Eutelsat Communications Group

Société anonyme with a capital of 219 641 955 euros
Registered office: 70, rue Balard 75 015 Paris
481 043 040 R.C.S. Paris

INTERIM CONSOLIDATED ACCOUNTS
AT 31 DECEMBER 2008

CONSOLIDATED BALANCE SHEET
(in thousands of euros)

ASSETS	**Note**	**30 June 2008**	**31 December 2008**
Non-current assets			
Goodwill	4	804 869	805 626
Intangible assets	4	785 340	763 140
Satellites and other property and equipment, net	5	1 469 927	1 352 287
Prepayments for assets under construction	5	757 415	964 856
Investments in associates		177 169	203 922
Non-current financial assets		2 498	2 628
Deferred tax assets		2 255	23 337
TOTAL NON-CURRENT ASSETS		**3 999 473**	**4 115 796**
Current assets			
Inventories		2 013	2 373
Accounts receivable		239 435	299 330
Other current assets		17 148	21 889
Current tax receivable		23 579	1 559
Current financial assets	6	193 005	6 175
Cash and cash equivalents		21 321	111 039
TOTAL CURRENT ASSETS		**496 501**	**442 365**
TOTAL ASSETS		**4 495 974**	**4 558 161**

LIABILITIES AND SHAREHOLDERS' EQUITY	**Note**	**30 June 2008**	**31 December 2008**
Shareholders' equity	8		
Share capital		219 642	219 642
Additional paid-in capital		662 566	526 209
Reserves and retained earnings		469 511	503 794
Minority interests		65 525	61 030
TOTAL SHAREHOLDERS' EQUITY		**1 417 244**	**1 310 675**
Non-current liabilities			
Non-current bank debt	9	2 412 189	2 503 490
Other non-current financial liabilities		60 150	46 164
Other non-current debt		20 603	22 863
Non-current provisions		35 631	35 626
Deferred tax liabilities		311 417	265 205
TOTAL NON-CURRENT LIABILITIES		**2 839 990**	**2 873 347**
Current liabilities			
Current bank debt	9.2	31 333	17 276
Other current financial liabilities		33 799	103 576
Accounts payable		50 909	38 767
Fixed assets payable		35 668	93 028
Taxes payable		9	31 369
Other current payables		77 022	82 526
Current provisions		10 000	7 597
TOTAL CURRENT LIABILITIES		**238 740**	**374 139**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**4 495 974**	**4 558 161**

The Notes are an integral part of the interim consolidated accounts

CONSOLIDATED INCOME STATEMENT
(in thousands of euros, except per share data)

	Note	Six-month period ended 31 December 2007	Twelve-month period ended 30 June 2008	Six-month period ended 31 December 2008
Revenues		429 380	877 765	463 460
Revenues from operations		**429 380**	**877 765**	**463 460**
Operating costs		(32 042)	(69 239)	(32 139)
Selling, general and administrative expenses		(48 137)	(112 780)	(56 299)
Depreciation and amortisation		(150 628)	(300 886)	(143 385)
Other operating income	1	710	3 858	25 112
Other operating charges	8.2	(5 445)	(19 870)	(437)
Operating income		**193 838**	**378 848**	**256 312**
Financial income		8 058	15 353	17 950
Financial expenses		(64 322)	(124 441)	(67 774)
Financial result	12	**(56 264)**	**(109 088)**	**(49 824)**
Income from associates		6 037	11 193	6 753
Net income before tax		**143 611**	**280 953**	**213 241**
Income tax expense	11	(48 907)	(97 509)	(71 196)
Net income		**94 704**	**183 444**	**142 045**
Group share of net income (loss)		88 450	172 276	135 162
Minority interests' share of net income		6 254	11 168	6 883
Earnings per share attributable to shareholders	13			
Basic earnings per share in €		0.407	0.790	0.616
Diluted earnings per share in €		0.404	0.789	0.615

The Notes are an integral part of the interim consolidated accounts

CONSOLIDATED STATEMENT OF CASH FLOWS
(in thousands of euros)

	Note	Six-month period ended 31 December 2007	Twelve-month period ended 30 June 2008	Six-month period ended 31 December 2008
Cash flow from operating activities				
Net income		94 704	183 444	142 045
Income from equity investments		(6 038)	(11 193)	(6 753)
Capital (gain) / loss on disposal of assets		(8)	84	(12)
Other non-operating items		109 622	209 408	128 136
Depreciation, amortisation and provisions		149 025	311 462	140 740
Deferred taxes		(4 645)	(144)	(9 369)
Changes in accounts receivable		(9 081)	(20 075)	(68 686)
Changes in other assets		(3 119)	(9 855)	13 093
Changes in accounts payable		(1 520)	8 564	(1 778)
Changes in other debt		8 556	5 936	42 463
Taxes paid		(52 522)	(111 039)	(26 172)
NET CASH INFLOW FROM OPERATING ACTIVITIES		**284 974**	**566 592**	**353 707**
Cash flows from investing activities				
Acquisitions of satellites, other property and equipment and intangible assets		(148 612)	(377 224)	(120 705)
Acquisitions of equity investments		-	(45 250)	(20 000)
Proceeds from sale of assets		157	589	151
Acquisition of minority interests		(3 375)	(47 680)	(1 820)
Changes in other non-current financial assets		(158)	563	(120)
Dividends received from associates		1 535	1 535	2 473
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(150 453)**	**(467 467)**	**(140 021)**
Cash flows from financing activities				
Changes in capital		150	150	-
Distributions		(138 920)	(138 920)	(141 737)
Increase in debt		99 877	100 000	89 917
Repayment of debt		-	(168)	-
Repayment in respect of performance incentives and long-term leases		(11 321)	(21 232)	(8 045)
Interest and other fees paid		(44 623)	(91 623)	(52 596)
Interest received		2 478	4 314	2 856
Other changes		11 915	17 204	1 628
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(80 444)**	**(130 275)**	**(107 977)**
Impact of exchange rate on cash and cash equivalents		29	501	(786)
Increase (decrease) in cash and cash equivalents		**54 106**	**(30 649)**	**104 922**
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		**36 758**	**36 758**	**6 109**
CASH AND CASH EQUIVALENTS, END OF PERIOD		**90 864**	**6 109**	**111 031**
Cash reconciliation				
Cash		95 185	21 318	111 038
Overdraft included under debt (1)	9.2	(4 321)	(15 209)	(7)
Cash and cash equivalents per cash flow statement		**90 864**	**6 109**	**111 031**

(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 part of “Current bank debt” within “Current liabilities” on the balance sheet.

The Notes are an integral part of the interim consolidated accounts

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(in thousands of euros, except per share data)

(in thousands of euros)	Note	Common stock Number	Common stock Amount	Additional paid-in capital	Reserves and retained earnings	Minority interests	Total
30 June 2007		**217 401 082**	**217 401**	**776 135**	**242 523**	**75 454**	**1 311 513**
Translation adjustment					(54)	(4)	(58)
Change in fair value of cash-flow hedging instruments					(31 928)	(478)	(32 406)
Tax impact					10 993	165	11 157
Income and expenses recognised directly under equity					**(20 989)**	**(317)**	**(21 307)**
Net income for the period					88 450	6 254	94 704
Total income and expenses recognised for the period					**67 461**	**5 937**	**73 397**
Transactions affecting the capital [(1)]		1 202 631	1 203	(4 984)	20 080		16 299
Treasury stock					(293)		(293)
Changes in scope of consolidation						10 662	10 662
Distributions				(126 713)		(12 207)	(138 920)
Benefits for employees upon exercising options and free shares granted					1 984	(1)	1 983
ABSA commitments					7 299	(23 560)	(16 261)
Liquidity offer					2 043	(1 626)	417
31 December 2007		**218 603 713**	**218 604**	**644 438**	**341 097**	**54 658**	**1 258 797**
30 June 2008		**219 641 955**	**219 642**	**662 566**	**469 511**	**65 525**	**1 417 244**
Translation adjustment					24	1	25
Change in fair value of cash-flow hedging instruments					(165 877)	(2 368)	(168 245)
Tax impact					57 112	815	57 927
Income and expenses recognised directly under equity					**(108 741)**	**(1 552)**	**(110 293)**
Net income for the period					135 162	6 883	142 045
Total income and expenses recognised for the period					**26 421**	**5 331**	**31 752**
Transactions affecting the capital [(1)]				(4 610)	4 610		
Treasury stock					9		9
Changes in scope of consolidation					(440)	2 760	2 320
Distributions				(131 747)		(9 990)	(141 737)
Benefits for employees upon exercising options and free shares granted					1 857		1 857
ABSA commitments					1 476	(2 785)	(1 309)
Liquidity offer					350	189	539
31 December 2008		**219 641 955**	**219 642**	**526 209**	**503 794**	**61 030**	**1 310 675**

[(1)] The amount shown as additional paid-in capital includes negative retained earnings of € 20 080 thousand for this item at 31 December 2007 and. € 4 610 at 31 December 2008.

The Notes are an integral part of the interim consolidated accounts

NOTES TO THE INTERIM CONSOLIDATED ACCOUNTS

NOTE 1: KEY EVENTS DURING THE PERIOD

- During the first half of FY 2008-2009, the Eutelsat Communications Group (also called "the Group" or "Eutelsat") continued and finalised the process of simplifying its legal structure. The WhiteBirds France S.A.S. company was absorbed under a merger-absorption arrangement by the SatBirds 2 S.A.S. company, with SatBirds 2 S.A.S. subsequently being absorbed under a merger-absorption arrangement by Eutelsat Communications Finance S.A.S.
  Eutelsat Communications Finance S.A.S., which is fully owned by Eutelsat Communications, therefore directly owns 95.09% of the Eutelsat S.A. sub-group, with 0.72% of the latter being held by Eutelsat Communications.
  These operations do not affect the Group's consolidated accounts.

- During the night of 16 to 17 June 2008, the W5 satellite suffered an anomaly affecting part of its power supply sub-system and compelling the Group to reduce the number of transponders in service by four. Following an assessment of the anomaly with Thales Alenia Space, the satellite's estimated remaining in-orbit life was reduced by three years.

  Corrective action was undertaken during the period. This resulted in a new assessment of the satellite's remaining in-orbit life, which was now estimated as having been reduced by one year instead of three.

- During the night of 20 to 21 December 2008, the HOT BIRD™9 and W2M satellites were launched by an Ariane 5 ECA rocket. The two satellites were scheduled to enter operational service during the first calendar quarter of 2009.

- As of 30 June 2007, the Group and a related party had signed an agreement whereby, if certain conditions came together, the Group could receive € 25 million in return for transferring certain rights in an equity interest.

  All the necessary conditions were fulfilled by July 2008, including completion of a transaction triggering effective payment of the € 25 million. The relevant amount was recognised within "Other operating income" for the period.

  The Group also obtained a put option vis-à-vis the related party, with no limitation on validity, exercisable twice each year in respect of the equity interest concerned.

Financial crisis

The financial crisis is one of the key events of the period and could have major repercussions on corporate financial positions. However, there has been no significant effect so far on the consolidated results of the Eutelsat Communications Group for the six-month period ended 31 December 2008. Analysis of the principal risks regarding a possible impact on the Group's books highlights the following main points:

- Controlling liquidity risk:

  Our existing credit lines were negotiated in 2004 and 2006 under the conditions reported in Note 9. The Group has no need to refinance these credit lines because they only mature between November 2011 and June 2013.

  At 31 December 2008, the Group also has undrawn credit facilities amounting to € 700 million. These credit facilities have been set up with banking syndicates of between 27 and 47 financial institutions, depending on the particular credit line involved, and counterpart risk therefore appears limited. The Group considers that there should be no significant adverse effect on the scope for drawing on the facilities concerned.

  Finally, as a protective measure against counterpart risk, the Group has modified its policy of investing cash surpluses recognised as cash equivalents. Investments are made with a number of leading financial institutions, essentially involving mutual funds (OPCVM de trésorerie) invested in European State bonds or diversified money-market funds (SICAV monétaires) and bank deposit warrants.

  (see Note 7 – *Cash and cash equivalents*, Note 9 – *Bank debt* and Note 14 – *Financial instruments*)

- Limited sensitivity to foreign-exchange risk:

  The Group is principally exposed to fluctuations in the exchange rate for the US dollar. Given its expected US dollar revenues for the current year, its investment programme and the hedges it has put in place, Eutelsat estimates its positive net annual position at the date of adopting its interim consolidated accounts at USD 7 million. Sensitivity to the dollar exchange rate is not therefore a significant risk during this period.

  (see Note 14 – *Financial instruments)*

- Interest rate risk management

  Given how interest rates have evolved as a result of the financial crisis, the fair value of the Group's financial instruments has fallen substantially, and this has been recognised within equity. The efficacy of these hedges, however, is not being called into question.

  For information, almost all the debt is variable-rate debt and cash-flow hedges have been put in place (pay fixed / receive variable swaps).

  (see Note 9 – *Bank debt* and Note 14 – *Financial instruments)*

Limitation of financial counterpart risk in insurance matters:

As of 31 December 2008, the Group's existing L+1 insurance (launch + 1 year) and in-orbit insurance policies have been taken out with insurance syndicates of 27 insurers and 18 insurers respectively, generally with ratings of between AA- and A+. Financial 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.

- Financial guarantee granted to a pension fund

  The value of plan assets at 31 December 2008 is € 143.5 million compared to € 145.8 million at 30 June 2008 and in the present context shows no significant deterioration.

- Limitation of customer risk:

The diversity of its customer portfolio enables the Group to limit its exposure to concentration risk. Similarly, credit risk is managed primarily through bank guarantees with leading financial institutions, as well as deposits and credit insurance for the countries at risk. In spite of the volatile environment, the Group has not observed at this stage any significant deterioration in payment times.

NOTE 2: ADOPTION OF THE ACCOUNTS

The interim half-year consolidated accounts of Eutelsat Communications at 31 December 2008 have been prepared under the responsibility of the Board of Directors, which adopted them at its meeting held on 9 February 2009.

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 – Compliance with IFRS

The consolidated half-year accounts at 31 December 2008 have been prepared in accordance with IFRS, as adopted by the European Union and effective as of that date. The relevant texts are available for consultation at the following Web site:

http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission

They have been prepared on a historical cost basis, except for certain items for which the standards require measurement at fair value, and in accordance with IAS 34 "Interim Financial Reporting". They do not therefore contain all the information and Notes required under IFRS 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 2008.

3.2 – Published standards and interpretations

The accounting methods and rules used in preparing these interim half-year accounts are identical to those used for the consolidated full-year financial statements for the year ended 30 June 2008, after applying or, as appropriate, with the exception of the new standards and interpretations described below.

The following standards and interpretations whose application is compulsory as from the beginning of the current financial year on 1 July 2008 have been taken into account and reviewed by the Group.

- Amendments to IAS 39 “Financial instruments: Recognition and Measurement" and IFRS 7 “Financial Instruments: Disclosures”, on the reclassification of financial assets;

- IFRIC 13 “Customer Loyalty Programmes”;

- IFRIC 14 “IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”.

None of these texts has had an impact on previous financial periods nor on the consolidated half-year accounts at 31 December 2008.

Additionally, no standard or interpretation has been applied in advance, and the Group is currently carrying out an analysis of the practical consequences of the new texts and of the effects of applying them in the accounts:

- Amendment to IAS 1 “Presentation of Financial Statements”, applicable from 1 January 2009;
- IFRS 8 “Operating Segments”, for which application is compulsory in respect of financial reporting periods beginning 1 January 2009 or later;
- Amendment to IAS 23 “Borrowing Costs”, for which application is compulsory from 1 January 2009;
- Amendment to IFRS 2 “Vesting Conditions and Cancellations”, applicable from 1 January 2009;
- Amendment to IAS 32 and IAS 1: “Puttable Financial Instruments and Obligations Arising on Liquidation”, applicable from 1 January 2009
- Improvement of IFRS applicable for financial years beginning on or after 1 July 2009.

3.3 - Periods presented and comparatives

The six-month period ends 31 December 2008.

The functional currency and the currency used in the presentation of the accounts is the euro.

3.4 – Use of estimates

The preparation of consolidated accounts requires Management to make estimates and assumptions that may affect the amounts of assets, liabilities, income and expenses appearing in these accounts and their accompanying Notes.

Eutelsat Communications constantly updates its estimates using past experience as well as other relevant factors related to the economic environment. Based upon any changes in these assumptions or other factors, amounts that will be shown in future financial statements may differ from present estimates.

These estimates and assumptions relate in particular to:

- recognition of revenues (assessment of the recoverability of accounts receivable),
- provisions for bad debt, exposure to credit risk, risk profile
- provisions for risks and for employee benefits
- the income tax expense and recognition of deferred tax assets (see Note 8 – *Income tax expense*).

- determination of goodwill and other intangible assets and any impairment thereof (see Note 4 – *Goodwill and other intangibles*).
- fair value measurement of financial instruments (see Note 14 – *Financial instruments*).
- appraisal of satellites' useful lives and their impairment (see Note 5 – *Satellites and other property and equipment*).
- Appraisal of the results and equity value of Hispasat.

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.

NOTE 4: GOODWILL AND OTHER INTANGIBLES

"Goodwill and Other Intangibles" breaks down as follows:

Changes in gross assets

(in thousands of euros)	Goodwill	Customer contracts and relationships	Eutelsat brand	Other intangibles	Total
30 June 2008	**804 869**	**889 000**	**40 800**	**1 004**	**1 735 673**
Effect of changes in the scope of consolidation	-	-	-	-	-
Separate acquisitions	757	-	-	31	788
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
31 December 2008	**805 626**	**889 000**	**40 800**	**1 035**	**1 736 461**

Since 30 June 2008, the Group has acquired from Eutelsat S.A. employees, under liquidity offers in July and December 2008, 565 073) shares in Eutelsat S.A. representing overall 0.0558% of its capital.

These acquisitions of minority interests resulted in the recognition of goodwill totalling € 757 thousand. The acquisition cost is € 1 821 thousand.

Changes in accumulated depreciation and impairment

(in thousands of euros)	Goodwill	Customer contracts and relationships	Eutelsat brand	Other intangibles	Total
Accumulated depreciation at 30 June 2008	**-**	**(144 463)**	**-**	**(1 002)**	**(145 466)**
Annual allowance	-	(22 225)	-	(5)	(22 230)
Reversals	-	-	-	-	-
Impairment	-	-	-	-	-
Accumulated depreciation at 31 December 2008	**-**	**(166 688)**	**-**	**(1 007)**	**(167 695)**

Net assets

(in thousands of euros)	Goodwill	Customer contracts and relationships	Eutelsat brand	Other intangibles	Total
Net value at 30 June 2008	**804 869**	**744 537**	**40 800**	**2**	**1 590 208**
Net value at 31 December 2008	**805 626**	**722 312**	**40 800**	**28**	**1 568 766**

At 31 December 2008, the goodwill was subjected to the annual impairment test, and this did not call into question the amount shown on the balance sheet. The recoverable amount was approximated using the fair value derived from the market value of Eutelsat S.A. This market value was measured by analysing the implicit value of Eutelsat S.A. based on the stock-exchange value of Eutelsat Communications S.A. (and taking into account this Company’s debt) compared with / corroborated by the latest private transactions involving Eutelsat S.A. shares.

This method remains valid in the present economic environment, as market capitalisation is still relatively stable with respect to the figure used for the latest impairment test. In terms of sensitivity, there would have to be a negative variation in the stock-exchange price of at least.60% for the fair value representing the recoverable value in this particular instance to fall below the carrying amount. Should such an event occur, a test would be developed based on the value in use.

NOTE 5: SATELLITES AND OTHER PROPERTY AND EQUIPMENT

Changes in gross assets

(in thousands of euros)	Satellites	Other property and equipment	Satellites under construction	Total
30 June 2008	**2 186 919**	**155 002**	**757 415**	**3 099 336**
Change in gross value	(10 632)	-	-	(10 632)
Effect of changes in the scope of consolidation	-	-	-	
Acquisitions	2 545	12 282	207 441	222 268
Disposals and scrapping of assets	-	(272)	-	(272)
Transfers	-	-	-	-
31 December 2008	**2 178 832**	**167 012**	**964 856**	**3 310 700**

Changes in accumulated depreciation and impairment

(in thousands of euros)	Satellites	Other property and equipment	Satellites under construction	Total
Accumulated depreciation at 30 June 2008	**(803 689)**	**(68 305)**	**-**	**(871 994)**
Annual allowance	(109 203)	(12 493)	-	(121 696)
Reversals	-	134	-	134
Impairment	-	-	-	-
Accumulated depreciation at 31 December 2008	**(912 892)**	**(80 664)**	**-**	**(993 556)**

Net assets

(in thousands of euros)	Satellites	Other property and equipment	Satellites under construction	Total
Net value at 30 June 2008	**1 383 229**	**86 697**	**757 415**	**2 227 341**
Net value at 31 December 2008	**1 265 940**	**86 348**	**964 856**	**2 317 143**

Changes in satellite gross values are the result of cancelling part of the satellite incentive payments for W5, following the incident in June 2008.

During the night of 16 to 17 June 2008, the W5 satellite suffered an anomaly affecting part of its power supply sub-system and compelling the Group to reduce the number of transponders in service by four. Following an inquiry into the anomaly with Thales Alenia Space, the satellite's estimated remaining in-orbit life was reduced by three years.

Corrective action was undertaken during the period. This resulted in a new assessment of the satellite's remaining in-orbit life, which was now estimated as having been reduced by one year instead of three.

No impairment of value was recognised as a result of the anomaly, nor of the reduction in the satellite's projected lifetime.

The adjustment in gross value and the reduction in lifetime have been accounted for prospectively by modifying the depreciation charge.

The heading "Satellites under construction" at 31 December 2008 relates to the HOT BIRD™9 and W2M satellites launched on 20 December 2008 but not yet brought into service and to the HOT BIRD™10, W2A, W7, KaSAT and W3B satellites.

NOTE 6: CURRENT FINANCIAL ASSETS

(in thousands of euros)	30 June 2008	31 December 2008
Hedging instruments(1)	139 385	4 682
Other receivables	53 620	1 493
Total	**193 005**	**6 175**

(1) see Note 14 – *Financial instruments*

NOTE 7: CASH AND CASH EQUIVALENTS

Cash and cash equivalents are as follows:

(in thousands of euros)	30 June 2008	31 December 2008
Cash	11 776	58 915
Accrued interest	3	1
Cash equivalents	9 542	52 123
Total	**21 321**	**111 039**

Cash equivalents are mainly composed of deposit warrants, the great majority of which mature less than one month after the date of acquisition, and mutual funds (OPCVMs).

NOTE 8: SHAREHOLDERS' EQUITY

8.1 – Shareholders' equity

At 31 December 2008, the share capital of Eutelsat Communications S.A. comprised 219 641 955 shares with a nominal value of € 1 per share. In terms of treasury stock, Eutelsat Communications S.A. holds 51 587 shares with a value of € 843 843.91 under a liquidity agreement. These shares have been deducted from shareholders' equity.

Changes in the Company's share capital and additional paid-in capital since 30 June 2008 are presented below:

Definitive date of each operation	Operations	Number of shares issued/ cancelled	Nominal capital increase/reduction (in thousands of euros)	Additional paid-in capital (in thousands of euros)	Nominal share capital after each operation (in thousands of euros)	Cumulative number of shares	Nominal value of shares (in euros)
30/06/2008		-	-	662 566	219 642	219 641 955	1
06/11/2008	Allocation of the result at 30/06/08 (GM of 06/11/08)	-	-	(4 610)	219 642	219 641 955	1
06/11/2008	Distribution of dividends (GM of 06/11/08)	-	-	(131 747)	219 642	219 641 955	1
31/12/2008		-	-	526 209	219 642	219 641 955	1

On 6 November 2008, the Ordinary and Extraordinary General Meeting of Shareholders decided to distribute a gross amount of € 0.60 per share, i.e. a total of € 131 747 076.00, taken from “Additional paid-in capital”. In 2007, the amount distributed as a dividend was € 126 712 628.42, i.e. € 0.58 per share.

8.2 –Share-based payment

Impact of Eutelsat S.A. stock-option plans

During the period ended 31 December 2008, a total of 1 653 030 Eutelsat S.A. stock options were exercised. This capital increase generated a loss of dilution for Eutelsat Communications of € 437 thousand, recognised within “Other operating costs”.

8.3 – Change in the revaluation surplus of financial instruments

All financial instruments that have an impact upon the revaluation surplus are cash-flow hedges.

(in thousands of euros)	**Total**
Balance at 30 June 2008	**119 357**
Changes in fair value within equity	(151 445)
Transfer into the income statement	(16 800)
Balance at 31 December 2008	**(48 888)**

NOTE 9: BANK DEBT

9.1 – Non-current portion

At 30 June and 31 December 2008, all debt is denominated in euros.

At 31 December 2008, the Group has access to the following credit facilities:

- A syndicated credit facility for € 1 915 million entered into by Eutelsat Communications on 8 June 2006 for a period of seven years and consisting of two parts:

  - Tranche A: a long-life term loan for € 1 615 million, bearing interest at EURIBOR plus a margin of between 0.75% and 1.625%, depending on the Leverage Ratio (defined below).

  - Tranche B: a revolving credit facility for € 300 million; Amounts are drawn for a maximum period of 6 months and bear interest at EURIBOR plus a margin of between 0.75% and 1.625%, depending on the Leverage Ratio (defined below). A fee for non-use representing 30% to 35% of the margin mentioned above may be payable.

The agreement of 8 June 2006 includes neither a guarantee by Eutelsat Communications' subsidiaries nor the pledging of assets to the lenders.

This credit agreement includes restrictive clauses (subject to the usual exceptions contained in loan agreements) limiting the capacity of Group companies, in particular to:

- grant security interests or guarantees;
- enter into agreements resulting in additional liabilities;
- grant loans and carry out certain types of investments;
- enter into merger, acquisition, asset disposal, or lease transactions (with the exception of those carried out within the Group and expressly provided for in the loan agreement);
- modify the nature of the business of the Company or its subsidiaries.

The agreement allows each lender to request early repayment of all sums due if there is a change of control of the Company and of Eutelsat S.A. or in the event of concerted action. The Company must hold, directly or indirectly, 95% of the capital and voting rights of Eutelsat S.A. for the entire duration of the loan. The agreement entails an obligation to maintain launch-plus-one-year insurance policies for any satellite located at 13°East and, for any satellite located at another orbital position, a commitment not to have more than one satellite not covered by a launch insurance policy.

The credit facilities are linked to the following financial covenants, calculated on the basis of the Group's consolidated financial statements presented in accordance with IFRS.

- Leverage Ratio: consolidated net debt/consolidated EBITDA less than or equal to 5.5 for the half-year and full-year periods defined in the agreement, with the first being 30 June 2006; this ratio is then gradually reduced to 5.25 at 31 December 2008, to 5 at 31 December 2009, to 4.75 at 31 December 2010 and then to 4.50 at 31 December 2011.

- Interest Cover Ratio: Consolidated EBITDA/interest payable (due and matured) greater than or equal to 2.75 (if Leverage Ratio greater than 3.5).

In addition, interest rate hedging is required for a minimum period of three years to limit exposure to interest rate risk for no less than 50% of the amounts drawn under the term loan facility.

On 19 June 2006, Eutelsat Communications therefore acquired from its SatBirds Finance subsidiary the interest rate hedge put in place for the previous loan.

Eutelsat Communications has also put in place a new instrument for the period 2010 – 2013 (see Note 14 – *Financial Instruments*):

The interest periods for the Eutelsat Communications term loan are periods of 6 months beginning 29 April and 29 October each calendar year, except for the final period which runs from 29 April 2013 to 8 June 2013.

- a 7-year syndicated credit facility entered into in November 2004 by its subsidiary Eutelsat S.A. for an amount of € 1 300 million and comprising:
    - a € 650 million term loan repayable at maturity
    - a revolving credit facility for € 650 million (€ 250 million used as of 31 December 2008).

The amounts drawn on this credit facility bear interest at EURIBOR (or LIBOR for amounts drawn in U.S. dollars) plus a margin of between 0.25% and 0.75% depending on Eutelsat S.A.'s long-term debt rating assigned by Standard & Poor's. A fee for non-use representing 30% to 45% of the margin mentioned above may be payable.

The selected interest periods for the Eutelsat S.A. term loan are periods of 3 months beginning 31 March, 30 June, 30 September and 31 December each calendar year, except for the final period which runs from 30 September 2011 to 24 November 2011.

As from 31 December 2007, the interest periods for the EURIBOR 1 month–3 month basis swaps were reduced to periods of 1 month beginning 31 December, 31 January, 28 February, 31 March, 30 April, 31 May, 30 June, 31 July, 31 August, 30 September, 31 October and 30 November.

Amounts are drawn on these revolving credit facilities in periods of 3 months beginning 31 March, 30 June, 30 September and 31 December each calendar year, except for the final period which runs from 30 September 2011 to 24 November 2011.

Under the terms of this credit facility, Eutelsat S.A. is required to maintain a total net debt to annualised EBITDA (as these terms are defined contractually) ratio less than or equal to 3.75 to 1 and this ratio is tested at 30 June and 31 December each year.

- *Financial information at 30 June 2008 and 31 December 2008*

The non-current portion of the Group's bank debt at 30 June and 31 December 2008 breaks down as follows:

(in thousands of euros)	30 June 2008		31 December 2008	
	Fair value	**Carrying amount**	**Fair value**	**Carrying amount**
Eutelsat Communications term loan (Variable rate)	1 615 000	1 615 000	1 615 000	1 615 000
Eutelsat S.A. revolving credit facility (Variable rate)	160 000	160 000	250 000	250 000
Eutelsat S.A. term loan (Variable rate)	650 000	650 000	650 000	650 000
Fixed rate loan (Wins Ltd.)	338	338	254	254
Variable rate loan (Wins Ltd.)	500	500	500	500
Sub-total of debt (non-current portion)	**2 425 838**	**2 425 838**	**2 515 754**	**2 515 754**
Loan set-up fees		(13 649)		(12 265)
Total		**2 412 189**		**2 503 490**

At 31 December 2008, the Group has access to the following main credit facilities:

(in thousands of euros)	**Amount granted**	**Amount used**	**Maturity**
Eutelsat Communications term loan	1 615 000	1 615 000	8 June 2013
Eutelsat Communications revolving credit facility	300 000	-	8 June 2013
Eutelsat S.A. revolving credit facility	650 000	250 000	24 November 2011
Eutelsat S.A. term loan	650 000	650 000	24 November 2011
Wins fixed rate loan	900	381	31 December 2011
Wins variable rate loan	500	500	31 December 2010
Total	**3 216 400**	**2 515 881**	

The weighted average rate of interest on amounts drawn under these revolving credit facilities for the period ended 31 December 2008 was 5.8% (3.9% after the effects of hedging activities are included).

At 31 December 2008, the debt maturity analysis is as follows:

(in thousands of euros)	31 December 2008	Maturity within one year	Maturity between 1 and 5 years
Eutelsat Communications term loan	1 615 000	-	1 615 000
Eutelsat S.A. term loan	650 000	-	650 000
Eutelsat S.A. revolving credit facility	250 000	250 000	-
Wins Ltd. fixed rate loan	381	127	254
Wins Ltd. variable rate loan	500	-	500
Total	**2 515 881**	**250 127**	**2 265 754**

Considering the full range of financial instruments available to the Group at 31 December 2008, an increase of ten base points (+ 0.10%) over the EURIBOR interest rate would generate an additional interest expense, on an annual basis, of € 807 thousand in the consolidated income statement at 31 December 2008.

9.2 – Current portion

Current bank debt includes accrued interest not yet due as of 31 December 2008 on the debt described in Note 9.1. Current bank debt is as follows:

(in thousands of euros)	30 June 2008	31 December 2008
Bank overdrafts	15 209	7
Accrued interest not yet due	15 997	17 142
Portion of the loans due within one year (excluding revolving credit)	127	127
Total	**31 333**	**17 276**

NOTE 10: OTHER FINANCIAL LIABILITIES

(in thousands of euros)

	30 June 2008	31 December 2008
Financial instruments [1]	-	50 617
Performance incentives [2]	65 371	45 529
Finance leases [3]	2 027	3 569
Other liabilities	26 551	50 025
Total	**93 949**	**149 740**
- current part	33 799	103 576
- non-current part	60 150	46 164

[1] (see Note 14 – *Financial instruments*

[2] Including interest related to "Performance incentives" of € 19 821 thousand at 30 June 2008 and € 14 435 thousand at 31 December 2008.

[3] At 30 June 2008 and 31 December 2008, amounts of interest on finance leases are not material.

NOTE 11: INCOME TAX EXPENSE

"Income tax expense" shows current and deferred tax expenses for consolidated entities.

The Group's income tax expense is as follows:

	Six-month period ended 31 December	
(in thousands of euros)	**2007**	**2008**
Current tax expense	(53 552)	(72 912)
Deferred tax income (expense)	4 645	1 716
Total income tax expense	**(48 907)**	**(71 196)**

The theoretical income tax expense, based on application to the pre-tax result (excluding the share of net income from equity investments) of the standard French corporate income tax rate, can be reconciled to the actual expense as follows:

(in thousands of euros)	**31 December 2007**	**31 December 2008**
Income before tax and income from equity investments	137 574	206 488
Standard French corporate income-tax rate	*34.43%*	*34.43%*
Theoretical income-tax expense	(47 367)	(71 094)
Permanent differences and other items	(1 540)	(102)
Corporate income tax expense in the income statement	**(48 907)**	**(71 196)**
Actual corporate income tax rate	*36%*	*34%*

At 31 December 2007, the tax expense of 36% was due mainly to the non-deductible dilution losses recognised for the period of € 5 445 thousand. At 31 December 2008, the Group's effective income tax rate is close to the standard income tax rate in France (34.43%).

NOTE 12: FINANCIAL RESULT

The financial result is made up as follows:

(in thousands of euros)	Six-month period ended 31 December 2007	Twelve-month period ended 30 June 2008	Six-month period ended 31 December 2008
Interest expense (banks)	(48 021)	(93 903)	(53 741)
Other interest expense [2]	(944)	1 405	18 092
Loan set-up fees	(1 558)	(2 974)	(1 488)
Commitment fees and other similar charges	(1 217)	(2 504)	(1 120)
Changes in financial instruments[1]	(5 724)	(18 384)	(18 446)
Provisions for risks and expenses	(1 687)	(1 622)	(144)
Foreign-exchange losses	(5 171)	(10 832)	(10 927)
Financial expenses	**(64 322)**	**(128 814)**	**(67 774)**
Changes in financial instruments[1]	-	4 373	1 372
Interest income	2 478	4 313	2 855
Provision on financial assets	-	139	16
Reversal of provisions for risks and expenses	-	-	454
Foreign-exchange gains	5 580	10 900	13 253
Financial income	**8 058**	**19 725**	**17 950**
Financial result	**(56 264)**	**(109 089)**	**(49 824)**

[1] Changes in financial instruments reflect a net expense of € 17.1 million and are presented in Note 14 *– Financial instruments*.

[2] The amount shown is the interest expense net of loan costs charged to the value of the eligible assets. These capitalised costs were € 3.5 million at 31 December 2007, € 8.3 million at 30 June 2008 and € 14.8 million at 31 December 2008.

The paid portion of the capitalised interest expense is included within financing expenses in the consolidated cash-flow statement under the heading "Interest and other fees paid".

The interest rates used to determine the amount of interest expense eligible for capitalisation were 4.4% at 31 December 2007, 4.3% at 30 June 2008 and 4.2% at 31 December 2008. "Other interest expense" also includes interest related to satellite performance incentives (€ 2.2 million at 31 December 2007, € 4.5 million at 30 June 2008 and a net reduction of € 2.4 million at 31 December 2008 respectively).

NOTE 13: EARNINGS PER SHARE

The following two tables show the reconciliation between net income and net earnings attributable to shareholders (basic and diluted) used to compute earnings per share (basic and diluted):

	31 December 2007	31 December 2008
Net income	94 704	142 045
Income from subsidiaries attributable to minority interests, before taking into account the dilutive instruments in the subsidiaries	(6 117)	(6 849)
Net earnings used to compute basic earnings per share	**88 586**	**135 196**

	31 December 2007	31 December 2008
Net income	94 704	142 045
Income from subsidiaries attributable to minority interests, after taking into account the dilutive instruments in the subsidiaries	(6 680)	(6 887)
Net earnings used to compute diluted earnings per share	**88 024**	**135 158**

Reconciliation between the number of shares used to compute basic and diluted earnings per share is provided below, as of 31 December 2007 and 31 December 2008:

	31 December 2007	31 December 2008
Restated weighted average number of shares used to compute basic earnings per share	217 886 117	219 641 955
Incremental number of additional shares that would result from the exercise of outstanding stock options (1)	-	-
Restated weighted average number of shares used to compute diluted earnings per share (1)	**217 886 117**	**219 641 955**

(1) At 31 December 2007 and 31 December 2008, only the subsidiary Eutelsat S.A. had issued dilutive instruments. The incremental number of additional shares which could be issued upon the exercise of outstanding stock options is computed using the average market price during the related period.

As its subsidiary Eutelsat S.A. is not listed, Management estimated the average market price based on the latest evaluations performed and the latest transactions between shareholders.

NOTE 14: FINANCIAL INSTRUMENTS

The Group has exposure to market risks, particularly with regard to foreign exchange and interest rates. Exposure to such risks is actively managed by Management, and for this purpose the Group employs a certain number of derivatives, the objective of which is to limit, where appropriate, the fluctuation of revenues and cash-flows due to variations in interest rates and foreign-exchange rates. The Group's policy is to use derivatives to manage such exposure. The Group does not engage in financial transactions whose associated risk cannot be quantified at their outset, i.e. the Group never sells assets it does not possess or does not know it will subsequently possess.

14.1 – Foreign-exchange risk

The Group's functional currency is the euro and the Group is therefore principally exposed to fluctuations in the value of the U.S. dollar. As a means of preserving the value of assets, commitments and forecast transactions, the Group consequently enters into contracts whose value fluctuates in line with changes in the euro/dollar exchange rate. In particular, the Group hedges certain future U.S. dollar revenues by means of financial instruments such as options contracts, forward currency transactions and foreign currency deposits. These instruments are traded over-the-counter with first-rate banking counterparts.

Purchase commitments relate to construction contracts for satellites and to launch contracts. They generally mature after three years and payments are made according to a pre-determined payment schedule. Commitments to sell relate to contracts denominated in US dollars.

During the financial year ended 30 June 2008 and the first half (i.e. to 31 December 2008) of the financial year ending 30 June 2009, the Group only purchased foreign exchange options (euro calls / US dollar puts) and sold synthetic forwards with a knock-in option.

The net position in terms of controlling foreign-exchange risk at 31 December 2008 is as follows:

(in thousands of euros)

Assets	68 248
Liabilities	17 405
Net position before risk management	**50 843**
Off-balance-sheet position (forward transaction plus knock-in option (Europe))	34 014
Net position after risk management	**16 829**

Considering its exposure to foreign-currency risk, the Group estimates that a 1% reduction in the value of the US dollar against the euro would not have a significant impact.

14.2 – Interest rate risk

The Group's exposure to interest-rate risk is managed by hedging its variable rate debt.

To hedge its debt, the Group has set up the following interest rate hedges:

- a tunnel (purchase of a cap and sale of a floor) over three years until 29 April 2008 for a notional amount of € 1 615 million to hedge the long-life Eutelsat Communications term loan.

- for a period of two years in April 2008, a forward pay fixed/receive variable swap for a notional amount of € 807.5 million and the purchase of a forward cap for a notional amount of € 807.5 million, to hedge the Eutelsat Communications' -term loan.

At end-September 2006, a new forward interest-rate hedge (Years 6 and 7) was put in place:

- A pay fixed/receive variable interest rate swap for a notional amount of € 1 615 million to hedge the Eutelsat Communications term loan.

For each of these instruments; the interest periods are periods of 6 months beginning 29 April and 29 October each calendar year, except for the final period which runs from 29 April 2013 to 8 June 2013.

In addition, at the level of the Eutelsat S.A. sub-group, the following corresponding derivatives have been put in place to hedge the syndicated credit facility entered into in November 2004 for a notional amount of € 1 300 million:

- A pay fixed/receive variable interest rate swap entered into in November 2004 covering the long-term € 650 million portion of the 7-year term loan until its maturity; and
- A pay fixed/receive variable swap entered into in February 2007 for a notional amount of € 250 million over 4 years until maturity of the € 650 million revolving credit facility;
- Purchase of a cap in March 2007 in return for payment of a premium (€ 2 million) for a notional amount of € 200 million over 4 years until maturity of the € 650 million revolving credit facility;
- In November 2007, a new pay 3-month EURIBOR / receive 1-month EURIBOR basis swap was put in place for a period of 6 months until 30 June 2008,

This "pay 3-month EURIBOR / receive 1-month EURIBOR" swap operation has twice been renewed:

- on 11 June 2008 for a period of 6 months until 31 December 2008
- on 21 November 2008 for a period of 6 months until 30 June 2009

These last three basis swap operations are combined with the pay fixed swap put in place to hedge the € 650 million term loan.

For each of these instruments, with the exception of the basis swaps, the interest periods are periods of 3 months beginning 31 March, 30 June, 30 September and 31 December each calendar year, except for the final period which runs from 30 September 2011 to 24 November 2011.

14.3 – Financial counterpart risk

Counterpart risk includes issuer risk, execution risk in connection with derivatives or monetary instruments, and credit risk related to liquidity and long-term investments. The Group minimises its exposure to issuer risk and its exposure to credit risk by acquiring only financial products with first-rate financial institutions or banks. Exposure to these risks is closely monitored and maintained within predetermined limits.

The Eutelsat Communications banking syndicate is made up of 47 lenders as of 31 December 2008. The Eutelsat S.A. banking syndicate consists of 27.

If any of the lenders defaults on the term loan part of the credit facilities, the Group retains the amounts initially allocated in full.

If any counterpart defaults on the revolving part of a credit facility, the amount obtained may be less than the total amount requested. In this case, the Group has the possibility of drawing one or more additional amounts from the other counterparts in order to obtain the extra sums needed to make up the total amount required.

The Group does not foresee any loss resulting from a failure by its counterparts to respect their commitments under the agreements it has concluded.

14.4 – Liquidity risk

The Group manages liquidity risk by using a tool that enables it to monitor and manage its recurring requirements and liquidity needs. This tool takes into account the maturity of financial investments, financial assets and estimated future cash flows from operating activities.
The Group’s objective is to maintain a balance between continuity of its funding needs and their flexibility through the use of overdraft facilities, term loans and revolver lines of credit from banks, and satellite leases.

Thirty-six per cent of the Group’s debt matures in November 2011 and 64% in June 2013.

14.5 – Key figures at 31 December 2008

The following tables analyse the contractual or notional amounts and fair value of the Group’s derivatives as of 31 December 2007, 30 June 2008 and 31 December 2008 by type of contract. The instruments are valued by the Group’s banking counterparts, and this valuation is verified/validated by an independent expert.

(in thousands of euros)	**Contractual or notional amounts**	**Fair value 31 December 2007**	**Change in fair value during the period**	***Impact on income***	***Impact on equity***
Foreign exchange options (Eutelsat S.A.)	101 101	6 849	3 209	*3 209*	-
Total foreign exchange derivatives		***6 849***	***3 209***	***3 209***	***-***
Tunnel (Eutelsat Communications)	1 615 000	12 851	(8 574)	*(5 004)*	*(3 570)*
Forward swap (Eutelsat Communications)	807 500	16 438	(4 989)	-	*(4 989)*
Forward swap (Eutelsat Communications)	1 615 000	26 878	(9 384)	-	*(9 384)*
Purchased cap (Eutelsat Communications)	807 500	7 577	(4 055)	*547*	*(4 602)*
Swap (Eutelsat S.A.)*	650 000	22 310	(9 344)	*25*	*(9 369)*
Swap (Eutelsat S.A.)*	650 000	(494)	(494)	*(2)*	*(492)*
Swap (Eutelsat S.A.)	250 000	2 544	(2 924)	*(2 924)*	-
Cap (Eutelsat S.A.)	200 000	3 597	(1 574)	*(1 574)*	-
Total interest rate derivatives		***91 701***	***(41 338)***	***(8 933)***	***(32 406)***
Total derivatives		**98 550**	**(38 129)**	**(5 724)**	**(32 406)**

* Combined swaps

(in thousands of euros)	**Contractual or notional amounts**	**Fair value 30 June 2008**	**Change in fair value during the period**	***Impact on income***	***Impact on equity***
Foreign exchange options (Eutelsat S.A.)	27 027	1 589	(2 049)	*(3 702)*	*1 653*
Total foreign exchange derivatives		***1 589***	***(2 049)***	***(3 702)***	***1 653***
Tunnel (Eutelsat Communications)	1 615 000	-	(21 425)	*(13 282)*	*(8 143)*
Forward swap (Eutelsat Communications)	807 500	29 143	7 716	*1 807*	*5 909*
Forward swap (Eutelsat Communications)	1 615 000	42 612	6 349	-	*6 349*
Purchased cap (Eutelsat Communications)	807 500	18 609	6 977	*782*	*6 195*
Swap (Eutelsat S.A.)*	650 000	33 196	1 541	-	*1 541*
Swap (Eutelsat S.A.)*	650 000	(217)	(217)	-	*(217)*
Swap (Eutelsat S.A.) **	250 000	7 499	2 031	*(1 398)*	*3 429*
Cap (Eutelsat S.A.)	200 000	6 956	1 784	1 784	-
Total interest rate derivatives		***137 796***	***4 756***	***(10 307)***	***15 064***
Total derivatives		**139 385**	**2 707**	**(14 009)**	**16 717**

* Combined swaps
** Swap qualifying as a hedge for € 100 million since 1 April 2008

(in thousands of euros)	**Contractual or notional amounts**	**Fair value 31 December 2008**	**Change in fair value during the period**	***Impact on income***	***Impact on equity***
Synthetic forward transaction plus knock-in option (Eutelsat S.A.)	34 013	(1 721)	(1 721)	*193*	*(1 914)*
Foreign exchange options (Eutelsat S.A.)	27 027	-	(1 588)	*64*	*(1 652)*
Total foreign exchange derivatives		***(1 721)***	***(3 309)***	***257***	***(3 566)***
Swap (Eutelsat Communications)	807 500	(722)	(29 865)	*(1 458)*	*(28 407)*
Forward swap (Eutelsat Communications)	1 615 000	(25 339)	(67 951)	-	*(67 951)*
Purchased cap (Eutelsat Communications)	807 500	4 050	(14 559)	*(307)*	*(14 252)*
Swap (Eutelsat S.A.)*	650 000	(13 045)	(46 241)	*747*	*(46 988)*
Swap (Eutelsat S.A.)*	650 000	-	217	-	*217*
Swap (Eutelsat S.A.)*	650 000	(26)	(26)	-	*(26)*
Swap (Eutelsat S.A.) **	250 000	(9 763)	(17 262)	*(9 989)*	*(7 273)*
Cap (Eutelsat S.A.)	200 000	632	(6 324)	*(6 324)*	-
Total interest rate derivatives		***(44 213)***	***(182 011)***	***(17 331)***	***(164 680)***
Total derivatives		**(45 934)**	**(185 320)**	**(17 074)**	**(168 246)**

* Combined swaps
** Swap qualifying as a hedge for € 100 million since 1 April 2008

At 31 December 2008, the cumulative fair value of financial instruments is negative at € 45 934 thousand. This is composed of € 4 682 thousand recognised under "Current financial assets" (see Note 6 – *Current financial assets*) and € 50 616 thousand recognised within "Other current financial liabilities" (see Note 10 – *Other financial liabilities*).

At 31 December 2007, 30 June 2008 and 31 December 2008, the respective changes in fair value recognised within financial result in respect of financial instruments corresponded to a net expense of € 5 724 thousand, € 14 009 thousand and € 17 074 thousand.

Breakdown of financial instruments qualifying as hedges as of 31 December 2007, 30 June 2008 and 31 December 2008:

(in thousands of euros)	**Contractual or notional amounts**	**Fair value 31 December 2007**	**Change in fair value during the period**	***Impact on income (1)***	***Impact on equity***
Tunnel (Eutelsat Communications)	1 615 000	12 851	(8 574)	*(5 004)*	*(3 570)*
Forward swap (Eutelsat Communications)	807 500	16 438	(4 989)	-	*(4 989)*
Forward swap (Eutelsat Communications)	1 615 000	26 878	(9 384)	-	*(9 384)*
Purchased cap (Eutelsat Communications)	807 500	7 577	(4 055)	*547*	*(4 602)*
Swap (Eutelsat S.A.)*	650 000	22 310	(9 344)	*25*	*(9 369)*
Swap (Eutelsat S.A.)*	650 000	(494)	(494)	*(2)*	*(492)*
Total derivatives		**85 560**	**(36 840)**	**(4 434)**	**(32 406)**

* Combined swaps
(1) The ineffective portion of the hedges was not significant and has not been isolated.

(in thousands of euros)	**Contractual or notional amounts**	**Fair value 30 June 2008**	**Change in fair value during the period**	***Impact on income (1)***	***Impact on equity***
Foreign exchange options (Eutelsat S.A.)	27 027	1 589	795	*(858)*	*1 653*
Total foreign exchange derivatives		***1 589***	***795***	***(858)***	***1 653***
Tunnel (Eutelsat Communications)	1 615 000	-	(21 425)	*(13 282)*	*(8 143)*
Forward swap (Eutelsat Communications)	807 500	29 143	7 716	*1 807*	*5 909*
Forward swap (Eutelsat Communications)	1 615 000	42 612	6 349	-	*6 349*
Purchased cap (Eutelsat Communications)	807 500	18 609	6 977	*782*	*6 195*
Swap (Eutelsat S.A.)*	650 000	33 196	1 541	-	*1 541*
Swap (Eutelsat S.A.)*	650 000	(217)	(217)	-	*(217)*
Swap (Eutelsat S.A.) **	100 000	3 000	3 430	-	*3 430*
Total interest rate derivatives		***126 342***	***4 371***	***(10 693)***	***15 064***
Total derivatives		**127 931**	**5 166**	**(11 551)**	**16 717**

* Combined swaps
** Swap qualifying as a hedge for € 100 million since 1 April 2008
(1) The ineffective portion of the hedges was not significant and has not been isolated.

(in thousands of euros)	**Contractual or notional amounts**	**Fair value 31 December 2008**	**Change in fair value during the period**	***Impact on income (1)***	***Impact on equity***
Synthetic forward transaction plus knock-in option (Eutelsat S.A.)	34 013	(1 721)	(1 721)	*193*	*(1 914)*
Foreign exchange options (Eutelsat S.A.)	27 027	-	(1 588)	*64*	*(1 652)*
Total foreign exchange derivatives		***(1 721)***	***(3 309)***	***257***	***(3 566)***
Swap (Eutelsat Communications)	807 500	(722)	(29 865)	*(1 458)*	*(28 407)*
Forward swap (Eutelsat Communications)	1 615 000	(25 339)	(67 951)	-	*(67 951)*
Purchased cap (Eutelsat Communications)	807 500	4 050	(14 559)	*(307)*	*(14 252)*
Swap (Eutelsat S.A.)*	650 000	(13 045)	(46 241)	*747*	*(46 988)*
Swap (Eutelsat S.A.)*	650 000	-	217	-	*217*
Swap (Eutelsat S.A.)*	650 000	(26)	(26)	-	*(26)*
Swap (Eutelsat S.A.) **	100 000	(3 905)	(6 905)	*368*	*(7 273)*
Total interest rate derivatives		***(38 987)***	***(165 330)***	***(650)***	***(164 680)***
Total derivatives		**(40 708)**	**(168 639)**	**(393)**	**(168 246)**

* Combined swaps
** Swap qualifying as a hedge for € 100 million since 1 April 2008
(1) The ineffective portion of the hedges was not significant and has not been isolated.

NOTE 15: OTHER OFF-BALANCE SHEET LIABILITIES

15.1 – Purchase commitments

The Group has commitments with suppliers for the acquisition of assets and provision of services related to monitoring and control of its satellites.

Future minimum payments, as of 31 December 2008, are scheduled to be paid as follows:

(in millions of euros)	**31 December 2008**
2009	47
2010	24
2011	17
2012	8
2013 and thereafter	8
Total	**104**

Included in the above total is € 2.5 million related to purchase commitments entered into with a related party.

At 31 December 2008, future payments under satellite construction contracts amount to € 276 million, and future payments under launch agreements amount to € 110 million.

15.2 – In-orbit insurance

The Group's in-orbit insurance programme expired on 26 November 2008 and was replaced by a new 12-month programme entered into with a group of 18 insurers. The programme was defined by the Group with a view to minimising, at an acceptable cost, the impact on its balance sheet and income of losing one or more satellites. Under this programme, 14 of the satellites belonging to the Group (excluding the W1, ATLANTIC BIRD™1, EUROBIRD™4 and W5 satellites) are covered by insurance. The only reservation is a limitation of insurance cover for the W3, W4 and W6 satellites due to incidents caused by technical problems already identified.

The insurance policy taken out against damage under this programme covers any cumulative partial or total constructive losses of the 14 satellites insured, up to a ceiling of € 180 million per satellite, subject to a total maximum claim or claims each year of € 390 million. The Group's satellites covered under this policy are insured for their net book value.

This insurance programme provides the same risk retention as before (limited in all circumstances to a cumulative annual amount of € 80 million).

New cover against losses of between € 50 and € 80 million has been put in place on a co-insurance basis with the insurer LIBSAT (50%).

15.3 – Launch insurance

In April 2008, the Group took out L+1 (launch + 1 year) insurance for maximum cover of € 200 million per satellite, covering the seven satellites in course of construction (HOT BIRD™9, HOT BIRD™10, W2M, W2A, W7, Ka-Sat and W3B).

This policy is valid for a period of three years, i.e. until 1 June 2011, and provides the necessary flexibility to assign any type of launcher to any of the seven satellites insured.

The Group subsequently took out additional policies to cover the entire net book value of the satellites (HOT BIRD™9, HOT BIRD™10, W2M, W2A and W7).

NOTE 16: EVENTS AFTER THE BALANCE-SHEET DATE

In January 2009, the Group exercised its option to acquire, for a total amount of € 4 760 thousand, 1 762 954 Eutelsat S.A. shares resulting from the exercise of part of the stock options granted under the "Managers IV" plan by managers or mandataires sociaux.

On 28 January, the Group announced that its W2M satellite launched in December 2008 was suffering a major anomaly affecting its electrical power supply sub-system and that it would not therefore be integrated into the operational satellite fleet. This event does not affect continuity of service for the Group's customers and, as mentioned in the previous Note, the W2M programme is fully insured.