

SHAREHOLDER LETTER

autumn 2011



EDITORIAL

Dear Shareholders,

With the onset of fall we have seen the successful launch of the ATLANTIC BIRD™ 7 and W3C satellites. These two satellites mark a new stage in the **expansion of our in-orbit resources** in fast-growing geographic regions and are a guarantee of the **Group's future growth**. They also attest to Eutelsat's commitment to our customers' successes, by providing the best technological resources available.

At the end of July we also published **excellent results** for the financial year 2010-2011. This performance marks **the second consecutive year of more than 10% growth** in revenues, EBITDA and Group share of net income. The satellites launched over the past two years have allowed Eutelsat to **capture growth** in all regions covered by its fleet and in all of our activities. On the strength of these **record results**, the Board of Directors recommended an **18.4% increase in the dividend** to €0.90 (versus €0.76 in 2010).

As tomorrow's growth depends on what we build today, we have decided to **expand our capital investment program**, and, will be launching six satellites between 2012 and 2014. This summer, we announced the commissioning of a new satellite, **EUTELSAT 3B**, which will operate from 3°East in a new orbital position, providing services for Africa, Europe, the Middle East, central Asia and parts of Latin America, notably Brazil. This project reaffirms our Group's growth ambitions. We also announced the further order of another satellite, **EUTELSAT 9B**, whose mission will be to extend and diversify the resources of the 9°East position to support the boom in digital TV in Europe. These two new Ku band satellites are set to launch in the first half and second half of 2014, respectively.

Our **KA-SAT** satellite became operational on 31 May 2011. This **super-satellite**, one of the most powerful in the world, is designed to help close the digital divide in Europe and the Mediterranean basin by providing satellite-based Internet and data services for households and businesses in areas that have poor or no terrestrial network coverage. After its strong technical and commercial start, KA-SAT should bring more than €100 million additional revenue to the Group by the end of fiscal year 2013-2014.

By positioning ourselves **at the heart of the digital revolution**, the Group has succeeded in identifying the most promising segments. Continually reinforcing our strengths - **reliability, expertise, innovation** - our ambition is to keep **growing faster than the market** and faster than our main competitors. This growth will continue to be at the **highest level of profitability** of any major satellite operator.

The Annual Shareholder's Meeting on November 8 will mark the departure of **Giuliano Berretta** as Chairman of Eutelsat. I would like to take this opportunity to express to him my thanks for his remarkable contribution to the Company in his over 21 years of service -- first as Sales Director and then CEO and Chairman of the Board, he will not be forgotten. I also want to thank **Jean-Paul Brillaud**, who is leaving his post as Deputy CEO after 12 years' service to our Company. Working often in the background he has been a formidable pillar in the development of our Company. Finally, I wish to thank **Jean Bensaïd** and **Jean-Luc Archambault** who, as directors of Eutelsat, have always striven to help our Company become stronger.

This Annual Shareholder's Meeting submitted to your vote the nomination of Jean-Martin Folz as a Director of your Group. Following the Annual meeting, the Board named Mr.Folz to succeed Giuliano Berretta as Chairman of the Board of Directors. he brings to Eutelsat an unrivalled combination of experience, talent, integrity and an acute sense of good corporate governance. We are delighted at prospect of him joining Eutelsat at Chairman.

I thank you for your support and trust.

Michel de Rosen
CEO



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Get all the latest Eutelsat news as it happens on:

www.eutelsat.fr

Investor page

ANNUAL RESULTS

Steady operating performance generating excellent results. Another remarkable year.

1- Continued robust revenue growth

All of the Group's three business lines contributed to its performance, benefitting fully from the additional resources launched over the past two years. This growth reflects, in particular, the full year effect of the W7 satellite, brought into service in January 2010, covering Russia and sub-Saharan Africa. These resources allowed the Group to respond to steady demand for satellite capacity in the developed markets in Western Europe as well as the fast-growing markets of central Europe, the Middle East, Central Asia and Africa.

VIDEO APPLICATIONS (68.6% of revenues)

Revenues generated by **Video Applications** rose 6.0% to €786.5 million. Eutelsat's strategy to consolidate its key orbital positions for television broadcasting continued to fuel steady growth in the Group's video business. This strategy consists of attracting leading television platforms onto satellites dedicated to specific regions in order to consolidate major installed antenna parks, which, in turn will attract new channels and create a virtuous circle of growth.

DATA AND VALUE ADDED SERVICES

(20.4% of revenues)

Revenues from **Data Services and Value- Added Services** showed strong 14.9 % growth to €234 million.

Data Services reported major growth, increasing by 19.5% against the previous year to €188 million. Apart from Europe where sale of satellite capacity for data networks remained steady, growth was driven in particular by Africa and the Middle East, markets in which the Eutelsat fleet offers excellent coverage.

Value- Added Services, which include fixed and mobile services, had a steady year, generating €46 million in revenues.

MULTI-USAGE (11.0% of revenues)

The **Multi-usage** business, which covers satellite capacity leasing contracts with governments and public authorities, experienced strong growth during the year, registering a 28.0% increase to €125.6 million.

2- Solid financial performance

EBITDA margin was the highest among major satellite operators, registering a strong 11.9%* increase to €926.4 million thanks to excellent dynamics between sales and continuing rigorous cost control despite the increased resources dedicated to developing special offers for home users (Tooway™, Fransat, KabelKiosk). The €875 million target set in July 2010 was thus substantially exceeded.

Group share of revenue was up sharply to €338.5 million (+25.6%).

Long-term visibility

Order book of nearly €5 billion.

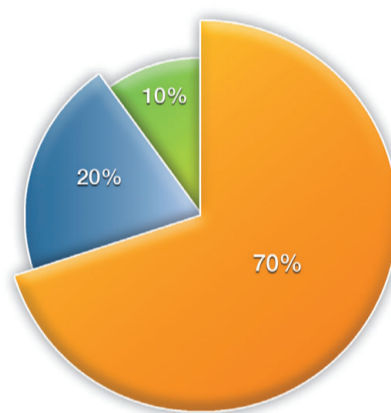
The order book represents future revenues from capacity lease agreements, including contracts for satellites yet to be delivered. These capacity lease agreements can be for the entire operational life of the satellites. As of June 30, 2011, they amounted to €4.96 billion. The average weighted residual lifetime of contracts is 7.5 years. Based on 2010-2011 revenues, this represents 4.2 times the revenue.

Attractive shareholder earnings

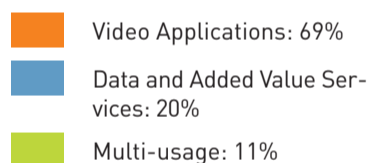
Distributions to shareholders up 18.4%.

On July 28, 2011, the Board of Directors decided to submit for approval to the Shareholders' Annual General Meeting of November 8, 2011, the distribution of a dividend of €0.90 per share, versus €0.76 for the financial year 2009-2010. This dividend is a 18.4% increase against the previous financial year and represents a distribution rate of 58%. It confirms Eutelsat's commitment to offer attractive remuneration to its shareholders.

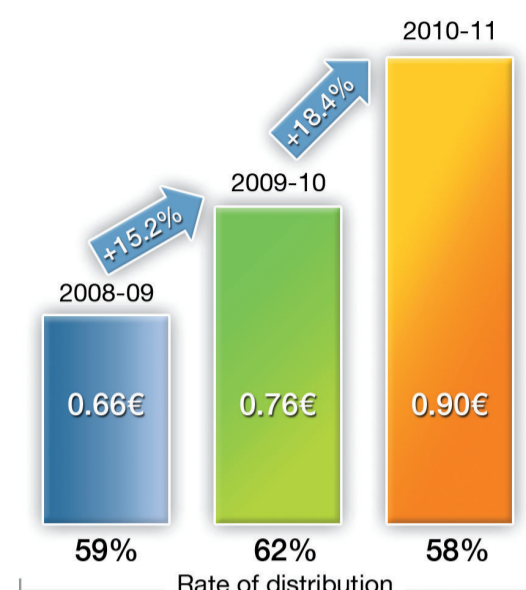
REVENUE BREAKDOWN



(as a percentage at June 30, 2011)



DIVIDEND PAR SHARE



KEY FIGURES*

+11.5%

Revenue: €1,168.1 M

+11.9%

EBITDA: €926.4 M

79.3%

EBITDA margin

(the highest among major satellite operators):

+25.6%

Group share of revenue: €338.5 M

+1.6%

Order book: €4.9 Bn

*compared to the 2009-2010 financial year

OUTLOOK

Positive outlook:

Growth, Profitability & Reliability

- **Revenue**

- 2011-2012: More than €1,235 M
- 2011-2014: CAGR above 7%

- **EBITDA**

- 2011-2012: More than €955 M
- 2011-2014: EBITDA margin maintained above 77%

- **CAPEX (Investment)**

- 2011-2014: €550 M average a year

- **Distribution**

- 50% to 75% of Group share of net income

- **Net debt / EBITDA**

- Less than 3.5x
- "Investment Grade" rating objective

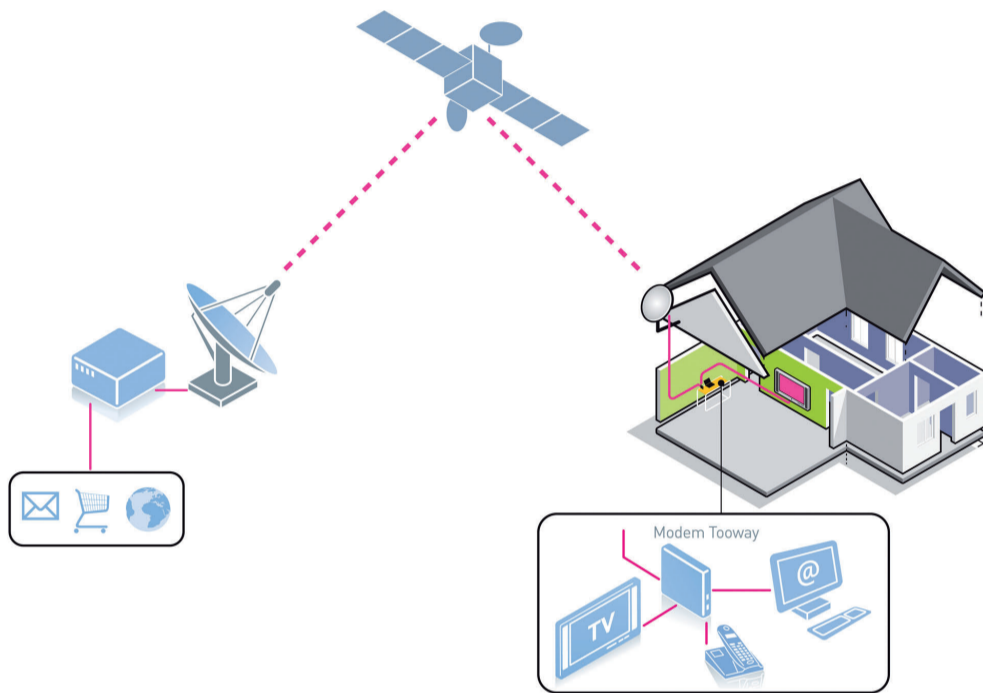
HIGHLIGHTS: THE TOOWAY™ OFFER

Fast Internet for everyone, anywhere, anytime

LAUNCH OF THE NEW GENERATION TOOWAY™

On May 31, 2011, Eutelsat announced the commercial entry into service of its KA-SAT High Throughput Satellite, marking the official launch of the new-generation Tooway™ service. Tooway™ is a bi-directional satellite solution which offers permanent access to high-speed broadband Internet throughout Europe and the Mediterranean Basin. The small easy-to-install parabolic antenna connects your PC or home network to the Internet directly via the antenna, without the need for a telephone line.

HOW IT WORKS?



"The entry into service of our KA-SAT satellite places Europe at the leading edge of technological innovation by giving it the biggest multi-beam satellite in the world. Our objective at present is to draw all the potential we can from this new pan-European infrastructure." **Michel de Rosen, CEO of Eutelsat**

A UNIQUE OFFER

Fast
High-speed Internet directly to your home

Thanks to satellite technology, Tooway™ delivers high-speed Internet directly to your home. More than 150 times faster than traditional dial-up, it offers service quality comparable to ADSL2. Tooway™ is a continuously available broadband service, suitable for all your IT needs, whether for browsing, emailing, downloading music or streaming videos.

For everyone
Flexible packages for any budget

Tooway™ offers high-speed Internet subscription packages from €1 per day, with the quality of ADSL and prices comparable to ADSL2. Tooway™ also offers supplementary functions, such as multiple-access television via a single dish antenna, phone calls via Internet using VoIP, and a wireless home network to let you access the Internet anywhere at home, without the need to connect cables.

Everywhere
Tooway™ is available throughout Europe and in the Mediterranean Basin

Tooway™ is available throughout Europe and in the Mediterranean Basin, with the same excellent quality wherever you are. If you live in a rural area, you no longer need to pay for an expensive home connection to an existing network or wait for a "modern" network to be installed. Tooway™ is delivered by satellite directly to your home - a service available for everyone, immediately.

Simple
Just plug the satellite modem into your computer and you're connected!

Nothing can be simpler than getting started with Tooway™. A small dish antenna is installed outside your home. No telephone line is needed and you can use the Internet immediately after this simple connection.

USER PROFILES

Because our customers' needs are each unique, Tooway™ is not content with offering the identical service to everyone, but presents a tailored solution at the right price for high-speed Internet access.

TOOWAY™ RESPECTS THE ENVIRONMENT

Satellite communication is probably the most environmentally-friendly way to communicate over long distances. It is the only way to offer remote regions high-speed connectivity without having to install environmentally harmful landlines or build complex infrastructures. Unlike cabled communications that require energy-hungry construction projects, a single satellite uses little or no fuel and can serve entire continents.

Satellite transmissions are 100% solar-powered and the whole satellite launch process, which uses hydrogen engines, generates about the same amount of CO₂ as a Boeing 747 on a normal flight from one side of the United States to the other.

KA-SAT, PIONEER IN EUROPE IN NEW-GENERATION MULTIBEAM SATELLITES

Built for Eutelsat by Astrium, KA-SAT is the first in Europe of the new generation of multibeam high-capacity satellites. Its truly revolutionary concept is based on a payload with 82 narrow spotbeams connected to a network of 10 ground station gateways.

This configuration enables a single band of frequencies to be reused 20 times and takes total throughput to beyond 70 Gbps. The ground infrastructure uses ViaSat's SurfBeam®2 technology, an advanced version of the solution already powering broadband connectivity for over 500,000 satellite homes in North America.

The combination of KA-SAT's exceptional capacity and ViaSat's SurfBeam®2 technology will make it possible to deliver Internet connectivity for more than one million homes, at speeds comparable to ADSL.

For more information, go to: www.tooway.fr

SHAREHOLDERS INFORMATION

2 major launches: ATLANTIC BIRD™ 7 and W3C

ATLANTIC BIRD™ 7 : New capacity for the Middle East and North Africa.

The Astrium-built ATLANTIC BIRD™ 7, successfully launched on September 24 and positioned at 7° West, an ideal spot for broadcasting television programs to the Middle East and North Africa, is operated in close cooperation between Eutelsat and the Egyptian national operator Nilesat. ATLANTIC BIRD™ 7 will significantly grow the Group's Ku band orbital resources in this position. This new capacity will be brought into service alongside the satellites Nilesat 101, 102 and 201.

W3C : New capacity for central Europe and Indian Ocean islands.

The W3C satellite, built for Eutelsat by Thales Alenia Space, successfully entered orbit on October 7. Coming into commercial service on November 9 at 16° East, W3C replaces Eutelsat's EURO BIRD™ 16, W2M and SESAT 1 satellites. Its high-power footprint covering central Europe and the Indian Ocean is aimed at supporting these booming digital broadcasting markets.

Governance and Executive Committee

New Chairman and new Deputy CEO for Eutelsat Communications

The Board of Directors is delighted to welcome **Jean-Martin Folz** to its Board as Chairman to succeed Giuliano Berretta. Mr. Folz's considerable experience heading up several companies then as head of AFEP, will be a valuable advantage to our Board of Directors in continuing the long-term expansion of our business activities, and consolidating the tremendous successes achieved under the chairmanship of Giuliano Berretta.

In addition, **Michel Azibert** joined Eutelsat last September as Deputy CEO, the Group's corporate officer. He was previously Deputy CEO of TéléDiffusion de France (TDF). He succeeds **Jean-Paul Brillaud** who leaves this operational post to become a member of Eutelsat's Board of Directors.

EUTELSAT, IN BRIEF

- Capacity leased on 29 satellites of which 24 belong to Eutelsat.
- 20 orbital positions occupied in geostationary orbits from 15° West to 70.5° East, covering 150 countries in Europe, Africa, America and Asia.
- At 30 June 2011, more than 3,950 television channels, of which 239 in HD, plus 1,100 radio stations in our broadcasting fleet.
- Audience of over 210 million homes equipped for television reception directly by satellite or via satellite-powered cable, in Europe, the Middle East and Africa.
- Teleports in France, Madeira and Italy provide Internet access to all Eutelsat satellite coverage on land, sea and in the air.
- 700 staff comprising 30 nationalities.
- Consolidated revenue of €1,168 M for fiscal year 2010-2011.

PROVISIONAL FINANCIAL CALENDAR

- November 3, 2011: revenue, 1st quarter 2011-2012
- February 16, 2012: results, 1st half 2011-2012
- May 10, 2012: financial position, 3rd quarter 2011-2012
- July 30, 2012: annual results 2011-2012

Dates are indicative and may change

Shareholder meetings 2011:

- November 8: Shareholders' General Meeting
 - November 18-19: Stand at the Actionaria trade show, Paris (shareholders' meeting November 18)
- Get the program of our shareholders' information meetings on our Website: www.investors.eutelsat.fr

CONTACT

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Securities, shareholder register

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CTS assemblée
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Fax: 01 40 14 58 90
Freephone: 0826 109 119 (€0.15 / minute incl tax)

SHARE FACTS

Share factsheet

- Continuous trading on Euronext Paris (compartment A)
- ISIN code: FR0010221234 – Acronym: ETL
- Share capital: 220,113,982 € (at Sep 9, 2011)
- Par value: €1
- Number of shares: 220,113,982 (at Sep 9, 2011)
- Closing price: €30.20 (at Sep 9, 2011)
- Market capitalization: €6.647 Bn (at Sep 9, 2011)
- Member of stock market indices: CAC®MD (CAC®Mid 60), SBF 120®, CAC®MS (CAC®Mid & Small), CAC®T (CAC®AKI-Tradeable), PAX CAC® All-Share

Share price chart

Dec 2, 2005 to Sep 30, 2011



Eutelsat Capital Distribution

Communication at Sep 30, 2011

