Eutelsat Communications Group

“Société anonyme” with a capital of 232,774,635 euros
Registered office: 70, rue Balard 75015 Paris
481 043 040 R.C.S. Paris

CONDENSED CONSOLIDATED HALF-YEAR ACCOUNTS AS OF 31 DECEMBER 2015

CONSOLIDATED BALANCE SHEET

(in millions of euros)	Note	30 June 2015	31 December 2015
ASSETS			
Non-current assets			
Goodwill	4	1,165.0	1,171.0
Intangible assets	4	809.5	785.0
Satellites and other property and equipment	5	3,458.7	3,724.7
Construction in progress	5	1,104.0	888.6
Investments in associates	6	282.2	290.0
Non-current financial assets		11.9	12.4
Deferred tax assets		23.8	33.2
Total non-current assets		**6,855.1**	**6,904.9**
Current assets			
Inventories		0.9	1.5
Accounts receivable		309.3	366.9
Other current assets		40.0	31.3
Current tax receivable		3.7	2.4
Current financial assets		29.5	18.3
Cash and cash equivalents	7	420.3	563.5
Total current assets		**803.8**	**983.9**
Total assets		**7,658.9**	**7,888.8**

(in millions of euros)	Note	30 June 2015	31 December 2015
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	8.1	227.0	232.8
Additional paid-in capital		594.1	738.1
Reserves and retained earnings		1,651.8	1,614.7
Non-controlling interests		61.1	57.2
Total shareholders' equity		**2,533.9**	**2,642.8**
Non-current liabilities			
Non-current financial debt	9	3,663.3	3,666.2
Other non-current financial liabilities	10	597.6	616.2
Non-current fixed asset payables		-	14.4
Non-current provisions		109.2	108.3
Deferred tax liabilities		297.4	283.5
Total non-current liabilities		**4,667.5**	**4,688.7**
Current liabilities			
Current financial debt		64.5	122.8
Other current financial liabilities	10	39.9	26.2
Accounts payable		69.0	61.6
Fixed assets payable		21.6	42.5
Taxes payable		11.9	51.4
Other current payables		228.6	232.2
Current provisions	16	22.0	20.5
Total current liabilities		**457.5**	**557.2**
Total liabilities and shareholders' equity		**7,658.9**	**7,888.8**

CONSOLIDATED INCOME STATEMENT

(in millions of euros, except per share data)	Note	31 December 2014	31 December 2015
Revenues from operations		**722.8**	**774.4**
Operating costs		(49.7)	(52.9)
Selling, general and administrative expenses		(113.4)	(121.3)
Depreciation and amortisation	4, 5	(232.3)	(238.0)
Other operating income and expenses		(2.1)	(1.2)
Operating income		**325.2**	**361.0**
Cost of debt	13	(72.3)	(56.0)
Financial income	13	1.5	2.8
Other financial items	13	14.6	(10.2)
Financial result		**(56.2)**	**(63.4)**
Income from associates		7.7	10.0
Net income before tax		**276.6**	**307.6**
Income tax expense	11	(108.6)	(112.3)
Net income		**167.9**	**195.3**
Attributable to the Group		160.7	188.0
Attributable to non-controlling interests		7.2	7.3
Earnings per share attributable to Eutelsat Communications shareholders			
Basic and diluted earnings per share in euro (*)	14	0.729	0.828

(*) There are no dilutive instruments as of 31 December 2014 and 31 December 2015.

COMPREHENSIVE INCOME STATEMENT

(in millions of euros)	Note	31 December 2014	31 December 2015
Net income		**167.9**	**195.3**
Other recyclable items of gain or loss on comprehensive income			
Translation adjustment	8.5	93.7	18.3
Tax effect		21.0	6.1
Changes in fair value of hedging instruments [(1)]	8.4	(6.8)	0.8
Tax effect		2.6	(0.2)
Other non-recyclable items of gain or loss on comprehensive income			
Changes in post-employment benefits	8.6	(27.7)	4.5
Tax effect		9.5	(1.5)
Total of other items of gain or loss on comprehensive income		**92.3**	**27.9**
Total comprehensive income		**260.2**	**223.1**
Attributable to the Group		249.8	214.9
Attributable to non-controlling interests [(2)]		10.4	8.2

(1) Covers only cash-flow hedges. Net foreign investment hegdes are recorded as translation adjustments.
(2) The portion attributable to non-controlling interests breaks down as follows:
- Net result for 7.2 million euros as of 31 December 2014 and 7.3 million euros as of 31 December 2015;
- Other recyclable items of gain or loss on comprehensive income for 3.9 million euros as of 31 December 2014 and 0.9 million euros as of 31 December 2015;
- Other non-recyclable items of gain or loss on comprehensive income for (0.7) million euros as of 31 December 2014 and 0.1 million euros as of 31 December 2015.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions of euros)	Note	31 December 2014	31 December 2015
CASH FLOW FROM OPERATING ACTIVITIES			
Net income		167.9	195.3
Income from equity investments	6	(7.7)	(10.0)
Tax and interest expense, other operating items		170.2	194.6
Depreciation, amortisation and provisions		259.0	231.1
Deferred taxes		(10.0)	(19.3)
Changes in accounts receivable		(7.2)	(42.9)
Changes in other assets		(5.8)	(2.9)
Changes in accounts payable		(17.9)	(10.0)
Changes in other debt		(7.9)	(1.4)
Taxes paid		(36.3)	(87.8)
Net cash flows from operating activities		**504.4**	**446.7**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of satellites, other property and equipment and intangible assets	4, 5	(204.8)	(161.2)
Acquisition of control and disposal of entities		1.9	-
Dividends received from associates and other items	6	-	2.5
Net cash flows from investing activities		**(202.7)**	**(158,7)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Distributions		(87.4)	(109.0)
Movements in treasury shares		(0.2)	-
Increase in debt	9	0.3	0.6
Repayment of debt	9	(2.8)	(3.7)
Repayment in respect of performance incentives and long-term leases		(10.7)	(6.2)
Loan set-up fees		-	-
Interest and other fees paid		(32.2)	(24.4)
Interest received		2.2	3.9
Other changes		(0.1)	0.6
Net cash flows from financing activities		**(130.9)**	**(138.3)**
Impact of exchange rate on cash and cash equivalents		5.6	(6,6)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**176.2**	**143.3**
Cash and cash equivalents, beginning of period		**293.0**	**420.2**
Cash and cash equivalents, end of period	7	**469.1**	**563.5**
Cash reconciliation			
Cash		469.3	563.5
Overdraft included under debt (1)	9	(0.2)	-
Cash and cash equivalents per cash flow statement		**469.1**	**563.5**

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in millions of euros, except share data)	Common stock Number	Common stock Amount	Additional paid in capital	Reserves and retained earnings	Shareholders' equity Group share	Non-controlling interests	Total
As of 30 June 2014	**220,113,982**	**220.1**	**453.2**	**1,309.7**	**1,983.0**	**47.7**	**2,030.7**
Net income for the period				160.7	160.7	7.2	167.9
Other items of gain or loss on comprehensive income				89.1	89.1	3.2	92.3
Total comprehensive income				249.8	249.8	10.4	260.2
Treasury stock				1.7	1.7	-	1.7
Distributions	6,858,356	6.9	140.8	(226.7)	(79.0)	(9.3)	(88.3)
Benefits for employees upon exercising options and free shares granted				1.0	1.0	-	1.0
Liquidity offer and others				0.9	0.9	-	0.9
As of 31 December 2014	**226,972,338**	**227.0**	**594.0**	**1,336.3**	**2,157.3**	**48.8**	**2,206.2**
As of 30 June 2015	**226,972,338**	**227.0**	**594.0**	**1,651.8**	**2,472.8**	**61.1**	**2,533.9**
Net income for the period				188.0	188.0	7.3	195.2
Other items of gain or loss on comprehensive income				26.9	26.9	1.0	27.9
Total comprehensive income				214.9	214.9	8.2	223.1
Transaction affecting the capital				0.6	0.6	-	0.6
Treasury stock				(0.4)	(0.4)	-	(0.4)
Distributions	5,802,297	5.8	144.0	(247.2)	(97.4)	(12.3)	(109.7)
Benefits for employees upon exercising options and free shares granted				-	-	-	-
Liquidity offer and others				(5.0)	(5.0)	0.2	(4.8)
As of 31 December 2015	**232,774,635**	**232.8**	**738.0**	**1,614.7**	**2,585.5**	**57.2**	**2,642.8**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. KEY EVENTS DURING THE FINANCIAL PERIOD

- The EUTELSAT 8WB was launched on 20 August 2015 and entered operational service on 03 October 2015.
- Following its successful launch on 01 March 2015, the EUTELSAT 115WB satellite went into operational service on 15 October 2015.

NOTE 2. APPROVAL OF THE ACCOUNTS

The condensed consolidated half-year accounts of Eutelsat Communications as of 31 December 2015 have been prepared by the Board of Directors on 16 February 2016.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

> 3.1. COMPLIANCE WITH IFRSs

The consolidated financial statements at 31 December 2015 have been prepared in accordance with the IFRSs as adopted by the European Union and effective as of that date.The relevant texts are available for consultation on the following website:

http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm

The consolidated financial statements have been prepared on a historical cost basis except for certain items for which the standards require measurement at fair value.

The financial information disclosed in these financial statements is prepared in accordance with the option contained in IAS 34 "*Interim Financial Reporting*" in a condensed format. The accounts as presented do not therefore contain all the information and Notes required under IFRSs for the preparation of consolidated full-year financial statements and must be read in conjunction with the consolidated full-year financial statements for the financial year ended 30 June 2015.

> 3.2. PUBLISHED STANDARDS AND INTERPRETATIONS

The accounting methods and rules used in preparing these condensed interim accounts are identical to those used for the consolidated full-year financial statements for the year ended 30 June 2015, with the exception of the new standards and interpretations as described below, which are adopted by the European Union and are to be applied after 1 July 2015.

- Improvements to IFRSs (2010-2012 and 2011-2013 cycles);
- Amendment to IAS 19 "Defined Benefit Plans: Employee contributions".

Furthermore, none of the following standards, interpretations or amendmentsd has been applied in advance by the Group. The Group is currently analysing the practical impact of these new texts and the effects of applying them in the financial statements. This concerns:

- IFRS 9 "Financial Instruments";
- IFRS 15 "Revenue from Contracts with Customers".

> 3.3. PERIODS PRESENTED AND COMPARATIVES

The six-month period extends from 1 July to 31 December 2015.

The reference currency and the presentation currency used to issue financial statements are the euro.

> 3.4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Preparation of the Group's consolidated financial statements requires Management to make estimates and judgements that are likely to affect the amounts of certain assets, liabilities, income and expenses appearing in these financial statements and their accompanying Notes. Eutelsat Communications constantly updates its estimates and assessments using past experience in addition to other relevant factors in relation to the economic environment. The eventual outcome of the operations underpinning these estimates and assumptions could, due to the uncertainty that surrounds them, result in the need for significant adjustment to amounts recognised in a subsequent financial period.

Judgements

In preparing the financial statements for the period ended 31 December 2015, Management has exercised its judgement, particularly with regard to contingent liabilities, provisions, customer risk assessment and the functional currency used by the consolidated entities.

> 3.5. TAXES

The interim income tax expense is calculated by applying the average effective rate estimated for the financial year to earnings before taxes for the period (see Note 11 - *Income tax*).

NOTE 4. GOODWILL AND OTHER INTANGIBLES

"Goodwill and Other Intangibles" breaks down as follows:

Changes in gross assets, depreciation and amortisation

(in millions of euros)	Goodwill	Customer contracts and relationships	Eutelsat brand	Other intangibles	Total
GROSS ASSETS					
30 June 2015	1,165.0	1,109.4	40.8	220.1	2,535.3
31 December 2015	1,171.0	1,113.5	40.8	231.6	2,556.9
DEPRECIATION AND AMORTISATION					
Accumulated depreciation as of 30 June 2015	-	(480.6)	-	(80.2)	(560.8)
Accumulated depreciation as of 31 December 2015	-	(510.3)	-	(90.6)	(600.9)
Net value as of 30 June 2015	1,165.0	628.8	40.8	139.9	1,974.5
Net value as of 31 December 2015	**1,171.0**	**603.2**	**40.8**	**141.0**	**1,956.0**

The change over the period ended 31 December 2015 mainly relates to:

- the ripple effect of goodwill arising from the acquisition of Satmex (denominated in US dollars);
- the amortisation of customer contracts and relationships.

As of 31 December 2015, goodwill, which was monitored only at Eutelsat segment level, was tested annually for impairment. The test did not challenge the amount shown on the balance sheet. The recoverable amount was determined using the fair value measured on the basis of the stock market valuation of Eutelsat Communications S.A. A drop in the share price on the stock-exchange of at least 59% would be necessary for the fair value to fall below the carrying amount. Should such an event occur, a test would be carried out based on the value in use.

NOTE 5. SATELLITES, OTHER PROPERTY AND EQUIPMENT AND CONSTRUCTION IN PROGRESS

"Satellites and other property and equipment" is broken down as follows (including assets acquired under finance leases):

Changes in gross values, depreciations and amortisation

(in millions of euros)	Satellites	Other tangibles	Construction in progress	Total
GROSS ASSETS				
Gross value as of 30 June 2015	**5,227.7**	**369.9**	**1,104.0**	**6,701.7**
Acquisition of control	-	-	-	-
Acquisitions	15.2	10.3	203.9	229.4
Disposals and scrapping of assets	(77.3)	(2.5)		(79.8)
Foreign-exchange variation	16.1	0.1	8.9	25.1
Reclassification	(2.3)	-	-	(2.3)
Transfers	415.9	9.5	(428.3)	(2.9)
Gross value as of 31 December 2015	**5,595.4**	**387.3**	**888.6**	**6,871.2**
DEPRECIATION AND AMORTISATION				
Accumulated depreciation as of 30 June 2015	**(1,902.1)**	**(236.8)**	**-**	**(2,138.9)**
Depreciation and amortisation	(178.1)	(19.6)	-	(197.7)
Reversals (disposals and scrapping of assets)	76.8	1.9	-	78.7
Reclassification	2.3	-	-	2.3
Foreign-exchange variation	(2.3)	-	-	(2.3)
Accumulated depreciation as of 31 December 2015	**(2,003.5)**	**(254.5)**	**-**	**(2,258.0)**
Net value as of 30 June 2015	3,325.6	133.1	1,104.0	4,562.7
Net value as of 31 December 2015	**3,591.9**	**132.8**	**888.6**	**4,613.2**

During the half-year ended 31 December 2015, the Eutelsat 8WB and EUTELSAT 115WB satellites were brought into service by the Group for 265.9 million euros and 165.5 million euros respectively and the fully depreciated Eutelsat 33B satellite was scrapped.

> SATELLITES UNDER CONSTRUCTION

The satellites listed as below are currently under construction and should be brought into service during the financial years as indicated.

Projects	Expected year of commissioning
EUTELSAT 9B, EUTELSAT 65WA and EUTELSAT 36C	2015-2016
EUTELSAT 117WB	2016-2017
EUTELSAT 172B	2017-2018
QUANTUM	2018-2019
BROADBAND4AFRICA	2019-2020

NOTE 6. INVESTMENTS IN ASSOCIATES

As of 31 December 2015, investments in associates consist in equity investments in the Hispasat Group, and income from equity investments in the consolidated income statement corresponds to the Group's share of income from Hispasat.

NOTE 7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are detailed as follows:

(in millions of euros)	30 June 2015	31 December 2015
Cash	204.9	237.2
Cash equivalents	215.4	326.3
Total	**420.3**	**563.5**

Cash equivalents are mainly composed of deposit warrants maturing within less than three months after the date of acquisition, and UCITS qualifying as "cash equivalents".

NOTE 8. SHAREHORDERS' EQUITY

> 8.1. SHAREHOLDERS' EQUITY

As of 31 December 2015, the share capital of Eutelsat Communications S.A. comprised 232,774,635 ordinary shares with a par value of 1 euro per share. As of the same date, the Group held 70,000 treasury shares amounting to 2.0 million euros under a liquidity agreement. Furthermore, under the free share allocation plans (see below), the Group holds 108,655 equity shares amounting to 2.3 million euros. The aggregate amount of treasury stock is deducted from shareholders' equity.

> 8.2. DIVIDENDS

On 05 November 2015, the Ordinary and Extraordinary General Meeting of Shareholders decided to distribute a gross amount of 1.09 euro per share, i.e. a total of 247.2 million euros, partly settled through the issuance of new shares.

The dividend distribution resulted in:

- The issuance of 5,802,297 new shares (increasing the number of shares from 226,972,338 to 232,774,635) with a par value of 1 euro per share, with the following impact on equity:
    - Increase in the share capital from 227.0 million euros to 232.8 million euros;
    - Increase in the legal reserve by 0.6 million euros, from 22.7 million euros to 23.3 million euros;
    - Increase in the share premium account from 704.8 million euros to 560.7 million euros.
- Cash settlements totalling 96.1 million euros.

> 8.3. SHARE-BASED COMPENSATION

There are currently four share-based plans implemented by the Group in July 2011, November 2012, February 2014 and February 2015 respectively.

The plan started in July 2011 matured on 11 July 2015. 131,644 vested shares were ultimately granted.

Under the four plans, the expense (excluding employer's contributions) recognised for the financial period ended 31 December 2015 was 2.6 million euros, compared to 1.7 million euros for the financial period ended 31 December 2014.

The expense was recognised within equity under the two first plans and as a liability under the third and fourth plans (settled in cash). The Board of Directors meeting on 13 February 2014 and 11 February 2015 decided to implement a Long-Term Incentive Plan, based on cash-settled awards. These are calculated on the basis of a theoretical number of Eutelsat Communications shares, which are allocated by reference to the levels reached by performance-related objectives, provided the recipient is still working with the Group at the end of the vesting period.

Conditions	July 2011 Plan	November 2012 Plan	February 2014 Plan	February 2015 Plan
Vesting period	July 2011 - July 2014 (1)	November 2012 - November 2015 (2)	February 2014 - June 2016	February 2015 - June 2018
Settled in	Shares	Shares	Cash	Cash
Lock-up period	July 2014-July 2016 (3)	November 2015- November 2017 (3)	Not applicable	Not applicable
Maximum number of attributable shares at inception	700,000	347,530	448,585	436,639
Number of recipients	619	712	781	759
Features of "Employees" plan:				
- number of shares per recipient	600	200	300	300
- performance-related targets observed during the vesting period	Cumulative EBITDA for 50% Average ROCE for 50%	Cumulative EBITDA for 50% Average ROCE for 50%	Cumulative EBITDA for 50% Average ROCE for 50%	Cumulative EBITDA for 50% Average ROCE for 50%
Features of "Managers" Plan:				
- total number of shares	327,140	205,530	214,885	208,939
- performance-related targets observed during the vesting period	Cumulative EBITDA for 25% Average ROCE for 25% Cumulative EPS for 25% TSR for 25%	Cumulative EBITDA for 25% Average ROCE for 25% Cumulative EPS for 25% TSR for 25%	Cumulative EBITDA for 25% Average ROCE for 25% Cumulative EPS for 25% TSR for 25%	Cumulative EBITDA for 1/3 Average ROCE for 1/3 Relative TSR for 1/3
Share price used as taxation basis for calculating social contributions and employer's charges:				
- "Employees" and "Managers" Plan (excluding TSR)	€26.77	€19.73	€23.60	€28.37
- "Managers" Plan (TSR)	€7.48	€6.88	€13.08	€20.12
Expense/(income) over the period (in millions of euros) (4)	-	-	0.9	1.6
Aggregate valuation of plan as of 31/12/2015 (in millions of euros) (4)	4.1	0.3	7.9	9.1

(1) For foreign subsidiaries, the grant period covers July 2011 to July 2015.
(2) For foreign subsidiaries, the grant period covers November 2012 to November 2016.
(3) There is no lock-up period for foreign subsidiaries.
(4) Excluding employer's contributions

In accordance with IAS 32 "Financial Instruments: Presentation", the acquisition cost of shares bought back by the Group under the two existing free share allocation plans will be recorded as a reduction to the Group's share of shareholders' equity.

> 8.4. CHANGE IN THE REVALUATION SURPLUS OF FINANCIAL INSTRUMENTS

All financial instruments that have an impact on the revaluation reserve are hedges for their effective portion.

(in millions of euros)	Total
Balance at 30 June 2015	**5.7**
Changes in fair value within equity that can be reclassified to income	(2.2)
Transfer to income statement (1)	2.7
Balance at 31 December 2015	**6.2**

(1) This amount corresponds to coupons due and matured on the interest rate hedging instruments (see Note 13 – Financial result).

> 8.5. TRANSLATION RESERVE

(in millions of euros)	Total
Balance at 30 June 2015	**227.4**
Change over the period	27.0
Balance at 31 December 2015	**254.4**

The revaluation reserve of financial instruments does not include the Hispasat portion, whose change amounts to (2.7) million euros.

The revaluation reserve includes the value of the Cross Currency Swap used to hedge currency exposure of a net investment in a foreign operation.

> 8.6. ACTUARIAL GAINS AND LOSSES

These provisions were revised downwards as a result of the rise by approximately 0.10 base point recorded since 30 June 2015 in reference interest rates used to determine the discounted value of the guarantee granted to a pension fund.

The net impact on provisions represented a 4.5 million euro decline. After recognising a differed tax asset of 1.5 million euros, the net impact on actuarial gains and losses amounted to 2.9 million euros.

NOTE 9. FINANCIAL DEBT

As of 30 June and 31 December 2015, the aggregate amount of bank debt is denominated in euros, with the exception of the export credit facility which is denominated in US dollars.

> FINANCIAL INFORMATION AS OF 30 JUNE AND 31 DECEMBER 2015

(in millions of euros)	Rate	30 June 2015	31 December 2015	Maturity
Term loan 2020	Variable	600.0	600.0	31 March 2020
Bond 2017 (1)	4.125%	850.0	850.0	27 March 2017
Bond 2019 (1)	5.000%	800.0	800.0	14 January 2019
Bond 2020 (1)	2.625%	930.0	930.0	13 January 2020
Bond 2022 (1)	3.125%	300.0	300.0	10 October 2022
US EXIM export credit	1.710%	38.7	35.9	15 November 2021
ONDD-guaranteed export credit	Variable	176.0	177.9	30 June 2024
Other	Variable	0.1	0.5	30 June 2018
Sub-total of debt (non-current portion)		**3,694.9**	**3,694.2**	
Loan set-up fees and premiums		(31.6)	(28,0)	
Total of debt (non-current portion)		**3,663.3**	**3,666.2**	
US EXIM export credit & ONDD		18.0	30.9	
Bank overdrafts		-	-	
Accrued interest not yet due		46.4	91.9	
Total of debt (current portion)		**64.5**	**122.8**	

(1) Fair values are detailed below:

(in millions of euros)	30 June 2015	31 December 2015
Bond 2017	904.1	890.3
Bond 2019	916.0	901.0
Bond 2020	990.4	984.6
Bond 2022	330.9	331.2

The book values of the term loan and the export credit facilities are reasonably close to their fair values.

No amount was drawn on the revolving credit facility during the financial period ended 31 December 2015.

The Group also has 650.0 million euros available under its various active lines of undrawn revolving credit as of 31 December 2015.

> DEBT MATURITY ANALYSIS

At 31 December 2015, the debt maturity analysis is as follows:

(in millions of euros)	Amount	Maturity within 1 year	Maturity between 1 and 5 years	Maturity exceeding 5 years
Term loan	600.0	-	600.0	-
US EXIM export credit	43.1	7.2	28.7	7.2
ONDD-guaranteed export credit	201.7	23.7	94.9	83.0
Bond 2017	850.0	-	850.0	-
Bond 2019	800.0	-	800.0	-
Bond 2020	930.0	-	930.0	-
Bond 2022	300.0	-	-	300.0
Other	0.5	-	0.5	-
Total	**3,725.2**	**30.9**	**3,304.1**	**390.2**

> COMPLIANCE WITH BANKING COVENANTS

The banking covenants on financing facilities in place as of 31 December 2015 have not changed since their inception. As of 31 December 2015, the Group was in compliance with all banking covenants under its credit facilities.

NOTE 10. OTHER FINANCIAL LIABILITIES

Other financial liabilities break down as follows:

(in millions of euros)	30 June 2015	31 December 2015
Derivative instruments [(1)]	108.4	122.1
Performance incentives	1.2	0.7
Finance leases	434.6	430.0
Other liabilities	93.3	89.7
Total	**637.5**	**642.4**
- incl. current portion	*39.9*	*26.2*
- incl. non-current portion	*597.6*	*616.2*

(1) See Note 15 - Financial instruments.

Derivative instruments are measured at fair value (Level 2), and the other liabilities at amortized cost. For information, the amortized cost of other financial liabilities represents a reasonable approximation of fair value.

Amounts shown for finance leases include accrued interest totalling 0.7 million euros as of 30 June 2015 and 1.7 million euros as of 31 December 2015.

“Other liabilities” mainly comprise advance payments and deposits from clients, and debts over non-controlling interests.

NOTE 11. INCOME TAX

The “Income tax" expense comprises current and deferred tax expenses of consolidated entities.

As of 31 December 2015, the Group's effective income tax rate stood at 37.7%. This rate includes (i) the effects in France of the 10.7% exceptional contribution to the corporate income tax, the standard income tax rate standing now at 38% for the financial year ended 30 June 2016, (ii) an additional 3% contribution on cash-settled dividends, and (iii) deductibility of financial expenses capped at 75%. These effects are offset by lower tax rates for foreign-based subsidiaries compared to France.

NOTE 12. SEGMENT INFORMATION

Over the period ended 31 December 2015, there was no change in the Group's organisation which could affect the nature of and method used for reporting financial information and business performance data to the Group's chief operating decision maker.

Therefore, as with the period ended 30 June 2015, the Group considers that it only operates in a single industry segment, basing that view on an assessment of services rendered and the nature of the associated risks, rather than on their finality. This is the provision of satellite-based video, business and broadband networks, and mobile services mainly to international telecommunications operators and broadcasters, corporate network integrators and companies for their own needs.

Group revenues by geographical zone, based on invoice addresses, for the twelve-month periods ended 31 December 2014 and 31 December 2015 are as follows:

(in millions of euros and as a percentage)	31 December 2014		31 December 2015	
Regions	**Amount**	**%**	**Amount**	**%**
France	72.1	10.0	73.4	9.5
Italy	97.7	13.5	104.4	13.5
United Kingdom	54.1	7.5	56.0	7.2
Europe (other)	213.5	29.5	200.8	25.9
Americas	143.1	19.8	174.5	22.5
Middle East	87.5	12.1	98.1	12.7
Africa	37.2	5.1	45.7	5.9
Asia	17.5	2.4	21.2	2.7
Other	0.1	-	0.3	0.0
Total	**722.8**	**100.0**	**774.4**	**100.0**

Group EBITDA (1) stood at 559.6 million euros and 600.3 million euros for the six-month periods ended 31 December 2014 and 31 December 2015 respectively.

Most of the Group's assets are satellites in orbit. The remaining assets are mainly located in France, Italy and Mexico.

Net debt (1) breaks down as follows:

(in millions of euros)	30 June 2015	31 December 2015
Term loan	600.0	600.0
Bonds	2,880.0	2,880.0
Other loans	-	0.5
Export credit	232.8	244.8
"Change" portion of the cross-currency swap	114.6	133.3
Finance leases	433.9	428.3
Cash and cash equivalents	(420.2)	(563.5)
Total	**3,841.1**	**3,723.3**

(1) The components of EBITDA and net debt have not changed since 30 June 2015.

NOTE 13. FINANCIAL RESULT

The financial result is made up as follows:

(in millions of euros)	Six-month period ended 31 December 2014	Six-month period ended 31 December 2015
Interest expense after hedging [1]	(76.1)	(67.3)
Loan set-up fees and commissions [2]	(6.1)	(4.4)
Capitalised interest [3]	9.9	15.7
Cost of gross debt	**(72.3)**	**(56.0)**
Financial income	1.5	2.8
Cost of net debt	**(70.8)**	**(53.2)**
Changes in financial instruments [4]	-	(0.3)
Foreign-exchange gains and losses	15.3	(9.8)
Other	(0.6)	(0.1)
Financial result	**(56.2)**	**(63.4)**

(1) The interest expense was impacted by instruments qualified as interest-rate hedges for 3.4 million euros and 2.7 million euros during the half-year periods ended 31 December 2014 and 31 December 2015 respectively.

(2) Issuing costs include amortisation of all loan issuing costs and premiums.

(3) The amount of capitalised interest depends on the state of progress and number of satellite construction programmes recorded during the financial year concerned. The capitalisation rates used to determine the amount of interest expense eligible for capitalisation were 3.95% at 31 December 2014 and 3.58% at 31 December 2015.

(4) Changes in fair value of financial instruments mainly include:
- *changes in fair value of derivatives not qualified as hedges;*
- *the ineffective portion of qualifying derivatives in a hedging relationship.*

NOTE 14. EARNINGS PER SHARE

The following table shows the reconciliation between net income and net earnings attributable to shareholders (basic and diluted) used to compute earnings per share (basic and diluted). There were no dilutive instruments as of 31 December 2014 and 31 December 2015.

(in millions of euros)	31 December 2014	31 December 2015
Net income	**167.9**	**195.3**
Income from subsidiaries attributable to non-controlling interests	(7.2)	(7.3)
Net earnings used to compute diluted earnings per share	**160.7**	**188.0**
Average number of shares	**220,416,291**	**227,172,136**

NOTE 15. FINANCIAL INSTRUMENTS

The following tables analyse the contractual or notional amounts and fair value of the Group’s derivative instruments as of 30 June and 31 December 2015 by type of contract. The financial instruments are valued by an independent expert and this valuation is verified/validated by the Group’s banking counterparts.

(en millions d'euros)	Notional 30 June 2015	Notional 31 December 2015	Fair Value 30 June 2015	Fair Value 31 December 2015	Change in fair value over the period	Impact on income (excl. coupons)	Impact on equity (excl. coupons)	Termination indemnity
Synthetic forward transaction with knock-in option (Eutelsat S.A.)	121.3	45.0	2.4	0.0	(2.4)	(0.6)	(1.8)	-
Cross currency swap	500.0	500.0	(104.4)	(122.1)	(17.6)	-	(17.6)	-
Total forex derivatives	**621.3**	**545.0**	**(102.0)**	**(122.1)**	**(20.0)**	**(0.6)**	**(19.4)**	**-**
Future Swaps	350.0	-	(2.3)	-	2.3	0.4	0.5	1.4
Collars	350.0	-	(1.7)	-	1.7	0.2	1.5	-
Caps	100.0	-	-	-	-	-	-	-
Total interest rate derivatives	**800.0**	**-**	**(4.0)**	**-**	**4.0**	**0.6**	**2.0**	**1.4**
Total derivatives			**(106.0)**	**(122.1)**	**(16.0)**	**0.0**	**(17.4)**	**1.4**
Equity interests							0.6	
Total							**(16.8)**	

As of 31 December 2015, the cumulative fair value of derivative instruments was negative at 122.1 million euros.

NOTE 16. OTHER OFF-BALANCE SHEET COMMITMENTS

As of 31 December 2015, Management considers that, to the best of its knowledge, no commitments exist that may have an impact on the Group's present or future financial position with the exception of the following items:

> 16.1. PURCHASE COMMITMENTS

As of 31 December 2015, future payments under satellite construction, launch and financing contracts amounted to 1,365 million euros (including 454 million euros with related parties). These future payments are spread over 16 years.

The Group has also made commitments with other suppliers for service provisions and acquisitions of fixed assets relating to the monitoring and control of satellites.

Future payments in respect of such acquisitions of assets and provision of services as of 31 December 2015 are scheduled as follows:

(in millions of euros)	As of 31 December 2015
2016	87
2017	64
2018	49
2019	45
2020 and beyond	126
Total	**371**

> 16.2. FLEET INSURANCE

The Group's "Launch + 1 year" and in-orbit insurance policies in place as of 30 June 2015 have been taken out with insurance syndicates generally with ratings of between AA- and A+. Counterpart risk is therefore limited and, if any of the insurers should default, that entity's share of the insurance cover could be taken on by a new player.

As of 1 July 2015, the Group introduced adjustments to its fleet insurance policy in order to take into account not only the net book value of its satellites, but also revenues generated by its most revenue-generating satellites. Under its fleet insurance programmes, satellites are covered for partial and/or total (or constructive total) loss under certain conditions.

> 16.3. COMMITMENTS RECEIVED

The Group holds a put option vis-à-vis a related party, with no limited validity, exercisable twice a year with respect to its equity interest in Hispasat.

NOTE 17. LITIGATION

In the course of its business activities, the Group has been involved in legal actions and commercial disputes. Consequently, the Group has exercised its judgement to assess the risks incurred on a case-by-case basis and a provision was recorded to cover an expected outflow of resources. In cases viewed as unsubstantiated or insufficiently argued, no provision was recognised. The following legal actions and business disputes are underway:

Viasat Brasil:

Following a significant violation by ViaSat Brasil of its legal obligations, the Group cancelled the agreement signed with this company for the use of the Ka-band payload on the EUTELSAT 3B satellite. Capacity on this satellite was taken over by another client.

ViaSat Brasil claimed compensation from Eutelsat before the Rio de Janeiro commercial court. Eutelsat has strongly challenged the claim. As of 31 December 2015, the court has not issued any judgement.

Tax dispute in France:

Eutelsat S.A. is subject to a tax audit procedure for financial years ended 30 June 2012, 2013 and 2014. Eutelsat S.A. has received a tax adjustment notification amounting to 3.4 million euros in respect of the financial year ended 30 June 2012. A provision was recognised for this amount in the half-year accounts.

Horizonsat:

During the financial year ended 30 June 2015, Eutelsat S.A. was summoned by Horizonsat before the Commercial Court of Paris for unilateral termination without compensation of a commercial bid. As of 31 December 2015, the court has not issued any judgement.

Frequency right:

Discussions are underway between Eutelsat and the Italian Ministry of Telecommunications on the use of landing rights.

NOTE 18. RELATED PARTY TRANSACTIONS

Related party transactions consist of:

- The direct and indirect shareholders and their subsidiaries who have significant influence, which is presumed where more than 20% of the shares are held or where the investor sits at the Board of Directors of one of the Group's entities;
- The minority shareholders of entities which the Group consolidates using the full consolidation method;
- Companies in which the Group has an equity interest that it consolidates under the equity method, and
- "Key management personnel".

The Group considers that the concept of "key management personnel" as applied to Eutelsat's governance includes members of the administrative and management bodies, namely the Chairman and CEO, the Deputy CEO and the other members of the Board of Directors.

Apart from key management personnel, Eutelsat Group considers as related parties only those relations having interests in associates under IFRS 12. The other relations are not considered as material.

NOTE 19. SUBSEQUENT EVENTS

No significant event occurred between the balance sheet date and the date on which the consolidated financial statements were approved by the Board of Directors.