PR/11/11

Note: This press release contains unaudited condensed consolidated half-year accounts prepared under IFRS, adopted by the Board of Directors of Eutelsat Communications on February 17, 2011 following review by the Audit Committee February 11, 2011.

EUTELSAT COMMUNICATIONS REPORTS STRONG FIRST HALF 2010-2011 RESULTS

Revenue growth across all business activities, Group share of net income up +25%

- **Robust revenue growth: +13.3% at €575.9 million**
- **Strong profitability: EBITDA[1] up 12.5% to €463.0 million, generating an EBITDA margin of 80.4%**
- **Significant increase in Group share of net income: €174.4 million (+25.1%)**
- **Excellent visibility: backlog of €4.9 billion (+16.7%)**
- **Successful launch of KA-SAT, Europe's first High Throughput Satellite (HTS)**
- **Fleet expansion programme on track: six new satellites to be launched between mid 2011 and mid 2013**
- **Group reiterates financial targets**

Paris, February 17, 2011 – The Board of Directors' of Eutelsat Communications (ISIN: FR0010221234 - Euronext Paris: ETL), under the chairmanship of Giuliano Berretta, adopted the financial results for the half-year ended December 31, 2010.

Six months ended December 31		2009	**2010**	**Change**
Key elements of consolidated income statement				
Revenues	€m	508.0	**575.9**	**+13.3%**
EBITDA	€m	411.6	**463.0**	**+12.5%**
EBITDA margin	%	81.0	**80.4**	
Group share of net income	€m	139.5	**174.4**	**+25.1%**
Diluted earnings per share	€	0.634	**0.793**	**+25.1%**
Key elements of consolidated statement of cash flows				
Net cash flows from operating activities	€m	316.4	**371.0**	**+17.3%**
Capital expenditure	€m	226.1	**286.8**	**+26.8%**
Operating free cash flows	€m	90.2	**245.8**	**+172.5%**
Key elements of financial structure				
Net debt	€m	2,440.4	**2,414.8**	**-1.0%**
Net debt/EBITDA	X	3.13	**2.75**	
Backlog				
Backlog	€bn	4.2	**4.9**	**+16.7%**

[1] EBITDA is defined as operating income before depreciation and amortisation, impairments and other operating income/(expenses)

Commenting on the half year 2010 - 2011 results, Michel de Rosen, CEO of Eutelsat Communications, said: "The excellent results of this first half underscore, once again, the quality of Eutelsat's business model, which continues to deliver above-market growth and industry-leading profitability. These results reflect, in particular, the exceptional attractiveness of our portfolio of orbital positions and our capacity to rapidly lease the resources that were deployed in 2009 and 2010. As a result, we are confident in achieving the financial targets published in July 2010, despite the non-availability of the W3B satellite. Each of our business lines has strong growth prospects, driven by the expansion of digital video, professional data networks and Internet communications across all the markets we serve." He concluded by stating, "With the upcoming entry into service of KA-SAT, the launches later this year of W3C and ATLANTIC BIRD™ 7 and four additional satellites to launch by mid-2013, Eutelsat is well positioned to deliver sustainable and profitable growth."

STRONG REVENUE GROWTH MAINTAINED

Note: *Unless otherwise stated, all growth indicators or comparisons are made against the previous half year ended December 31, 2009. The share of each application as a percentage of total revenues is calculated excluding "other revenues" and "non-recurring revenues".*

Revenues by business application *(in millions of euros)*

			Change	
Six months ended December 31	2009	**2010**	(in € million)	(in %)
Video Applications	361.4	**392.1**	+30.7	**+8.5%**
Data & Value Added Services	96.4	**116.9**	+20.5	**+21.2%**
Data Services	*74.2*	***93.1***	*+18.8*	**+25.4%**
Value Added Services	*22.2*	***23.8***	*+1.6*	**+7.3%**
Multi-usage	44.4	**57.3**	+12.9	**+29.1%**
Other revenues	2.7	**6.9**	+4.2	
Sub-total	504.9	**573.2**	+68.3	**+13.5%**
Non-recurring revenues	3.2	**2.7**	-0.5	
Total	508.0	**575.9**	+67.8	**+13.3%**

Revenue increased by 13.3% in the first half of FY 2010-2011. Excluding non-recurring revenues, growth was 13.5%. At a constant euro-dollar exchange rate, revenue growth stood at 10.6%.

The Group's dynamic growth reflects excellent commercial performance, with the rapid uptake of new in-orbit resources leading to a fill factor of 90.4% of the fleet's capacity, defined as the number of leased transponders divided by the number of operational transponders in stable orbit.

VIDEO APPLICATIONS (69.2% of revenues)

Video Applications registered growth of +8.5% to €392.1 million, driven primarily by:

- New contracts for capacity on the W7 satellite, which entered into service in January 2010, from customers providing pay-TV services in Russia and Africa;
- Renewal contracts for premium-priced transponder capacity at Eutelsat's flagship HOT BIRD™ video neighbourhood, serving leading pay-TV platforms across European markets;
- New contracts on the ATLANTIC BIRD™ 4A satellite serving markets in the Middle East and North Africa;
- New contracts on the EUROBIRD™ 9A satellite from pay-TV platforms and broadcasters from Europe and Western Russia.

Despite the loss of the W3B satellite shortly after launch on October 28, 2010, Eutelsat's existing and relocated in-orbit resources were sufficient to fulfil customer needs for capacity requirements at 16° East, a strategic video neighbourhood serving significant parts of Central Europe and francophone Indian Ocean islands.

As of December 31, 2010, Eutelsat's fleet was broadcasting 3,782 TV channels including 195 HDTV, an increase of 334 (+9.7%). New channels from Eutelsat's Second Continent[2] accounted for 63% of TV channel growth with notable double-digit growth at three neighbourhoods: 7° West addressing the Middle East and North Africa (channels +33% to 367), 16° East serving Central Europe and Indian Ocean islands (+11% to 455) and 36° East serving Russia and Sub-Saharan Africa (+34% to 607).

[2] Eutelsat defines its First Continent as Western Europe and its Second Continent those countries in Central and Eastern Europe, Russia, Africa, the Middle East and Central Asia

DATA and VALUE-ADDED SERVICES (20.6% of revenues)

Data and Value-added Services registered strong revenue growth of 21.2% to €116.9 million.

Data Services grew significantly, up 25.4% to €93.1 million, driven in large part by demand for capacity on the W7 satellite, with new contracts from customers serving markets across Europe, Africa, the CIS region, Central Asia and the Middle East. Important contracts were also signed with key telecom operators for GSM backhaul and Internet trunking, reflecting Eutelsat's capacity to continue to meet strong demand for Ku-band and C-band resources mainly in Africa, the Middle East and Central Asia in areas that are currently beyond reach of terrestrial networks.

The launch on December 26, 2010 of the KA-SAT High Throughput Satellite paves the way for future expansion of Data and Value-Added Services for Eutelsat, broadening the scope of markets including consumer broadband, enterprise networks, GSM network extensions in rural areas, remote monitoring and emergency services.

Value-added Services grew 7.3% to €23.8 million on the back of demand for professional and consumer IP access in areas underserved by terrestrial technologies and networks. Revenues in the first half were boosted by the deployment of the French railway's (SNCF) new Internet access service and multimedia portal for passengers travelling on the eastern network of its high-speed trains (TGV). The ramp-up of customers for the new generation Tooway™ broadband service on KA-SAT will progress over the 12 months following the satellite's entry into service.

MULTI-USAGE (10.1% of revenues)

Multi-usage comprises leased capacity for governments and administrations. Its revenues grew +29.1% to €57.3 million, as the business continued to benefit from strong demand from governments. All existing contracts were renewed and new contracts were signed. Eutelsat's fleet is particularly well-positioned to satisfy the demand for satellite capacity in terms of network interconnection between the east coast of North America, Europe, Central Asia and the Middle East.

Multi-usage activity benefited during the first half from the favourable euro/US dollar exchange rate and, at constant currencies, growth in Multi-usage stood at 18.5%.

OTHER AND NON-RECURRING REVENUES

Other and non-recurring revenues of €9.6 million mainly included the positive impact from some foreign exchange hedging contracts as well as a late delivery indemnity for the W3B satellite.

OPERATIONAL AND LEASED TRANSPONDERS

As of December 31, 2010, the number of operational transponders on Eutelsat's fleet of 26 satellites stood at 653, a rise of 7.2% compared to December 31, 2009. The number of leased transponders grew in one year from 532 to 590, progressing 10.9% and taking the fleet fill rate from 87.4% to 90.4%.

Fleet evolution

	December 31, 2009	**December 31, 2010**
Operational transponders	609	**653**
Leased transponders	532	**590**
Fill rate	87.4%	**90.4%**

NB: The KA-SAT satellite (not yet in service) is not included in the above table.

BACKLOG INCREASES LONG TERM VISIBILITY

The backlog increased by 16.7% to € 4,872 million, compared to December 31, 2009.

This performance reinforced the Group's long-term visibility on revenues and operating cash flows. At December 31, 2010, the backlog carried a weighted average residual life of contracts of 7.9 years. The backlog is equivalent to approximately 4.7 times annual revenues for FY 2009-2010.

Backlog key indicators:

December 31	2008	2009	**2010**
Value of contracts (in billions of euros)	3.5	4.2	**4.9**
Weighted average residual life of contracts (in years)	*7.7*	*8.2*	***7.9***
Share of Video Applications	92.3%	92.5%	**92.3%**

The backlog represents future revenues from capacity lease agreements (including contracts for satellites yet to be delivered). These capacity lease agreements can be for the entire operational life of the satellites.

HIGH PROFITABILITY LEVELS MAINTAINED

EBITDA remained high, delivering a margin of 80.4%

Group EBITDA amounted to € 463.0 million, up €51.4 million compared to the previous first half (+12.5%)

The EBITDA margin of 80.4% remains industry-leading among FSS (Fixed Satellite Services) operators owing to the excellent commercial performance and effective cost control.

Operating expenses amounted to €112.9 million, up from €96.5 million a year earlier, reflecting mainly the rise in resources dedicated to reinforcing the Group's overall commercial activity and specifically the development of services such as Tooway™, FRANSAT and KabelKiosk. In addition, last year's first half included an exceptional reimbursement of €3.2 million of mandatory tax. Without this exceptional item, the increase in operating expenses would have been 13.2% and EBITDA growth would have been 13.4%, in-line with revenue growth.

Group share of net income rises sharply

Group share of net income increased €35.0 million to €174.4 million (+25.1%), reflecting:

- An increase of €65.8 million in operating profit, thanks to the strong EBITDA and to a lower level of satellite depreciation;
- An increase in financial expenses, due to the entry into effect in April 2010 of a hedging contract dating from 2006 on Eutelsat Communications' debt, partly compensated by;
- Income from associates up €3.7 million to €11.2 million, reflecting a further strong performance from Hispasat, the leading satellite operator for Spanish and Portuguese speaking regions of which Eutelsat owns 27.69%.

The loss of the W3B satellite led to a non-recurring charge of €236.1 million, compensated by insurance proceeds which have been received in full as of February 16, 2011.

Extract from the consolidated income statement (in millions of euros)[3]

Six months ended December 31	2009	**2010**	**Change**
Revenues	508.0	**575.9**	**+13.3%**
Operating expenses[4]	(96.5)	**(112.9)**	**+17.0%**
EBITDA	411.6	**463.0**	**+12.5%**
Depreciation and amortisation[5]	(157.3)	**(142.4)**	**-9.4%**
Other operating income (expenses)	(0.4)	**(0.9)**	**N/S**
Operating income	253.9	**319.7**	**+25.9%**
Financial result	(40.6)	**(53.5)**	**+31.8%**
Income tax expense	(74.5)	**(94.8)**	**+27.2%**
Income from associates	7.5	**11.2**	**+49.1%**
Portion of net income attributable to non-controlling interests	(6.8)	**(8.1)**	**+19.1%**
Group share of net income	139.5	**174.4**	**+25.1%**

INCREASE IN NET CASH FLOWS FROM OPERATING ACTIVITIES

Net cash flows from operating activities amounted to €371 million, or 64.4% of revenues

The Group continued to generate strong net cash flows from its operating activities of €371 million, up €54.6 million (+17.3%) compared to the previous year, highlighting the strength of its business model.

At a very comfortable surplus, operating free cash flows amounted to over €245 million, including exceptional cash items totalling €161.6 million relating to the first payments received from insurers from the loss of the W3B satellite, and an equity investment reduction.

Improved financial position

The net debt to EBITDA ratio for the first half was 2.75 times, compared to 3.13 times at December 31, 2009 and 2.93 times at June 30, 2010.

Net debt to EBITDA ratio

As of December 31		2009	**2010**	**Change (€m)**
Net debt at the beginning of the period	€m	2,326.5	**2,424.4**	**+97.9**
Net debt at the end of the period	€m	2,440.4	**2,414.8**	**-25.6**
Net debt / EBITDA	**X**	3.13x	**2.75x**	

[3] For more detail, please refer to Group condensed consolidated half-year accounts at www.eutelsat.com.

[4] "Operating expenses" is defined as the sum of operating costs plus selling, general & administrative expenses.

[5] Comprises amortisation expense of €22.2 million corresponding to the intangible asset "Customer Contracts and Relationships" identified during the acquisition of Eutelsat S.A. by Eutelsat Communications.

Net debt includes all bank debt, bonds and all liabilities from long-term lease agreements, less cash and cash equivalents (net of bank overdraft).

The average maturity of Eutelsat Communications' debt was extended, and stood at 4.3 years as of December 31, 2010, following the refinancing of Eutelsat S.A., in March 2010. This compares with 2.7 years as of December 31, 2009.

The average cost of debt drawn by the Group was 4.41% (after hedging) in the first six months of the 2010-2011 fiscal year.

OUTLOOK

Robust medium-term growth outlook

The Group maintains its revenue target for the current fiscal year: above €1.12 billion, and its revenue CAGR guidance of above 7% for the three fiscal years from 2010-2011 to 2012-2013. This revenue growth target is consistent with the 25% fleet capacity expansion (including KA-SAT) planned over the same period by the investment programme which includes six satellites to be launched.

Objective of high profitability

The Group also maintains its profitability objectives: targeting an EBITDA margin above 77% for each of the three fiscal years until June 2013. The Group still expects to achieve EBITDA above €875 million for fiscal year 2010-2011.

Active and targeted investment policy

The Group will pursue its active and targeted investment policy, with average capital expenditure of €450 million per annum over the three fiscal years 2010-2011 to 2012-2013 to finance the infrastructure replacement and expansion programme.

Sound financial structure

In order to maintain its sound financial structure the Group continues to target a net debt to EBITDA ratio below 3.5x, which allows it to keep its investment grade credit ratings attributed by Moody's and Standard & Poor's.

Attractive shareholder remuneration

Over the fiscal years 2010-2011 to 2012-2013, the Group is committed to share its profits with its shareholders targeting a pay-out ratio in the range of 50% to 75% of Group share of net income.

RECENT EVENTS

EUTELSAT'S KA-SAT SATELLITE SUCCESSFULLY ON STATION AT 9° EAST AND UNDERGOING IN-ORBIT TESTS

Following the successful completion of all scheduled manoeuvres since launch, the Group's KA-SAT satellite is now positioned at its definitive location in geostationary orbit at 9° East.

All satellite operations have now been transferred to Eutelsat's Satellite Control Centre in Paris. A battery of in-orbit tests is progressing well and is scheduled to be completed by February 20, 2011, after which the final phase of integrated validation of the satellite with the network of ground stations that will connect to the Internet backbone will begin. The satellite is on track to enter into service by mid 2011.

EUTELSAT COMMISSIONS NEW SATELLITE

On December 3, 2010, Eutelsat Communications announced that Thales Alenia Space has been commissioned to build the W3D satellite that will replace the W3B spacecraft lost after its launch on October 28, 2010. The delivery schedule of the new 56 transponder satellite has been fixed to 24 months, enabling Eutelsat to plan for commercial availability from early 2013 at 7° East.

S&P CREDIT RATING UPGRADE

The credit rating for the Eutelsat Communications Group was raised by Standard & Poors in December to 'BBB' on strong operating performance and revised leverage target, S&Ps outlook is "stable".

CORPORATE GOVERNANCE

The Ordinary and Extraordinary Annual General Meeting of Shareholders of Eutelsat Communications was held on November 9, 2010 in Paris under the chairmanship of Giuliano Berretta, Chairman of the Board. The accounts for fiscal year 2009-2010 were approved, as well as all resolutions put to the vote.

The Annual General Meeting of Shareholders also approved the proposal to distribute 0.76 euro per share, an increase of 15.2% over the previous year. This distribution, which represents a pay-out ratio of 62% of Group share of net income, was paid on November 16, 2010.

Appointment of Board Members

The Annual General Meeting of Shareholders ratified the appointment of Francisco Reynès, CEO of Abertis, as a new Director replacing Carlos Sagasta Reussi. The Annual General Meeting of Shareholders also approved the appointments of Carole Piwnica and Olivier Rozenfeld as independent Board Members, bringing the total to three independents out of 12.

The following three committees have recently elected new chairpersons: Carole Piwnica for the Governance, Selection and Remuneration committee; Olivier Rozenfeld for the Audit committee; Carlos Espinós-Gómez for the Strategy and Investment committee.

Cooptation of Board Members

The Board of Directors at its meeting today noted the resignation of the *CDC Infrastructure* and co-opted the *Fonds Stratégique d'Investissement* (FSI), represented by Thomas Devedjian, for the duration of the term.

* * *

Documentation

Consolidated accounts are available at http://www.eutelsat.com/investors/index.html

Results conference call for Analysts and Investors

Eutelsat Communications will hold a conference call on **Friday February 18, 2011** on its first half 2010-2011 results. The conference call, in English will take place at 3:30pm CET and will be webcast live from the home page of the Investor Relations section at www.eutelsat.com. It can also be accessed via the following telephone numbers:

- 01 70 99 42 82 (from France)
- +44 207 138 0843 (from Europe)
- +1 212 444 08 95 (from USA)

A replay of the call will be available from February 18, 2011 at 8:00pm (Paris time) to February 24, 2011 midnight (Paris time), by dialling:

- 01 74 20 28 00 (from France)
- +44 207 111 1244 (from Europe)
- +1 347 366 9565 (from USA)

Access code: 8363949#.

A presentation and consolidated accounts is available on the Group's website (www.eutelsat.com).

Financial calendar

The financial calendar below is provided for information purposes only. It is subject to change and will be regularly updated.

- May 10, 2011: financial report for third quarter ended March 31, 2011
- July 28, 2011: earnings for the full year ended June 30, 2011
- November 3, 2011: financial report for the first quarter ended September 30, 2011
- November 8, 2011: Annual General Shareholders Meeting

About Eutelsat Communications

Eutelsat Communications (Euronext Paris: ETL, ISIN code: FR0010221234) is the holding company of Eutelsat S.A.. With capacity commercialised on 27 satellites that provide coverage over the entire European continent, as well as the Middle East, Africa, India and significant parts of Asia and the Americas, Eutelsat is one of the world's three leading satellite operators in terms of revenues. At 31 December 2010, Eutelsat's satellites were broadcasting more than 3,700 television channels to over 200 million cable and satellite homes in Europe, the Middle East and Africa. The Group's satellites also serve a wide range of fixed and mobile telecommunications services, TV contribution markets, corporate networks, and broadband markets for Internet Service Providers and for transport, maritime and in-flight markets. Eutelsat's broadband subsidiary, Skylogic, markets and operates access to high speed Internet services through teleports in France and Italy that serve enterprises, local communities, government agencies and aid organisations in Europe, Africa, Asia and the Americas. Headquartered in Paris, Eutelsat and its subsidiaries employ 683 commercial, technical and operational employees from 28 countries.

www.eutelsat.com

For further information

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Appendix

Quarterly revenues by business application

	3 months ended				
In millions of euros	12/31/2009	03/31/2010	06/30/2010	09/30/2010	12/31/2010
Video Applications	180.6	189.6	191.0	195.5	196.5
Data & Value-Added Services	48.7	52.0	55.3	58.9	58.0
………..of which Data Services	*37.3*	*40.9*	*42.2*	*47.2*	*45.9*
……of which Value-Added Services	*11.5*	*11.0*	*13.1*	*11.7*	*12.1*
Multi-usage	21.5	25.1	28.6	28.8	28.6
Other revenues	1.0	0.7	(4.0)	2.4	4.5
Sub-total	251.8	267.4	270.9	285.6	287.5
Non-recurring revenues	3.2	0.9	--	--	2.7
Total	**255.0**	**268.3**	**270.9**	**285.6**	**290.2**

Change in net debt (in millions of euros)

Period ending	Half-year ending 12/31/2009	Full-year ending 06/30/2010	Half-year ending 12/31/2010
Net cash flows from operating activities	**316.4**	**698.3**	**371.0**
Capital expenditure	(226.1)	(494.4)	(286.8)
Operating free cash flows	90.2	203.9	245.8[6]
Interest and other fees paid, net	(43.7)	(75.4)	(37.4)
Acquisition of non-controlling interests	(3.1)	(6.7)	(6.7)
Distributions to shareholders (including non-controlling interests)	(156.2)	(156.2)	(177.1)
Non-recurring expenses related to Eutelsat refinancing	--	(54.1)	--
Acquisition of treasury shares	--	--	(13.0)
Other	(1.1)	(9.3)	(2.0)
Decrease (increase) in net debt	(113.9)	(97.8)	9.6

Channels at video neighbourhoods serving Central and Eastern Europe, Russia, Middle East, Africa

Orbital position	Markets	12/31/2008	12/31/2009	**12/31/2010**
7°West	North Africa, Middle East	158	275	**367**
7°East	Turkey	199	191	**197**
16°East	Central Europe, Indian Ocean islands	384	410	**455**
36°East	Russia, Africa	440	454	**607**
Total		1,181	1,330	**1,626**

[6] Including two exceptional cash items 1) first payments received from insurers, and 2) the equity investment reduction, together totalling €161.6 million.

Estimated satellite launch schedule

Satellite	Estimated launch	Transponders
W3C	July – September 2011	53 Ku/3 Ka
ATLANTIC BIRD™ 7	September – December 2011	50 Ku
W6A	September – November 2012	40 Ku
W5A	October – December 2012	48 Ku
W3D	January – March 2013	53 Ku/3 Ka
EUROBIRD™ 2A*	April – June 2013	16 Ku/7 Ka

Note: Satellites generally enter into service one to two months after launch.

* Partnership satellite with ictQATAR, transponders indicated for Eutelsat portion only