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EUTELSAT COMMUNICATIONS FOURTH QUARTER AND FULL YEAR 2017-18 RESULTS

- Fully delivering on all financial objectives
- Improving revenue trend throughout the year for the Operating verticals (-1.3%)
- Revenues of €1,408 million down 1.9% like-for-like (-4.7% reported)
- EBITDA margin of 76.9% at constant currency, up from 76.7% in FY 17
- LEAP cost saving program ahead of plan
- Strong rise in Discretionary Free-Cash-Flow, up 11.9% at constant currency
- Recommended dividend of €1.27 per share, up 5%, 1.4 times covered by DFCF
- All financial objectives confirmed or upgraded for FY 2018-19 and beyond

Paris, 1 August 2018 – The Board of Directors of Eutelsat Communications (ISIN: FR0010221234 – Euronext Paris: ETL) met yesterday, chaired by Dominique D'Hinnin, and reviewed the financial results for the year ended 30 June 2018.

Rodolphe Belmer, CEO of Eutelsat Communications, said: "*I'm pleased to report that we fully delivered on all of our financial objectives for the second year in a row. In particular, I would highlight the progressive improvement throughout the year for the five operating verticals. Moreover, in terms of financial discipline, we are ahead of plan on the LEAP cost savings program. Elsewhere, the successful* *application of our design-to-cost policy – clearly illustrated in the renewal of the HOTBIRD constellation – will enable us once again to reduce our capex envelope in the coming years, while the disposal of our stake in Hispasat enhanced our deleveraging efforts. On the operational front we took an important step in terms of shaping our Connectivity strategy with the procurement of our KONNECT VHTS satellite.*

During this year, we also delivered a solid commercial performance which sets us in good stead to achieve our objective of returning to slight revenue growth this year. All our other financial targets are also confirmed, and we are recommending a dividend increase of 5% to 1.27 per share, underpinned by substantial discretionary free cash-flow growth, and as a mark of our confidence in the future of our company.”

HIGHLIGHTS OF THE YEAR

Fully delivering on all financial objectives:

- Revenues down 1.9% like-for-like, within our guidance range of -1% to -2%;
- LEAP cost-saving program ahead of track;
- EBITDA margin of 76.9% at constant currency, well above 76% target;
- Effective capex containment at €358 million, below the €420m average objective;
- Discretionary Free Cash Flow up 11.9% at constant currency despite tough comparison basis (+65% in FY 2016-17);
- Net Debt / EBITDA now in line with 3.0x target level; deleveraging accelerated by disposal of Hispasat stake for €302m;
- Recommended dividend of €1.27 per share, up 5%; 1.4 times covered by Discretionary Free Cash Flow;

Progressive improvement in trend in the operating verticals

- Operating verticals down 1.3% at constant currency and perimeter, with a progressively improving trend (-2.2% year-on-year in the second quarter, -1.1% year-on-year in the third quarter, -0.7% year-on-year in the fourth quarter);

Effective design-to-cost policy underpinning tangible reduction in Capex spend

- Replacement of the HOTBIRD constellation a strong illustration of effectiveness of design-to-cost policy;
- Capex outlook further lowered to €400 million average thanks to above-expectation delivery on design-to-cost;

Robust commercial performance underpinning return to slight growth in FY 2018-19

- In Video:
  - Well-oriented channel count, up 4.5% with HD penetration of 21.0%, up 3.8 points;
  - Positive outcome of contract renewals, notably Cyfrowy Polsat and TVN at the HOTBIRD position;
  - New business in Europe with SFR-Altice at 5°West , Mediaset at HOTBIRD and XtraTV at the 9°East orbital position as well as in several emerging broadcast markets, including Fiji on EUTELSAT 172B and the Caribbean region on EUTELSAT 117 WEST B;
  - Absorption of Noorsat to optimise Video distribution in the MENA region.

- In Government Services:
  - Favourable outcomes of Fall 2017 and Spring 2018 renewal campaigns with the US Department of Defense;
  - Significant incremental business at the new 174° East orbital position;
  - Much of capacity on EUTELSAT QUANTUM reserved.

- In Mobile Connectivity:
  - Landmark MoU with China Unicom followed by the commercialization of the remaining HTS capacity on EUTELSAT 172B to UnicomAirNet;
  - Agreement with Taqnia for incremental capacity on EUTELSAT 3B and EUTELSAT 70B satellites;
  - These agreements and the double-digit revenue growth confirm the buoyancy of the Mobile

Connectivity market.

Procurement of KONNECT VHTS to shape our Connectivity strategy

- Konnect Africa project on track for a commercial launch in August 2018;
- Procurement of KONNECT VHTS with significant multi-year distribution commitments with Orange and Thales.

Read the full press release on Fourth Quarter and Full Year 2017-18 results

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About Eutelsat Communications

Founded in 1977, Eutelsat Communications is one of the world's leading satellite operators. With a global fleet of satellites and associated ground infrastructure, Eutelsat enables clients across Video, Data, Government, Fixed and Mobile Broadband markets to communicate effectively to their customers, irrespective of their location. Over 6,800 television channels operated by leading media groups are broadcast by Eutelsat to one billion viewers equipped for DTH reception or connected to terrestrial networks. Headquartered in Paris, with offices and teleports around the globe, Eutelsat assembles 1,000 men and women from 46 countries who are dedicated to delivering the highest quality of service.

Eutelsat Communications is listed on the Euronext Paris Stock Exchange (ticker: ETL).

For more about Eutelsat go to www.eutelsat.com

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