operates the Turin teleport and commercialises an offer of Value-Added Services. Eutelsat Communications also holds an indirect 27.69% equity interest in the Spanish satellite operator Hispasat S.A. and 50% of Solaris Mobile Ltd., a joint venture company established together with SES Astra.

KEY FIGURES AT A GLANCE

A new year of growth

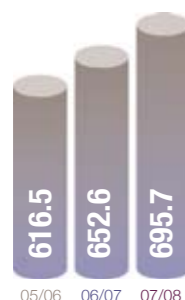
REVENUES (in millions of euros)



+ 5.9%

With growth exceeding objectives, Group revenues are up by 5.9%, or 7.3% excluding non-recurring income. This increase is driven by Video Applications and Value-Added Services, each of which grew by more than 10%.

EBITDA* (in millions of euros)



+ 6.6%

Excellent commercial performance and control of operating expenses, which were contained to 20.7% of revenues, generated a 6.6% increase in EBITDA. The Group's EBITDA margin reached the record level of 79.3%, ranking Eutelsat worldwide for the third consecutive year as the most profitable of major Fixed Satellite Services (FSS) operators.

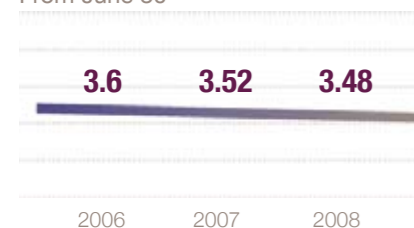
CASH FLOW FROM OPERATING ACTIVITIES (in millions of euros)



+ 7.4%

With net cash flow from operating activities exceeding 64% of revenues, Eutelsat has confirmed its extremely robust business model. This has enabled self-financing of capital investments, while leaving €144 million of free cash flow.

NET DEBT / EBITDA RATIO From June 30



Despite the increase in capital expenditure and financial investments, net debt to EBITDA ratio continued to decrease, in keeping with our objective of a range between 3x and 4x. Group debt is fully hedged against interest-rate risks.

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



75.5%
VIDEO APPLICATIONS

17.7%
DATA AND VALUE-ADDED SERVICES / BROADBAND

6.8%
MULTI-USAGE

PORTFOLIO OF ACTIVITIES AT 30 JUNE 2008 EXCLUDING OTHER INCOME AND NON-RECURRING INCOME



+ 8.1%

GROUP SHARE OF NET INCOME (in millions of euros)

A synopsis of the main financial statements is provided at the end of this Panorama. A detailed version of the consolidated and annual financial statements and the Board of Directors' Management Report can be downloaded from www.eutelsat.com/investors. These documents are also available by telephone on + 33 1 53 98 35 35, by e-mail to investors@eutelsat-communications.com, or in writing to Eutelsat Communications, Shareholder Relations, 70 rue Balard, 75502 Paris Cedex 15, France.

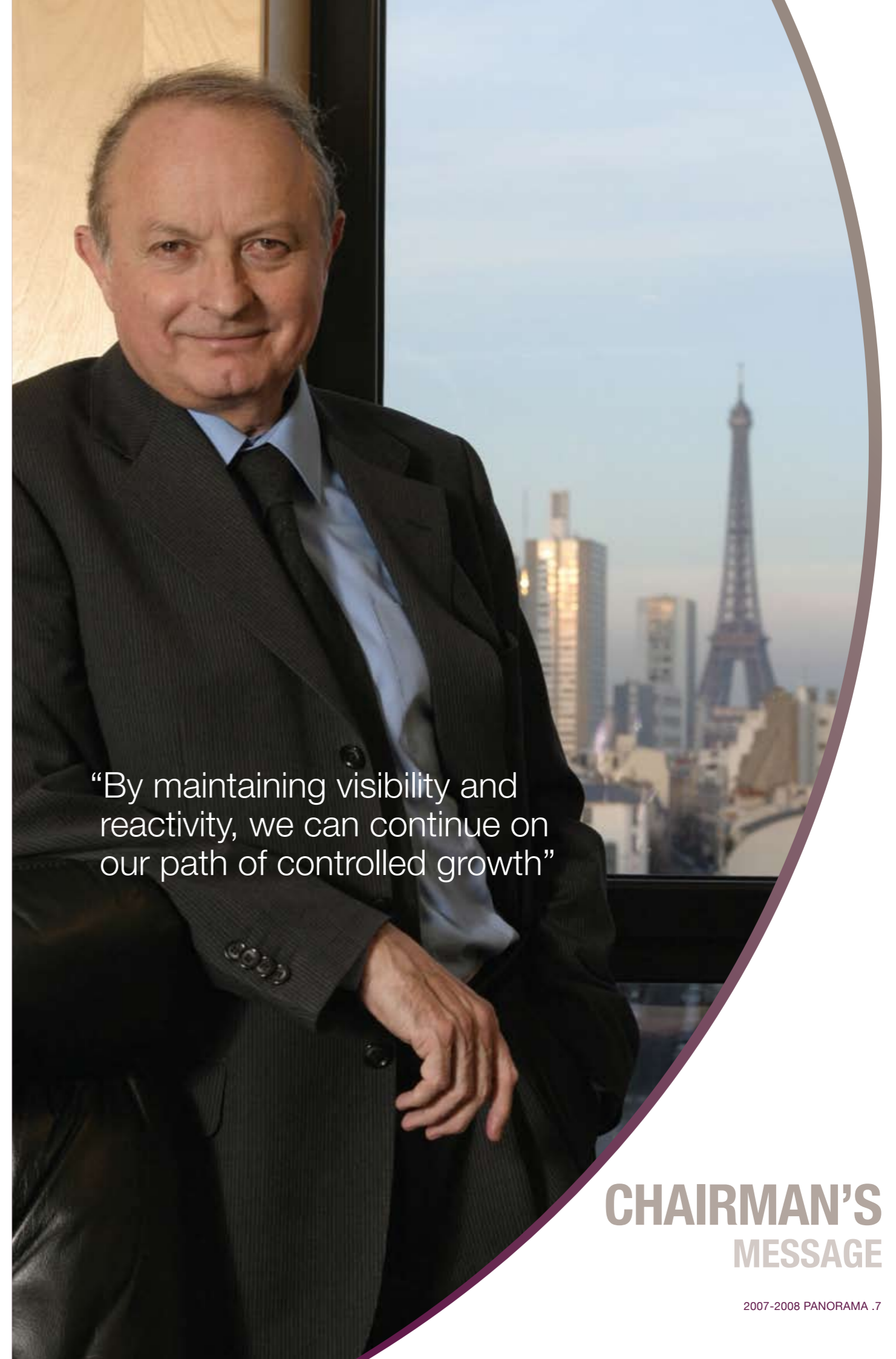
MESSAGE FROM
GIULIANO BERRETTA
CHAIRMAN AND CEO

“There is global demand for new satellite capacity to support the deployment of digital services.”

The 2007-2008 financial year was a new year of growth for Eutelsat, which continues to distinguish itself with its excellent operational and financial performance. Broadcast and broadband activities, which represent our two major markets, have demonstrated a solid dynamic and show significant potential for continued expansion. There is global demand for new satellite capacity to support the deployment of new digital services, both for content delivery to terrestrial headends and, through direct satellite reception, to users located beyond range of terrestrial networks.

This demand is particularly apparent for countries in Central and Eastern Europe that have experienced exceptional growth since joining the European Union, as well as Russia, where economic expansion is driving strong domestic demand for goods and services. The Middle East and many countries in the African continent are also seeing unprecedented dynamism, resulting in increased recourse to satellite-based services to support new communications networks.

These strong growth markets, stretching from Russia to South Africa, where we benefit from a longstanding presence, constitute a “Second Continent” for our Group. Their rapid expansion, together with commercial momentum in Western Europe, has enabled us to exceed our objectives and achieve a revenue growth rate of 5.9%, which outperforms our two preceding financial years. We have also again increased our EBITDA margin, this time to the historic level of 79.3%, which is the highest among major operators in the Fixed Satellite Services sector.



“By maintaining visibility and reactivity, we can continue on our path of controlled growth”

CHAIRMAN'S
MESSAGE

MESSAGE FROM
GIULIANO BERRETTA
CHAIRMAN AND CEO

The expansion of digital broadcasting activity via our satellites is a good illustration of the commercial impetus we are experiencing both in our First Continent in Western Europe and also in our Second Continent. Of the 515 new channels that joined our fleet this year, 80% broadcast from our video neighbourhoods primarily serving countries in the Second Continent.

This trend is also apparent for High Definition Television (HDTV). The number of HDTV channels broadcasting via our satellites tripled over the last 12 months, with growth once again driven by emerging markets where there is a lower installed base of decoders delivering Standard Definition TV, leaving the ground open for pay-TV platforms to propose HD channels directly to their subscribers using HD-compatible decoders. In all, our fleet now broadcasts more than 3100 channels, of which 49 in High Definition mode.

REPEATING THE SUCCESS OF SATELLITE TV WITH BROADBAND

The second development that presents significant potential for our Group is the rapid and fundamental social shift towards broadband. The initial penetration of broadband into the corporate world has fully gravitated into the consumer environment where it is now an essential social tool. This step-change in professional and consumer habits is an indisputable opportunity for our Group. Broadband deployment has similar inherent features to satellite television, particularly the need for service providers to use direct satellite reception to extend their reach beyond terrestrial networks to optimise the number of subscribers eligible for an enhanced offer of services. The launch in July 2008 of Orange TV on our satellites, which enables the leader in triple-play services to increase the availability of its TV offer in France from 50% to 98%, is a compelling example of this development. Following a similar logic, Swisscom this year selected our Tooway™ satellite service to deliver broadband to homes beyond range of ADSL networks. The emergence of fibre should further accelerate the trend to leverage the benefits of satellites, as deployment of this very high-performance and high-cost terrestrial technology will only be economically viable in major urban environments. Satellites will then be called upon even more to ensure homes have access to a new generation of services.

OPTIMISING USE OF INCREASINGLY RARE SPECTRUM

Beyond these favourable long-term commercial trends, the global awareness of respecting the environment is of growing importance. Satellites have a key role to play in this respect, whether in terms of protecting the planet by limiting energy consumption, promoting sustainable development by reducing the digital divide, promoting cultural diversity or increasing qualified employment in underprivileged areas.

It is our responsibility to establish a close dialogue with all stakeholders in order to provide users with the communications they need, while at the same time respecting the planet. We have an invaluable opportunity to promote the intrinsically universal nature of satellite coverage, the efficiency with which satellites exploit frequencies that are becoming a rare resource, and their virtually neutral impact on the environment since their panels use solar energy to generate the power they need to orbit the earth.

**EXECUTING ONE OF THE SATELLITE SECTOR'S MOST FAR-REACHING
IN-ORBIT INVESTMENT PROGRAMMES**

Our Group is implementing one of the most far-reaching in-orbit investment programmes in our sector, which will equip us to pursue our ambitious and controlled strategy. Seven satellites are in construction for launch before the end of 2010 to renew and boost our Ku-band resources by more than 30%. Our investment programme also includes two major innovations. The first, in which we are collaborating with SES Astra, is the launch of Europe's first S-band resources in early 2009 to support the growing market for video to mobiles. This new frequency band will also provide a valuable new resource for interactive services interfaced with satellite positioning systems such as Galileo. The second initiative is the order placed for a satellite operating exclusively in Ka-band. Due for launch in 2010, this satellite will be the cornerstone of a significant new infrastructure in Europe, combining more than 80 spotbeams on the satellite with eight hubs on the ground connected by fibre to the Internet backbone. KA-SAT will be able to deliver broadband to more than one million homes at speeds and prices comparable to ADSL2, thereby anchoring consumer satellite Internet as a mass-market solution for the many European homes that will remain beyond range of high-speed terrestrial networks.

Sharing success and ambition

By encouraging cross-fertilisation of our principal activities, which are focused on the most profitable services in the FSS sector, Eutelsat has assembled the key features supporting our successful business model. This takes on even more significance in light of the fact that our success reflects on the entire European space industry, of which we are the main commercial customer.

Building on this momentum, we have raised our growth objectives for the next three years to an annual average rate of 6%. To express their confidence in our operational plans and financial forecasts, the Board of Directors has proposed to increase to €0.60 per share the distribution paid to shareholders, representing a pay-out ratio of 76.5% of the Group share of net consolidated income.

As the operator of the world's third largest satellite fleet, Eutelsat has built a global reputation for technical excellence and innovation, which is a source of tremendous pride and motivation for our employees. Together, we can look to the future with confidence.

CORPORATE GOVERNANCE

A BALANCED BOARD OF DIRECTORS FULLY COMMITTED TO GROUP DEVELOPMENT

The Board of Directors of Eutelsat Communications comprises ten members. Eight members represent the majority shareholders, Abertis Telecom and the Caisse des Dépôts et Consignations, of whom five hold management positions within these two companies. Alongside the Chairman of the Board and Chief Executive Officer Giuliano Berretta, two other members meet the independence criteria relative to good governance recommendations set by the Institut français des administrateurs. These two board members have no conflicts of interest or other business relations with the Group which might alter their complete freedom of judgement. The Executive Secretary of the EUTELSAT Intergovernmental Organisation serves as an observer (censeur) within the Board. As part of the social dialogue within the Group, two representatives of the Works' Council of the operating company Eutelsat S.A. take part in meetings of the Board of Directors of Eutelsat Communications and receive the same information as board members.

The Board of Directors met 10 times during the fiscal year. Its mission is to determine the Group's business orientations and monitor their implementation. The rules of procedure call for the Board's operation to be reviewed at least once a year and for this review to be published in the annual Reference Document. In addition, they set out measures with a view to prevent conflicts of interest and to govern contracts with related parties. They also define clear rules aimed at preventing insider trading.

ACTIVE SPECIALISED COMMITTEES

Following on from the creation of a Selection and Remuneration Committee in 2006, the Board of Directors created an Audit Committee during the fiscal year.

Chaired by Tobías Martínez Gimeno, the Selection and Remuneration Committee studies and develops proposals for the Board for the fixed and variable compensation of the Chairman and Chief Executive Officer, Giuliano Berretta, and the Deputy Chief Executive Officer, Jean-Paul Brillaud, and for other benefits received, including the package of directors' fees and their distribution, as well as long-term incentive plans. Based on the committee's recommendations, the Board decided to implement a free share plan for all Group personnel, including the Company Officers. As part of its duties, the committee supervised the recruitment process for a new Financial Director after the departure of Claude Ehlinger, with the Chairman and Chief Executive Officer subsequently appointing Catherine Guillouard to this position in September 2007.

Created on 25 September 2007, the Audit Committee has three members: Jean-Luc Archambault (Chairman), Lord Birt and Carlos Sagasta Reussi. This committee analyses the corporate and consolidated half-yearly and annual financial statements, as well as the annual draft of the consolidated budget, thereby allowing the Board to ensure production of reliable and sincere financial and accounting information. It also assists the Board and management in ensuring that economic, financial or legal risks are identified and managed. As part of these efforts, the Audit Committee has developed a risk map of factors which could affect the management of the Group's operations and proposed the creation of a Risk Management Officer. In May 2008 Ignacio González-Núñez was appointed Chief Risk Officer by the Chairman and Chief Executive Officer.

BOARD OF DIRECTORS

GIULIANO BERRETTA
Chairman of the Board and
Chief Executive Officer

JEAN-LUC ARCHAMBAULT
Chief Executive Officer, Lysios

CDC INFRASTRUCTURE
Represented by Jean Bensaïd,
Deputy Finance & Strategy Director,
Caisse des Dépôts et Consignations

LORD BIRT
Independent Director,
Former Director General BBC

CARLOS ESPINÓS GÓMEZ
Deputy Managing Director and
Member of the Executive Committee
of Abertis Telecom

PIER FRANCESCO GUARGUAGLINI
Independent Director, Chairman and
Chief Executive Officer, Finmeccanica

ANDREA LUMINARI
Business Development Director,
Abertis Telecom

BERTRAND MABILLE
Chairman of the Supervisory Board,
Jet Multimedia

TOBIÁS MARTÍNEZ GIMENO
Managing Director, Abertis Telecom, Member of
the Executive Committee of Abertis Telecom

CARLOS SAGASTA REUSSI
Finance Planning and Control Director, Abertis Telecom,
Member of the Executive Committee of Abertis Telecom

CHRISTIAN ROISSE
Executive Secretary, EUTELSAT
Intergovernmental Organisation, Observer

In addition to these two committees, the Strategy and Investment Working Group steered by Jean Bensaïd and Carlos Espinós Gómez works with the Board on potential external growth operations, and analyses investment proposals presented as part of the strategic plan and the draft annual budget. During the fiscal year, the Group's efforts notably included conducting a strategic study to 2013, defining a policy for securing in-orbit infrastructure and setting up the KA-SAT programme for consumer broadband services.

COMPANY MANAGEMENT

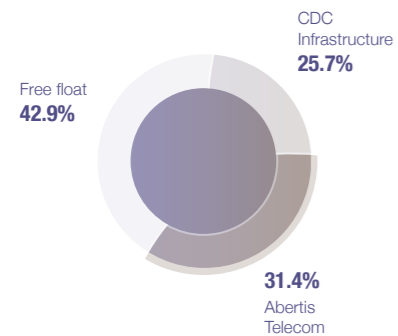
An Executive Committee led by Giuliano Berretta comprises three other members, Jean-Paul Brillaud (Deputy Chief Executive Officer), Catherine Guillouard (Financial Director) and Philippe Mc Allister (General Counsel). The Management Committee takes decisions on the activities of the Eutelsat operating company. In addition to the members mentioned above, it includes Olivier Millières-Lacroix (Commercial Director), Yves Blanc (Director of Strategy), Arduino Patacchini (Multimedia Director), Jacques Dutronc (Missions and Programmes Director), Jesus Domingo Laborda (Operations Director), Barry Saunders (Technical Director), Izy Béhar (Human Resources Director), Vanessa O'Connor (Corporate Communications Director), Ignacio González-Núñez (Chief Risk Officer) and Alessandro Fiorio (Head of Cabinet).

*Board members and the
Executive Committee
at the General assembly of
shareholders in November 2007*



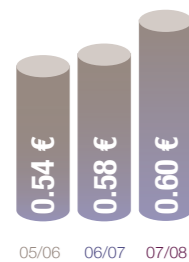
STOCK MARKET AND SHAREHOLDER RELATIONS

SHAREHOLDERS WITH LONG-TERM COMMITMENT TO THE COMPANY



Together with Abertis and the CDC, which are reference shareholders for infrastructure companies, our Group's broad shareholder base includes individual shareholders and almost 150 institutional investors primarily from Europe and North America.

ATTRACTIVE DISTRIBUTION, UP 13% OVER THE LAST TWO YEARS



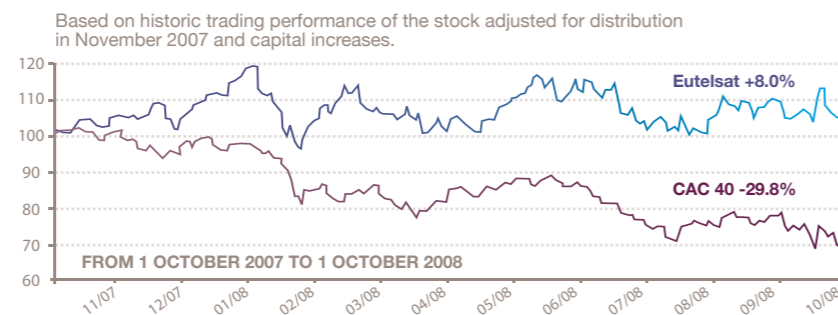
The Board of Directors has decided to propose a distribution of €0.60 per share to the General Meeting of Shareholders scheduled for 6 November 2008. This corresponds to a payout ratio of 76.5% of Group share of net income.

SHARE PRICE OFFERING GOOD RESISTANCE IN UNSTABLE STOCK MARKETS

EUTELSAT : +8.0 %

CAC 40 : -29.8 %

Eutelsat Communications share performance over the period	
Period high	20.35 €
Period low	16.50 €
Market capitalisation on 1 October 2008	4.07 bn €



DATA on Eutelsat Communications shares

- ISIN code : FR0010221234 – Ticker: ETL
- Face value : €1
- Capital 219 641 955 at 30 June 2008
- Market: Euronext Paris-Eurolist
- Traded cash in Paris
- Security eligible for the Deferred Settlement Service in Paris

Eutelsat Communications shares posted an increase of 8% over the period. Situated between infrastructure and telecoms, where activities have been expanding rapidly worldwide, Eutelsat Communications offers a profile that combines security and long-term growth potential.



ENGAGING SHAREHOLDERS IN GROUP PERFORMANCE

It is a priority commitment for Eutelsat to multiply channels of exchange so that shareholders can be constantly informed of the Group's commercial, strategic and financial performance. This activity is carried out in strict compliance with fair information access rules.

The General Meeting of Shareholders and meetings in French regional cities allow Eutelsat to remain in direct contact with individual shareholders. Roadshows and meetings organised by financial institutions are also an opportunity for management to meet institutional investors on a regular basis. Quarterly publications of revenues and half-yearly publication of Group earnings are the subject of detailed presentations, which can be consulted on Eutelsat's website.

The Group's website also makes it possible to monitor Eutelsat's commercial news and to follow technological innovations through video clips. Current events are also relayed through the Group shareholder newsletter, which is mailed to shareholders and made available online.



SHAREHOLDER MEETINGS GENERATING HIGH INTEREST

Initiated in 2008, these regional meetings with shareholders have assembled several hundred people at each city venue in France.

Through direct dialogue, they provide a vibrant platform to present Group prospects for growth and involve shareholders in the development of our company, a significant European success story in the global telecommunications sector.

CONTACTS

INVESTOR RELATIONS

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 Email : investors@eutelsat-communications.com
 www.eutelsat.com/investors

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 Cedex 09 FRANCE
 Fax: +33 1 40 14 58 90

STRATEGY AND PROSPECTS

“Satellite communications sit at the heart of converging broadcast and broadband markets.”



EUTELSAT IS CONSOLIDATING ITS MODEL AS A SATELLITE INFRASTRUCTURE OPERATOR GENERATING HIGH PROFITABILITY

Eutelsat's development model is built on the combination of three strategic factors

Eutelsat's development model is built on three key factors. The first is a clear focus on the most profitable applications in the Fixed Satellite Services sector, particularly consumer broadcasting, which offers high margins and maximises the value of satellites for addressing large audiences at the marginal cost of only a few euro cents per home per year for a single channel. As video contracts are frequently signed for the useful lifespan of a satellite, they also provide high visibility over future revenues. With a policy of priority allocation of capacity to broadcasting, this activity accounts for 75% of Eutelsat's revenues.

The second factor is the development of Value-Added Services to create new sources of revenue and enhance the Group's core business as a satellite capacity provider. To preserve its high profitability, Eutelsat is deploying these new services in regions where competition with other network technologies is low to inexistent. This activity is particularly focused on satellite-based Internet access solutions for users beyond range of high-speed terrestrial networks.

The third factor is constant development of Group infrastructure through a policy of sustained investment in expansion and innovation. With two further satellites ordered this year, Eutelsat is currently implementing one of the largest investment programmes in the sector, completely self-financed as a consequence of the Group's profitability. Seven satellites are being built for launch before the end of 2010 to increase resources by more than 30%.

“On the basis of this development model, Eutelsat is the world's Number 3 satellite operator and the leader in terms of profitability. Our objective is to enhance this high value model by consolidating our leadership in Europe and accelerating deployment of new resources in order to benefit from the rapid expansion of growth markets in Central and Eastern Europe, the Middle East, Russia and Africa”

“A target of more than €1 billion of revenues in our 2010-2011 financial year.”

The high visibility of our economic model in terms of revenues and operational costs allows Eutelsat to forecast turnover and profitability for the coming three years. As a result of the favourable long-term trends in each of the Group's markets and in view of the in-orbit expansion programme, Eutelsat has revised objectives upwards for 2008-2011. The Group is now targeting more than one billion euros of consolidated revenues in 2010-2011. Growth will accelerate from the 2009-2010 fiscal year with the progressive entry into service of new satellites. The EBITDA margin objective associated with this growth is maintained at the high level of over 77%.





Broadcast and broadband markets offering strong prospects for growth

Eutelsat's 2007-2008 financial year confirms the forecasts of 5% annual growth in satellite capacity for the coming years. The increase in digital television services worldwide and the rapid expansion of telecommunications in emerging markets are two key elements of this growth dynamic for the long term. While the convergence of telecom and media sectors is triggering a review of business models for a certain number of players, it presents solid growth opportunities for satellite operators, as the profitability of service providers will be directly connected to audience reach and, consequently, with nationwide coverage.

Service providers driving programmes that require extensive deployment of high-speed terrestrial networks, including fibre networks, are faced with the prospect of significant investment at a time of economic uncertainty. In this context, the ability of satellites to extend terrestrial infrastructure in order to immediately serve large audiences at very low marginal cost is a considerable asset. Satellites are also an essential tool for telecom operators entering into content acquisition and needing to maximise their audience to cover their investment, and also for pay-TV operators diversifying into triple-play services.

Two other business sectors are showing comparable growth rates. The first is the market for services to government agencies, principally driven by the political situation in the Middle East and the growing number of countries deploying international governmental networks. The second is the market for enterprise networks which is driven by the globalisation of professional exchanges and the growing use of satellites for multi-casting audio, video and data to distribution networks for goods and services.

Source: Eutelsat Strategy Department, Euroconsult

MORE THAN 35,000 TV CHANNELS BROADCAST BY SATELLITE BY 2017

The growing volume of thematic channels and of international channels produced by national broadcasters for expatriate communities is giving rise to a constant increase in satellite channels worldwide. From 21,000 at the start of 2008, the number of satellite channels should climb to approximately 35,000 in 2017. HDTV, which is emerging in all of the Group's markets, is expected to represent 18% of this total.

THE NUMBER OF HOMES WORLDWIDE SUBSCRIBING TO A SATELLITE PAY-TV PLATFORM SHOULD DOUBLE BY 2017

The more than 8% increase in Direct-to-Home (DTH) satellite reception in 2007 is the strongest growth rate for television reception worldwide. DTH reception of pay-TV channels experienced a record 15% growth. Euroconsult considers that this rate of increase will continue, with nearly 180 million homes subscribing to a satellite-delivered pay-TV platform by 2017, up from 95 million homes at the end of 2007.

CONSUMER SATELLITE BROADBAND EXPECTED TO GROW 25% PER YEAR TO 2017

The acceleration in the demand for satellite broadband access over the last two years continued in 2007 with a 60% increase worldwide, and it is expected that this will be maintained at the same level in 2008. The trend is now firmly set, supported by the arrival in North America and the upcoming arrival in Europe of new-generation multi-spotbeam Ka-band satellites. Euroconsult estimates that over the next 10 years, the number of homes subscribing to satellite broadband will grow by an average annual rate of 25%, reaching 8.8 million homes worldwide in 2017.

INNOVATION EXPANDING USE OF SATELLITES

The digitisation of content is stimulating a constant flow of innovation which provides satellites with multiple opportunities for hosting new applications. The most promising applications in the short term include television for mobiles, interactive services combined with satellite-based positioning systems for vehicles, electronic distribution of films to cinemas, and, in the longer term, theatre screenings in Super Hi-Vision, a new format in development, which will offer a picture resolution 16 times superior to the current High-Definition standard.





IN-ORBIT RESOURCES CULTIVATING TECHNICAL EXCELLENCE

With a fill rate surpassing 90% during the financial year, the commercial strength of Eutelsat's neighbourhoods is confirmed across all of the Group's markets.

Of the 24 satellites commercialised, 19 are fully owned by Eutelsat, positioning the company's in-orbit infrastructure as the world's third largest.

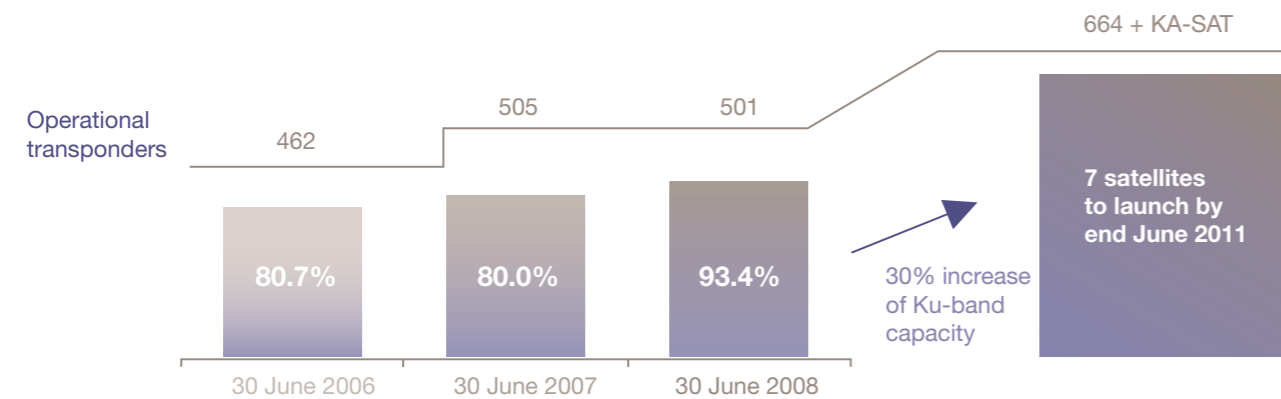
Concentrated in geostationary orbit between 15° West and 70.5° East, Eutelsat's satellite fleet occupies premium orbital positions able to serve two thirds of the globe, from the East Coast of North and South America through to the Asia-Pacific coast.

A STRATEGY COMBINING IN-ORBIT SECURITY AND EXPANSION

In order to ensure the security, flexibility and expansion of its in-orbit resource, Eutelsat is pursuing a strategy based on timely replacement of operating satellites with larger spacecraft. Satellites replaced before the end of their life span in orbit are subsequently available to open new neighbourhoods or consolidate emerging positions.

With the arrival of capacity using new frequency bands and the deployment of new on-ground technologies, the Group is also continuing a policy of innovation, which further pushes back the boundaries of satellite applications.

A RECORD 93.4% FILL RATE



“With seven satellites in construction, Eutelsat is implementing one of the largest investment programmes in the satellite sector. This programme will increase the Group’s resources by more than 30% by June 2011.”

EQUIPPING THE PREMIUM HOT BIRD™ NEIGHBOURHOOD WITH INDUSTRY-LEADING LEVELS OF INTER-SATELLITE REDUNDANCY

As the worldwide leading position for the number of channels broadcast, Eutelsat’s HOT BIRD™ neighbourhood constitutes a key strategic asset for the Group. Its fill rate is close to 100%, and its audience is more than 120 million homes. In order to ensure complete in-orbit redundancy at the 13 degrees East position, Eutelsat has commissioned three identical high-capacity HOT BIRD™ satellites from EADS Astrium. The first of these satellites, HOT BIRD™ 8, was launched in August 2006. It will be joined in the fourth quarter of 2008 by HOT BIRD™ 9 while HOT BIRD™ 10, which is scheduled for launch in 2009, will complete the in-orbit redundancy programme after the repositioning of HOT BIRD™ 6. HOT BIRD™ 6 and HOT BIRD™ 7A, will be redeployed for new commercial service.



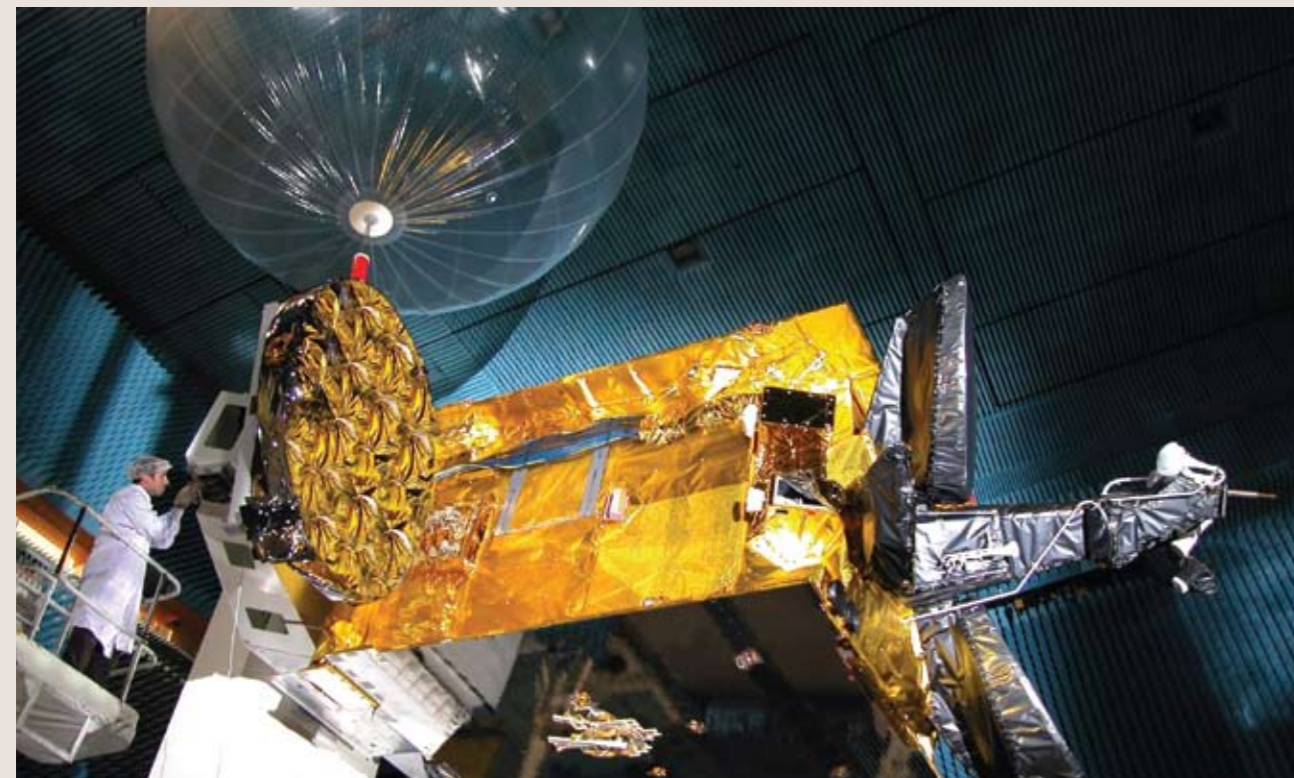
TRANSFORMING GROWING NEIGHBOURHOODS INTO FLAGSHIP POSITIONS

With the launches in 2006 and 2007 of new high-capacity satellites which have released satellites already in orbit to new positions, Eutelsat has been able to address rapidly expanding digital broadcasting markets in its "Second Continent". To further accompany this dynamic, and transform emerging neighbourhoods into flagship positions, four new satellites are currently in construction, each capable of accommodating several hundred channels.

Ordered in 2006 from a consortium assembling EADS Astrium and ISRO (the Indian space agency), the W2M satellite will be launched at the end of 2008. Its mission will be to expand resources at Eutelsat's 16° East position and serve users with one high-power beam covering Europe, North Africa and the Middle East, and a second steerable beam covering Indian Ocean islands.

Two satellites are being built by Thales Alenia Space for launch in the first half of 2009. W2A will strengthen the 10° East neighbourhood for telecommunications and broadcasting services for Europe, Africa and the Middle East in both the Ku-band and C-band. W7's 70 transponders will connect to six footprints serving Europe, Russia, the Middle East, Africa, and central Asia. Copositioned with W4, it will triple resources for broadcasting in Russia and sub-Saharan Africa and open new resources for data interconnection between Russia and Europe.

The programme for expansion at growing neighbourhoods will be completed with the W3B satellite, which was ordered during the financial year from Thales Alenia Space. W3B will bring a more than 50% increase to capacity at Eutelsat's 7° East position, which already broadcasts more than 200 channels via a footprint serving Turkey and the Middle East. It has also been designed to provide service continuity in Ku-band at the 16° East, 10° East and 36° East positions, in the event of a launch failure of W2M, W2A or W7.



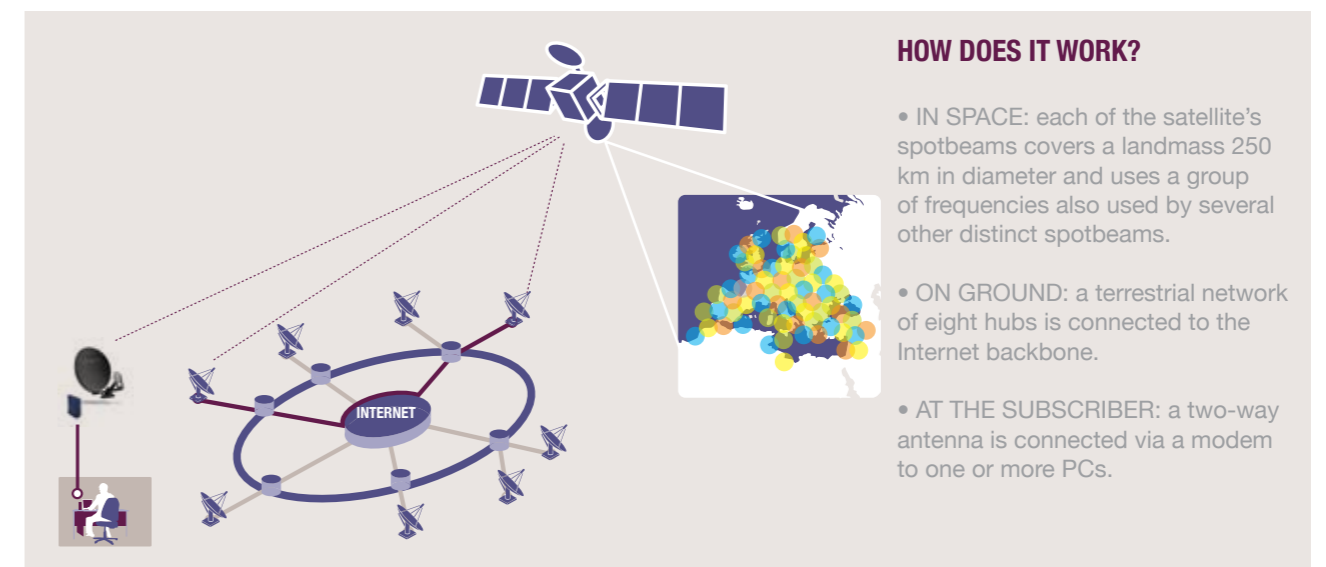
OPENING NEW FREQUENCY BANDS

The convergence of video and broadband, as well as the increasing use of mobile communications and always-on Internet connectivity is opening new opportunities for satellites which require specific resources to serve mass markets. In order to repeat the success of digital television, which Eutelsat's satellites were the first to broadcast in Europe in 1995, the Group's expansion programme includes new S-band and Ka-band resources to address two markets with high growth potential, notably video broadcasting to mobile phones and handsets, and satellite broadband access for homes beyond range of high-speed terrestrial networks.

In addition to its Ku-band and C-band missions at 10° East, the W2A satellite will deliver Europe's first S-band payload into orbit in early 2009. This new payload will be commercialised by Solaris Mobile, a joint venture set up by Eutelsat and SES Astra. For the overall telecommunications industry, this joint initiative marks a major innovation, which will enable terrestrial and satellite networks to work together in order to exploit a unique frequency band in total transparency for users who will have given nationwide access to mobile video and data services. Services will be received by small and discreet S-band antennas installed in mobile devices and mounted in vehicles.

The Group's second major initiative is the first European Ka-band multibeam satellite, which was ordered during the financial year from EADS Astrium. With its totally innovative design, KA-SAT will be the cornerstone of a significant new communications infrastructure in Europe, with more than 80 spotbeams on the satellite and eight hub stations connected to the Internet backbone. This multibeam architecture will enable KA-SAT to reuse the same frequencies on multiple beams, thereby increasing the satellite's operational capacity to more than 70 Gbps, which will make it the highest-capacity satellite in the world when deployed in 2010. KA-SAT will consequently be able to serve more than one million homes and provide a broadband service comparable to ADSL in terms of price. Launched in 2010, KA-SAT will be copositioned with the HOT BIRD™ satellites in order to provide homes with triple play services and television through a single antenna.

INNOVATION



DEVELOPING ASSOCIATED ON-GROUND TECHNOLOGIES

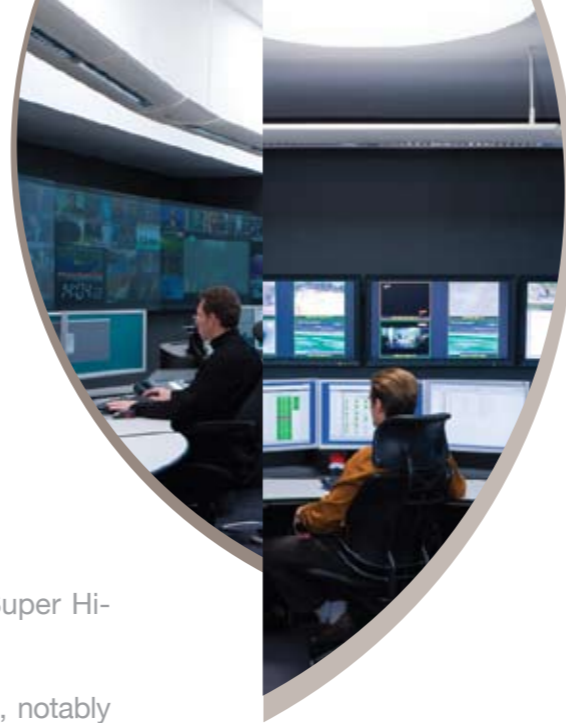
In partnership with the most innovative players in satellite-based services, Eutelsat's teleports in France and Italy use technologies that can expand the use of satellites, optimise bandwidth and reduce the size and cost of user terminals.

In September 2007 Eutelsat teamed up with ViaSat of the USA to bring to Europe the SurfBeam® DOCSIS technology that has already attracted more than 400,000 homes to satellite broadband in the United States. This technology sits at the heart of Eutelsat's Tooway™ service that is operated by the SkyPark teleport of Eutelsat's Skylogic affiliate and takes satellite-based Internet services into consumer homes.

In addition, the SkyPark teleport is participating in the first European demonstrations of Super Hi-Vision, the next-generation format for High Definition Television.

The activities of Eutelsat's teleport at Rambouillet (France) have also significantly expanded, notably with the new satellite control centre which equips controllers initially located at the Group's Paris headquarters with enhanced capability to monitor transmissions and manage bandwidth for occasional-use services. The Rambouillet teleport provides a full suite of services for satellite operations, from manoeuvres immediately after launch to deorbiting. The facilities for post-launch manoeuvres enable Eutelsat to fully internalise this activity for six of the seven satellites to launch by the end of 2010. These services can also be managed for smaller regional and national operators who outsource this activity.

The Group's pursuit of quality and innovation is combined with permanent research to provide the greatest efficiency and respect for the environment. In 2008, Eutelsat obtained the renewal of the ISO 9001 certification for its orbital operating services and acquired ISO 14001 certification for the environmental management system at the Turin teleport.



EUTELSAT COMMUNICATIONS SATELLITES

WHOLLY-OWNED SATELLITES		COVERAGE
HOT BIRD™ 6	13° East	Europe, North Africa, Middle East
HOT BIRD™ 7A	13° East	Europe, North Africa, Middle East
HOT BIRD™ 8	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™ 4	4° East	Europe, North Africa, Middle East and Central Asia
EUROBIRD™ 9	9° East	Europe, North Africa, Middle East
W1	10° East	Europe, Middle East, Africa
W2	16° 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
SESAT 1	36° East	Europe, North Africa, Middle East, 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™ 4	7° West	North Africa, Middle East
CAPACITY ON THIRD-PARTY SATELLITES		COVERAGE
Telecom 2C	3° East	Europe
Telecom 2D	8° West	Europe
Telstar 12	15° West	Europe, Americas
Express A4	14° West	Europe, North Africa, Middle East
SESAT 2	53° East	Europe, North Africa, Middle East, Asia



SATELLITES TO LAUNCH

W2M	16° East	Europe, Africa, Middle East
HOT BIRD™ 9	13° East	Europe, North Africa, Middle East
W2A	10° East	Europe, Africa, Middle East,
HOT BIRD™ 10	13° East	Europe, Africa, Middle East
W7	36° East	Europe, Russia, Africa, Middle East, Central Asia
KA-SAT	13° East	Europe, Mediterranean Basin
W3B	7° East	Europe, Africa, Middle East, Asia

HUMAN RESOURCES

Where the space, telecoms and broadcast industries converge, our Group, and its workforce of 560 men and women of 30 different nationalities, is at the very heart of the new challenges of the digital economy. With the rapid pace at which Eutelsat's markets are developing and the range of our activities designed to meet increasing customer demands, the workforce continues to be Eutelsat's prime asset. Our personnel have in-depth knowledge of the required business tools and technology, and they apply that knowledge to grow our business.

TO HELP ACHIEVE THIS, THE GROUP'S HUMAN RESOURCES POLICY KEEPS SIGHT OF THREE OBJECTIVES :

CULTIVATING EXCELLENCE

Eutelsat's Human Resources policy operates at global level. In Group offices in France, and each Eutelsat entity around the world, Eutelsat's aim is to ensure that staff have a permanent opportunity to improve their degree of expertise in order to respond to the wide diversity and high level of technological demands of the marketplace.

The Group devotes nearly 2.5% of its salary bill to this item, implementing a professional development policy that combines business expertise and enhanced management skills with the aim of encouraging a shared corporate culture of objectives and performance appraisal. Permanent e-learning modules have been set in place via a dedicated website offering on-line training in technical expertise, personal development and language skills, and also providing an insight into other business areas related to the value chain of Group activities. In-house knowledge networks are the basis of shared expertise. Seminars held in conjunction with satellite suppliers, manufacturers of network equipment and equipment installers ensure our teams gain the widest possible knowledge of new technological developments to meet customer needs.

ATTRACTING YOUNG TALENT AND TOP EXPERTS

To attract the very best into the company, Eutelsat pursues an active policy of partnerships designed to raise visibility among students before they reach the end of their study cycle. Underpinning this awareness campaign, Eutelsat encourages involvement of former students at their educational establishments with a view to forging close ties with their place of study. These exchanges lead to regular company visits, study projects guided by a tutor, participation of experts at round tables, trade fairs and conferences, and even as part of examination panels. The Group also seeks to create the most conducive working conditions in order to secure the loyalty of its expert personnel. This includes their working environment, technical facilities and a wide range of social benefits.

ACTING AS A SOCIALLY AWARE AND RESPONSIBLE COMPANY

By signing the Charter for Diversity in Business Companies in France, Eutelsat is confirming its ethical commitment to diversity, development of skills and equality of opportunity for its entire workforce. This reflects the Group's international background and identity, and affirms the conviction that diversity generates a richer environment, not only for Eutelsat but for the society in which it is evolving.

This year, Eutelsat set up a joint committee for sustainable development whose mission is to ensure that through individual and collective action, this aspect will be a prominent part of the Group's daily business and encourage the social awareness of each individual working for Eutelsat.



KEY COMMERCIAL HIGHLIGHTS 2007-2008

90%

of our revenues are
generated in growing broadcast
and broadband markets



VIDEO APPLICATIONS

With revenues of 649 million euros, Video Applications have once again posted strong growth of more than 10%, thereby confirming the dynamic of the digital broadcasting market. More than 500 new television channels were added to Eutelsat's satellites during the year, taking the total number of channels broadcast across the fleet to 3,123.

Without exception, all of the Group's video neighbourhoods have strengthened their positions. This progress both reconfirms Eutelsat's leadership in Europe and demonstrates the significant potential for growth in other regions covered by our orbital arc. With the continuing deployment worldwide of Direct-to-Home satellite reception, which rose by more than 8% in 2007, the market for direct broadcasting can look forward to long-term growth.

Other video activities have also contributed to this year's strong performance. They notably include programme exchanges, which are increasingly in HD format, and delivery of channels to the head-ends of cable and DTT (Digital Terrestrial Television) networks which are progressively being deployed across many of the countries covered by Eutelsat's satellites.

“In 10 years, the number of channels broadcast by our fleet has increased from 400 to more than 3,100.

The 20% growth during the 2007-2008 financial year was driven primarily by markets in Russia, sub-Saharan Africa and the Middle East, which together account for nearly 50% of the 515 new channels.”

CONSOLIDATING LEADERSHIP IN EUROPE

THE HOT BIRD™ SATELLITES HAVE RECONFIRMED THEIR RANK AS THE LEADING NEIGHBOURHOOD WORLDWIDE FOR THE NUMBER OF CHANNELS BROADCAST

With 1,100 channels, of which 45% broadcast free-to-air, Eutelsat has consolidated the success of its flagship HOT BIRD™ video neighbourhood, which is ranked number one worldwide for the number of channels broadcast. The Group currently derives nearly 40% of revenues from the exceptionally attractive HOT BIRD™ neighbourhood, which offers an audience of more than 120 million satellite and cable homes in Europe, North Africa and the Middle East.



As a clear signal of the convergence of telecom and media sectors, the HOT BIRD™ neighbourhood was selected during the year by the French operator Orange in order to broadcast the TV component of their triple play offer to homes not eligible to receive Orange TV through the ADSL network.

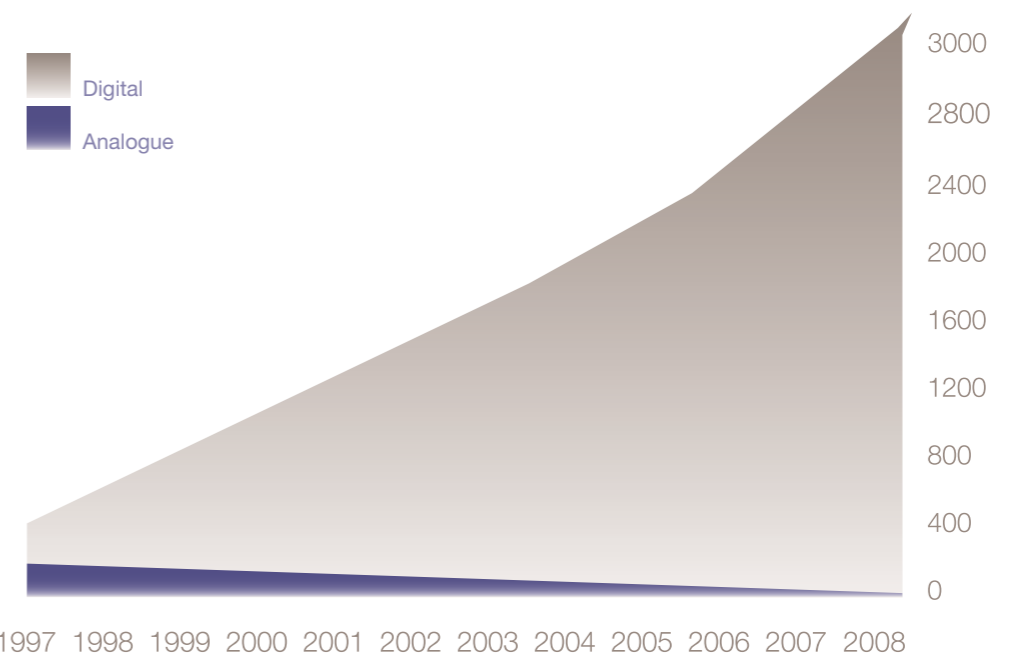


COMPLETE SUCCESS FOR 9° EAST ONE YEAR AFTER OPENING

In order to optimise in-orbit resources Eutelsat is stimulating the European market for multi-satellite reception, which is already a standard feature of DTH reception in other continents. In May 2007, Eutelsat located its EUROBIRD™ 9 satellite in direct proximity to the flagship HOT BIRD™ satellites in order to facilitate dual-feed reception with a single antenna. One year after going into service, EUROBIRD™ 9 has firmly established its position as a new reference neighbourhood in Europe, with more than 125 channels already broadcasting.

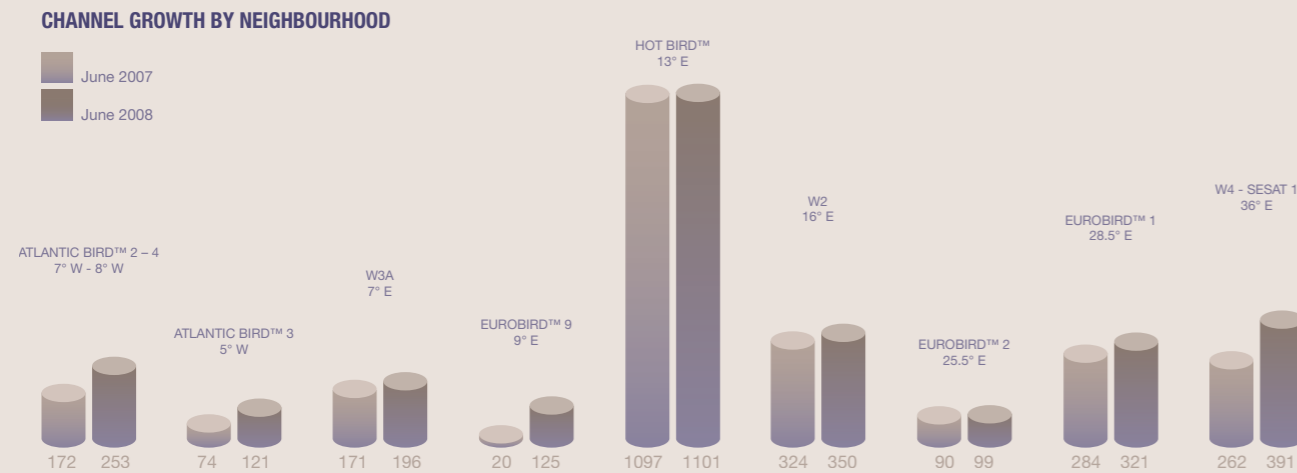
To capitalise on the installed base of almost 50 million DTH antennas already pointed to the HOT BIRD™ position, Eutelsat is launching the ClipSat product at the end of 2008. ClipSat is an extension LNB that can be easily attached to an existing DTH antenna in order to receive channels from both the HOT BIRD™ satellites at 13° East and EUROBIRD™ 9 at 9° East.

More than 3,120 channels in 2008





ALL OF THE GROUP'S VIDEO NEIGHBOURHOODS HAVE EXPANDED THEIR OFFER OF FREE-TO-AIR AND PAY-TV CHANNELS



The growth recorded at each of the Group's video neighbourhoods during the year is indicative of the continuous development of free-to-air broadcasting and the rapid take-up of pay-TV. Up 18% with 197 new channels, free-to-air broadcasting accounts for 41.6% of the offer carried by Eutelsat's satellites, representing a solid base for each neighbourhood. Pay-TV has increased by more than 23% with 339 new channels and 21 new interactive services. Eutelsat's neighbourhoods have particularly benefited from the expansion of anchor pay-TV platforms including SKY Italia in Italy, BSkyB in the United Kingdom, DsTV MultiChoice in sub-Saharan Africa, MultiChoice Hellas in Greece, NTV+ and Tricolor in Russia, Cyfra+, Polsat and TVN in Poland, as well as DigiTurk in Turkey. The year was also marked by the launch of new platforms targeting specific market segments. These include the low-cost BIS platform in France, Roots Global, which assembles channels from India, Sri Lanka and Nepal for expatriate communities from the Indian sub-continent now living in Europe, and new initiatives targeting a high-end market including Platforma HD, Russia's first 100% HD platform and Hello HD, which is taking a pioneer position in HDTV in Hungary.



HDTV TAKES OFF WITH EUTELSAT AS EUROPE'S LEADING HD OPERATOR

With the mass-market arrival of SD/HD decoders, the consumer market for HDTV is becoming a reality in all regions served by Eutelsat. The number of HD channels broadcasting from the Group's satellites increased during the year from 17 to 49, ranking Eutelsat as the leading European operator with this new high-quality format.

HDTV is quickly growing in importance, both for viewers for its quality viewing experience and for pay-TV platforms for driving subscriptions. The latest studies confirm this favourable trend, including Screen Digest which states that 18% of homes in Western Europe were HD-Ready display homes by the end of 2007. In terms of HD channel growth, Euroconsult forecasts that more than 1,300 HDTV channels will be broadcasting across extended Europe in 2017.

DELIVERED BY SATELLITE, OPERA HOUSES OF THE WORLD OPEN THEIR DOORS TO THE EUROPEAN PUBLIC

In addition to broadcasting HD content into television homes, new initiatives in Europe are leveraging the benefits of HD for out-of-home screenings of major cultural or sports events in public settings.

Innovations welcomed by the public this year include live transmissions by Eutelsat satellites of New York Metropolitan Opera productions to cinema theatres. Satellite broadcasting of premium content to public venues is opening new opportunities for exploiting arts, entertainment and sports content.





**FROM MOBILE TV TO COMMUNICATING CARS,
SOLARIS MOBILE LAUNCHES THE FIRST EUROPEAN S-BAND RESOURCES**

In early 2009, the W2A satellite will deliver into orbit Europe's first payload using S-band frequencies. Partnering in a shared investment, Eutelsat and SES Astra have established Solaris Mobile as the joint venture company set up to commercialise the S-band payload.

Using Europe's first S-band resources, Solaris Mobile is targeting the market for television broadcasting to portable devices. While ensuring the broadest possible territorial coverage, the S-band offers the advantage of bringing both terrestrial and satellite networks into a single infrastructure that is totally transparent for users. Retransmitters deployed in cities will pick up satellite signals for redistribution outdoor and for indoor penetration. Beyond urban areas, small antennas installed in portable devices and vehicles with line-of-sight to W2A will be able to receive the signal directly.

The S-band also opens significant possibilities for creating services for markets that include civil security, the environment and automobile equipment. The installation of S-band antennas in vehicles will transform intelligent cars into communicating cars in interface with satellite-based positioning systems. The first target applications involve road safety, traffic management, technical inspection of vehicles and monitoring of pollution indices, turning vehicles into valuable sources of information.

**NHK, THE BBC, RAI AND THE EUROPEAN BROADCASTING UNION UNVEIL SUPER HI-VISION
AT THE INTERNATIONAL BROADCASTING CONVENTION 2008**



Transmitted by Eutelsat's ATLANTIC BIRD™ 3 satellite, the first demonstration of Super Hi-Vision was the highlight of the International Broadcasting Convention in Amsterdam in September 2008. Recognised with the Special IBC 2008 prize, the series of demonstrations during the event unveiled the staggering performance of this new-generation television format. With 60 images a second in progressive display and a definition of 7680 pixels on 4320 lines, Super Hi-Vision offers 16 times the resolution of the best current Full HD standards.

Together with sound mixed on 22.2 channels, Super Hi-Vision plunges viewers into the heart of a spectacular video and audio experience. Eutelsat is proud that its satellites were the first in Europe to deliver these live giant screen presentations which herald the future of HDTV for television viewers.

“Awarding the excellence of thematic broadcasting. The HOT BIRD™ TV Awards recognise 15 winners for their 11th edition.”

CHILDREN'S:
MiniMini (Poland)

CULTURE / EDUCATION:
TVP KULTURA (Poland)
Special mention: Adminstra.it (Italy)
and TVN Med (Poland)

DOCUMENTARIES:
IZ (Turkey) and Escales (France)

FICTION / CINEMA:
India TV (Russia)

HDTV:
National Geographic Channel HD (Italy)
and National Geographic Polska (Poland)

LIFESTYLE:
Venice Channel (Italy)

MUSIC:
La-minor TV (Russia)

NATIONAL WINDOW:
Deutsche Welle / DW-TV (Germany)

NEWS:
France 24 (France) and SKY TG24 (Italy)

SPORTS:
L'Equipe TV (France)
Special mention:
NTV PLUS OUR FOOTBALL (Russia)

EXCELLENCE AWARD:
RAISAT Gambero Rosso (Italy)

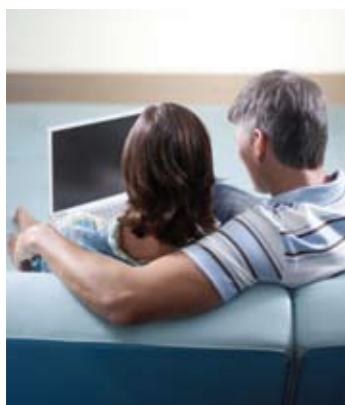
PEOPLE'S CHOICE:
Channel One Russia Worldwide (Russia)



DELIVERING THE TV COMPONENT OF TRIPLE PLAY OFFERS TO HOMES BEYOND ADSL

Although distribution of television channels via ADSL networks remains marginal in Europe (less than 3%), leading telecom operators in a number of countries including France, Italy and the United Kingdom began during the last financial year to differentiate their service by aggregating significant volumes of TV channels into pay-TV platforms. This trend presents a significant opportunity for Eutelsat to demonstrate the ability of satellites to extend the accessibility of triple play offers to subscribers beyond range of terrestrial networks. With the delivery via Eutelsat's HOT BIRD™ and ATLANTIC BIRD™ 3 satellites of the TV component of the triple play offer launched by Orange, the leading operator worldwide for TV by ADSL, accessibility of this service for French homes is increased from 50% to 98%. The deployment of fibre should add to this supplementary coverage market for triple play services as this very high-speed technology will only be economically viable in urban environments. With increased terrestrial capacity in cities generating new rich media offers, operators are expected to have continued recourse to satellites to maximise their audiences and amortise the cost of their investment in content.

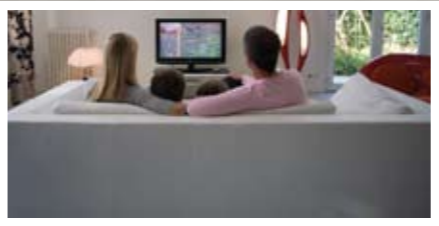
ACCOMPANYING THE DEVELOPMENT OF PERSONAL TV



Catch-up TV, time-shifting and device-shifting are all concepts used to describe the features of new personal television that allows viewers to select their own programming schedule and to watch on the screen of their choice. To keep up with this trend, television offers are being enhanced with new functionalities such as multi-screen subscriptions and automatic personalised recordings. These new consumer habits are emerging in parallel to the increasing take-up of hard disks in households.

For Eutelsat, this development opens new prospects as the very principles of personal television should encourage the use of satellites to ensure seamless distribution of a broad range of programming choices at low marginal broadcast costs. Today, in the United States, one third of cable TV and one quarter of satellite TV homes are equipped with a device for

storing TV programmes. In Europe, Idate estimates that more than 170 million consumers will be attracted to personal television by 2012, with only 6% of them watching personal television via the Internet. The path is therefore wide open for satellites, both for direct reception and via cable networks. This market is of particular relevance for Eutelsat as the Group already operates services that "push" content to the hard disks of enterprises and deliver files on-demand to large professional audiences. Their adaptation for personal television to a mass market is a fine challenge already mobilising our teams.



DATA, VALUE-ADDED SERVICES AND BROADBAND

The second activity driving revenues is data and broadband services which represented 17.7% of Eutelsat's portfolio of activities in 2007-2008, with revenues of 152.5 million euros.

The leading application in this segment remains supply of satellite capacity to major telecom operators which they integrate into public and private voice and data networks. The use of satellites is particularly indispensable for interconnecting regional fixed and mobile infrastructures for Internet and telecommunications communications in emerging markets, and for securing the international networks of multinationals. Increased globalisation of information exchange is also driving a recourse to satellites for real-time distribution of professional data, such as stock market prices or newswires, to large audiences.

Euroconsult estimates that the demand for satellite capacity for professional telecom networks will increase at an annual average rate of 4% in extended Europe until 2012. The two segments in this market which are expected to lead this growth are corporate networks and direct satellite Internet access, which are both posting annual average growth of 14%.

In keeping with the Group's policy of allocating satellite resources that optimise revenue per transponder, it is on these two markets that Eutelsat is orienting the development of its data and broadband activities. The Group both supplies satellite capacity for operators of satellite-based services and delivers Value-Added Services via its own platforms. Operated by the Skylogic subsidiary, these Value-Added Services posted 10.6% revenue growth in 2007-2008.

D-STAR™

D-STAR™ CONSOLIDATES ITS SUCCESS FOR THE ENTERPRISE MARKET

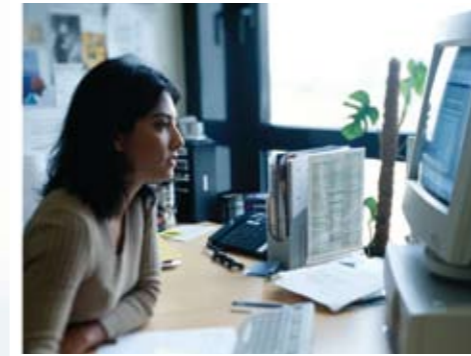
The installed base of terminals for D-STAR™, the Group's flagship broadband service, posted 20% growth to 8,900 activated terminals as of 30 June 2008.

Operating totally independently of terrestrial networks at any location within the coverage of Eutelsat's fleet, D-STAR™ enables an always-on two-way connection to be established with the Internet backbone.

Broadband terminals produced by the manufacturers ViaSat, I-direct, Hughes Networks Systems and others offer speeds suited to diverse applications ranging from connecting company local networks, oil platforms at sea, or offices of nomadic sites, monitoring gas pipelines or feeding local Wi-Fi or Wi-Max networks shared by several users.

Reflecting clear public objectives in Europe to develop qualified employment in isolated regions, Europe accounted for 21% of this year's growth of D-STAR™ terminals. Emerging markets in the Middle East and Africa also represent naturally high growth areas, with respective growth rates of 32% and 13% during the year.

“Supporting development of qualified employment in areas beyond the reach of terrestrial high-speed networks.”



TOOWAY™

DEPLOYMENT IN EUROPE OF THE TOOWAY™ CONSUMER BROADBAND KA-BAND SERVICE TAKES OFF

As longstanding technological partners for the D-STAR™ service, which serves enterprise and transport (rail, in-flight, maritime) markets, Eutelsat and ViaSat have again pooled their expertise for the launch by Eutelsat of Tooway™, Europe's first consumer broadband service in the Ka-band. One year after launch, Tooway™ is commercialised in 10 countries via a network of 23 distributors, with significant commercial successes including its selection by Swisscom to provide broadband access to Swiss homes beyond range of ADSL.

For Eutelsat, the launch of Tooway™ is a major initiative underscoring the Group's objective to transform satellite-based Internet into an economically viable mass-market solution that can contribute to bridging the digital divide. In 2010 more than 15 million homes in extended Europe will still not have access to terrestrial broadband networks.

To achieve this objective, Eutelsat and ViaSat have assembled innovative technologies and resources to bring satellite-based Internet within the range of consumers. In terms of terminals, the ViaSat Surfbeam® DOCSIS standard has made it possible to take the cost of user equipment to below the barrier of €300. Together with the bandwidth supplied today through the four Ka-band transponders on Eutelsat's HOT BIRD™ 6 satellite and capacity on EURO BIRD™ 3, broadband prices can be offered which are comparable to ADSL.

Currently provided through these two satellites, Tooway™ will fully benefit from the launch in 2010 of the KA-SAT satellite that will ensure its development across Europe, the Middle East and North Africa. This new-generation satellite and the associated on-ground infrastructure will expand the scope of homes served by a single satellite from several thousand to over one million with broadband speeds and prices comparable to ADSL2.





INTERNET AND MULTIMEDIA AT OVER 320 KM/H

This is the challenge taken up during the year by a consortium assembling Eutelsat, Alstom, Orange and Cap Gemini in a project piloted by the SNCF French railways. Following a test phase over a period of several months, the SNCF announced in October 2008 its intention of deploying an Internet access and multimedia service on its full fleet of 52 TGV trains circulating on its TGV East network. For this innovative European programme, Eutelsat partnered with TES/Orbit on the development of an ultraflat antenna, resistant to vibration and thermal variations and capable of maintaining a connection with a satellite at high speed. With operating licences for the new service secured in France, Switzerland, Luxembourg and Germany, Eutelsat can now cover the full route of the TGV East network.

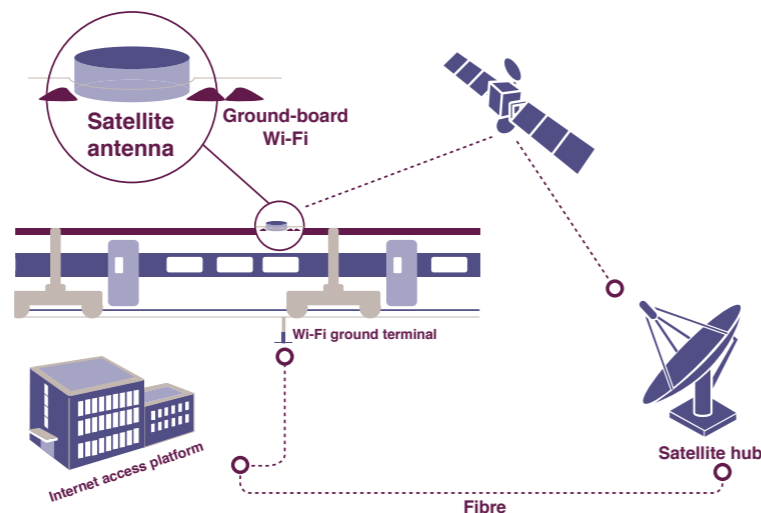
For Eutelsat and its partners, this new application presents considerable scope for expansion from 2010, when Europe will open international passenger traffic to free competition. It constitutes a competitive and differentiating advantage for rail companies, while the tests conducted by the SNCF confirm passenger appetite for Internet access. It also further consolidates the mobile services being deployed for in-flight and maritime communications.

INNOVATION

How does it work?

Weighing 90 kg, the satellite antenna is housed in a radome 50 cm high and fixed to the roof of the train. The antenna supplies a network of Wi-Fi hotspots installed in each of the train's compartments which allow passengers to connect to the Internet from their seats.

In tunnels and stations, where the antenna has no line-of-sight to the satellite, a Wi-Fi transmitter takes over in order to maintain a permanent connection.

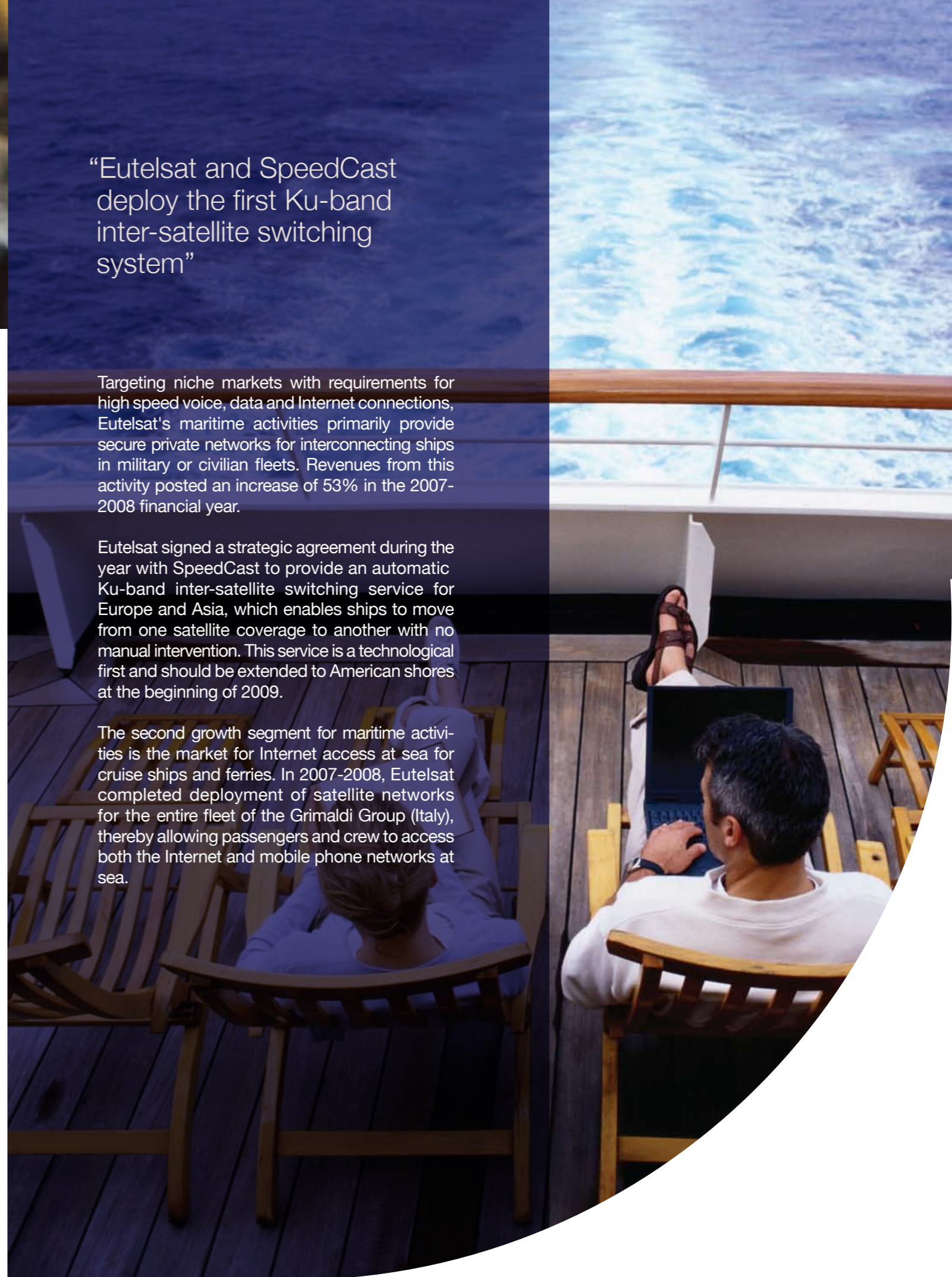


“Eutelsat and SpeedCast deploy the first Ku-band inter-satellite switching system”

Targeting niche markets with requirements for high speed voice, data and Internet connections, Eutelsat's maritime activities primarily provide secure private networks for interconnecting ships in military or civilian fleets. Revenues from this activity posted an increase of 53% in the 2007-2008 financial year.

Eutelsat signed a strategic agreement during the year with SpeedCast to provide an automatic Ku-band inter-satellite switching service for Europe and Asia, which enables ships to move from one satellite coverage to another with no manual intervention. This service is a technological first and should be extended to American shores at the beginning of 2009.

The second growth segment for maritime activities is the market for Internet access at sea for cruise ships and ferries. In 2007-2008, Eutelsat completed deployment of satellite networks for the entire fleet of the Grimaldi Group (Italy), thereby allowing passengers and crew to access both the Internet and mobile phone networks at sea.



SUMMARY OF FINANCIAL REPORT



MAIN FINANCIAL DATA

Twelve months ended June 30		2007	2008	Change
Key elements of the consolidated income statement				
Revenues	€m	829.1	877.8	+5.9%
EBITDA*	€m	652.6	695.7	+6.6%
EBITDA margin	%	78.7	79.3	+0.6 pt
Group share of net income	€m	159.4	172.3	+8.1%
Diluted earnings per share	€	0.718	0.789	+9.9%
Key elements of the consolidated cash flow statement				
Net cash flow from operating activities	€m	527.7	566.6	+7.4
Capital expenditure and equity investments	€m	350.1	422.5	+20.7%
Operating free cash flow	€m	177.6	144.1	-18.9%
Key elements of financial structure				
Net debt	€m	2,295	2,422	+5.5%
Net debt/EBITDA	X	3.52	3.48	-
Key operational metrics				
Leased transponders	Units	404	468	+15.8%
Fill rate	%	80.0%	93.4%	NM

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

CONSOLIDATED REVENUES

Revenue growth has accelerated over the last two years, achieving 5.9% growth for 2007-2008 compared to 2006-2007 which included 11.4 million euros of late delivery penalties for HOT BIRD™ 7A. Excluding this non-recurring item, revenue growth was 7.3%, or 9.5% at a constant exchange rate.

Video applications consolidated their dominance of the Group's activity portfolio, bringing in more than 75% of revenues, excluding non-recurring income and other income. The share of revenues generated by Data and Value Added Services was 17.7%, while Multi-Usage accounted for 6.8%.

CONSOLIDATED OPERATING EXPENSES

Operating expenses amounted to 182.1 million euros. Including operating costs and commercial and administrative expenses, they represent 20.7% of the revenue figure, down one half percentage point compared to the last financial year as a result of tight control over cost structure.

CONSOLIDATED EBITDA

EBITDA improved by 6.6% in comparison to the previous financial year. The EBITDA margin climbed by 0.6 percentage points to 79.3%, versus 78.7% in 2006-2007 and 77.9% in 2005-2006. This ranks the Group for the third consecutive year as the most profitable of the major operators in the Fixed Satellite Services sector.

DEPRECIATION AND OTHER OPERATING INCOME AND COSTS

Depreciation charges are stable relative to the previous financial year. They include the full-year accounting of the depreciation of the HOT BIRD™ 8 satellite, which was offset by the decrease of depreciation expenses for EUROBIRD™ 4 (formerly HOT BIRD™ 3), following the impairment booked the previous financial year.

Other operating revenues and costs include a charge of 12 million euros for the exceptional depreciation of the EUROBIRD™ 3 satellite and of 7.9 million euros corresponding to the dilution resulting from the exercise of stock options granted by Eutelsat S.A.. These items were partly compensated by 3.9 million euros of revenues in insurance indemnities.



GROUP SHARE OF NET INCOME

Group share of net income increased sharply by 8.1%. It reflects the good operational performance of Eutelsat and a stable financial result (+0.9%), which despite increased net indebtedness was offset by a lower average cost of debt reducing to 3.87% in 2007-2008 compared to 4% in 2006-2007 as a result of the effects of interest-rate risk hedges.

Net income also increased strongly from equity investments, reflecting the excellent commercial and operational performance of Hispasat, the Spanish operator, of which Eutelsat owns 27.69%.

CASH FLOW

Cash flow from operating activities increased by 7.4% to 566.6 million euros, representing 64.5% of revenues. Capital expenditures and equity investment amounted to 422.5 million euros, an increase of 20.7%.

They were dedicated to continuation of the HOT BIRD™ 9, HOT BIRD™ 10, W2M, W2A and W7 satellite programmes, the capitalisation of Solaris Mobile Ltd (the affiliate jointly held with SES Astra that is responsible for operating and marketing the S band payload on the W2A satellite), initial payments for the KA-SAT and W3B satellites ordered during the 2007-2008 financial year, financing for the correspondent launches, and the conclusion of a "launch + 1 year" insurance package covering all of the Group's satellite programmes.

Cash flow from operating activities largely funded capital expenditures and equity investment. After settlement, free cash flow was 144.1 million euros.



INVESTMENTS AND NET DEBT

Net indebtedness* is up by 127 million euros, although the net debt to EBITDA ratio decreased to 3.48x, well within the Group's objective of 3x to 4x.

In addition to capital expenditure and equity investment, the Group increased its ownership of its privately-held operating subsidiary Eutelsat S.A. during the year, from 95.25% on 30 June 2007 to 95.91% on 30 June 2008. This additional investment amounted to 47.4 million euros. Net indebtedness includes a distribution to Group shareholders that increased by 12% to nearly 140 million euros.

** Net indebtedness includes all bank debts as well as debts related to long-term leasing contracts, less cash on hand and marketable securities (net of bank credit balances).*

The Group's financial debt has an average residual maturity of 4.2 years, and is fully hedged against interest rate fluctuations. Moreover, under the existing agreements, the Group has in June 2008 additional borrowing facility of 790 million euros.

BACKLOG

The Group's backlog and its composition provide long-term visibility over revenues and operating cash flows*: at 3.4 billion euros, the backlog represents nearly four years of annual revenues. Its slight erosion since 30 June 2007 reflects a higher average fleet age, a major part of the backlog being composed of contracts signed for the lifespan of a satellite, and generally signed or renewed upon entry into service of a new satellite.

** Available free cash flow is defined as net operating cash flow less procurements of satellites and other buildings, plant and equipment, net of disposals and equity investment.*

FILL RATE

The fill rate of the Group's satellite fleet reached a record level of 93.4% as of 30 June 2008. This reflects strong commercial performance, with the lease of 64 additional transponders in comparison to 30 June 2007. This very high fill rate is primarily the result of the leadership of the Group's flagship HOT BIRD™ and EURO BIRD™ 1 video neighbourhoods, the commercial success of the new 9° East neighbourhood and strong business growth in the Group's "Second Continent", in particular Russia and Africa.

The decrease of the number of operational transponders, from 505 on 30 June 2007 to 501 on 30 June 2008, is due to the technical incident affecting the W5 satellite in June 2008 which resulted in four transponders being switched off.

SELECTED CONSOLIDATED FINANCIAL STATEMENT OF EUTELSAT COMMUNICATIONS

CONSOLIDATED BALANCE SHEET

(In thousands of euros)

ASSETS	30 June 2007	30 June 2008
Non-current assets		
Goodwill	758 179	804 869
Intangible assets	829 791	785 340
Satellites and other property and equipment, net	1 705 635	1 469 927
Prepayments for assets under construction	461 477	757 415
Investments in associates	124 599	177 169
Non-current financial assets	3 061	2 498
Deferred tax assets	1 380	2 255
TOTAL NON-CURRENT ASSETS	3 884 122	3 999 473
Current assets		
Inventories	2 092	2 013
Accounts receivable	220 976	239 435
Other current assets	18 421	17 148
Current tax receivable	8 585	23 579
Current financial assets	145 835	193 005
Cash and cash equivalents	45 479	21 321
TOTAL CURRENT ASSETS	441 388	496 501
TOTAL ASSETS	4 325 510	4 495 974

CONSOLIDATED BALANCE SHEET

(In thousands of euros)

LIABILITIES AND SHAREHOLDERS' EQUITY	30 June 2007	30 June 2008
Shareholders' equity		
Share capital	217 401	219 642
Additional paid-in capital	776 136	662 566
Reserves and retained earnings	242 522	469 511
Minority interests	75 454	65 525
TOTAL SHAREHOLDERS' EQUITY	1 311 513	1 417 244
Non-current liabilities		
Non-current bank debt	2 308 978	2 412 189
Other non-current financial liabilities	70 502	60 150
Other non-current debt	35 471	20 603
Non-current provisions	38 385	35 631
Deferred tax liabilities	304 932	311 417
TOTAL NON-CURRENT LIABILITIES	2 758 268	2 839 990
Current liabilities		
Current bank debt	23 185	31 333
Other current financial liabilities	34 263	33 799
Accounts payable	44 048	50 909
Fixed assets payable	61 062	35 668
Taxes payable	-	9
Other current payables	83 531	77 022
Current provisions	9 640	10 000
TOTAL CURRENT LIABILITIES	255 729	238 740
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4 325 510	4 495 974

CONSOLIDATED INCOME STATEMENT

(In thousands of euros, except share data)

	Twelve-month period ended 30 June 2007	Twelve-month period ended 30 June 2008
Revenues	829 086	877 765
Revenues from operations	829 086	877 765
Operating costs	(62 526)	(69 239)
Selling, general and administrative expenses	(113 938)	(112 780)
Depreciation and amortisation	(300 849)	(300 886)
Other operating revenues	37 501	3 858
Other operating costs	(26 745)	(19 870)
Operating income	362 529	378 848
Financial income	16 710	15 353
Financial expenses	(124 870)	(124 441)
Financial result	(108 160)	(109 088)
Income from equity investments	7 866	11 193
Net income before tax	262 235	280 953
Income tax expense	(92 215)	(97 509)
Net income (loss)	170 020	183 444
Group share of net income (loss)	159 377	172 276
Minority interests' share of net income	10 643	11 168
Earnings per share attributable to Eutelsat Communications' shareholders		
Basic earnings per share in €	0,732	0,790
Diluted earnings per share in €	0,718	0,789

CONSOLIDATED STATEMENT OF CASH FLOWS

(In thousands of euros)

	Twelve-month period ended 30 June 2007	Twelve-month period ended 30 June 2008
Cash flow from operating activities		
Net income (loss)	170 020	183 444
Income from equity investments	(7 866)	(11 193)
(Gain) / loss on disposal of assets	224	84
Other non-operating items	187 364	209 408
Depreciation, amortisation and provisions	316 549	311 462
Deferred taxes	(4 411)	(144)
Accounts receivable	(12 896)	(20 075)
Other current assets	(6 525)	(9 855)
Accounts payable	2 738	8 564
Other payables and deferred revenues	11 349	5 936
Taxes paid	(128 872)	(111 039)
NET CASH INFLOW FROM OPERATING ACTIVITIES	527 674	566 592
Cash flows from investing activities		
Acquisitions of satellites and other property and equipment	(350 065)	(377 224)
Acquisition of securities accounted for using the equity method	-	(45 250)
Proceeds from sale of assets	57	589
Acquisition of minority interests	(19 914)	(47 680)
Changes in other long-term assets	(109)	563
Dividends received from associates	-	1 535
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(370 031)	(467 467)
Cash flows from financing activities		
Change in capital	2 673	150
Distributions	(124 338)	(138 920)
Additional long-term and short-term debt	1 886	100 000
Repayment of long-term and short-term debt	(167 280)	(168)
Repayment in respect of performance incentives and long-term leases	(15 622)	(21 232)
Interest and other fees paid	(92 971)	(91 623)
Interest received	10 358	4 314
Other cash flows	1 384	17 204
NET CASH FLOWS FROM FINANCING ACTIVITIES	(383 910)	(130 275)
Impact of exchange rate on cash and cash equivalents	(5)	501
Increase (decrease) in cash and cash equivalents	(226 272)	(30 649)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	263 030	36 758
CASH AND CASH EQUIVALENTS, END OF PERIOD	36 758	6 109
Cash reconciliation		
Cash and cash equivalents	45 474	21 318
Overdraft included under debt (1)	(8 716)	(15 209)
Cash and cash equivalents per cash flow statement	36 758	6 109

(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

(In thousands of euros)

	Common stock			Reserves and retained earnings	Minority interests	Total
	Number	Amount	Additional paid-in capital			
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
Transactions affecting the 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
Translation adjustment						
Changes in fair value of cash-flow hedges				16 546	171	16 717
Tax impact				(5 697)	(59)	(5 756)
Income and expenses recognised directly under equity				10 849	112	10 961
Net income of the period				172 276	11 168	183 444
Total income and expenses recognised for the period				183 125	11 280	194 405
Issue of capital	2 240 873	2 241	13 144	20 080		35 465
Treasury stock				(655)		(655)
Change in scope of consolidation					(10 882)	(10 882)
Distributions			(126 713)		(12 206)	(138 919)
Benefits for employees upon exercising options, and free shares granted				3 829	(1)	3 829
ABSA commitments				18 194	(6 328)	11 866
Liquidity offer				2 415	8 208	10 623
30 June 2008	219 641 955	219 642	662 566	469 511	65 525	1 417 244

SELECTED FINANCIAL DATA FROM ANNUAL STATEMENTS OF EUTELSAT S.A.

OPERATING COMPANY OF THE GROUP



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

(In thousands of euros)

BALANCE SHEETS	30 June 2007	30 June 2008
ASSETS		
Long-term assets		
Intangible assets	10 498	10 315
Tangible assets	2 140 979	2 193 919
Financial assets	170 987	223 539
Total long-term assets	2 322 464	2 427 773
Current assets		
Inventories	588	449
Accounts receivable	238 024	260 680
Other debtors	17 835	55 764
Cash and marketable securities	8 613	1 368
Total current assets	265 060	318 260
Deferred revenues	61 741	52 217
TOTAL ASSETS	2 649 265	2 798 251

(In thousands of euros)

	30 June 2007	30 June 2008
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)	648 487	657 326
Additional paid-in capital	355 342	364 531
Legal reserve	47 073	59 065
Free reserve	92	65
Retained earnings	8 512	4 725
Result for the year	239 827	248 293
Advance payments on dividends	-	-
Regulated provisions	115 393	139 042
Total shareholders' equity	1 414 727	1 473 046
Provisions for risks	8 621	8 709
Provisions for expenses	16 201	11 989
Total provisions for risks and expenses	24 822	20 698
Bank debt	718 878	825 331
Other bank debt	17 003	19 019
Total bank debt	735 881	844 350
Accounts payable	44 096	50 673
Tax and employee-related payable	31 274	31 564
Fixed assets payable	140 788	98 100
Other payables	227 625	248 557
Total operating debt	443 784	428 894
Deferred revenues	30 050	31 263
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2 649 265	2 798 251

INCOME STATEMENT

(In thousands of euros)

	Twelve-month period ended 30 June 2007	Twelve-month period ended 30 June 2008
Revenues	809 040	852 270
Costs eligible for capitalisation	8 269	14 060
Grants received	898	464
Release of provisions and reclassification of costs	16 726	29 350
Other income	44	1
Total operating income	834 977	896 144
Purchase of goods and variations of inventories	923	2 791
Other purchases and external charges	108 297	123 459
Taxes and assimilated	13 538	13 255
Wages	35 365	36 528
Social charges	17 467	18 417
Depreciation, amortisation and provisions	263 337	261 959
Other charges	2 817	1 937
Total operating charges	441 743	458 346
Operating income (loss)	393 234	437 798
Financial income	14 104	26 180
Financial expenses	51 331	56 919
Financial result	(37 227)	(30 739)
Exceptional income	78 701	11 397
Exceptional charges	67 853	43 225
Exceptional result	10 848	(31 829)
Mandatory employee profit-sharing	3 914	4 531
Income tax	123 114	122 406
NET INCOME	239 827	248 293



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