Société Anonyme
RCS Luxembourg B 81267

La Société, SES, société anonyme, convoque par le présent avis à son

Assemblée Générale Ordinaire

qui se tiendra

le jeudi 3 avril 2014 à 10 heures 30

au siège social de SES, société anonyme, (SES) Château de Betzdorf, 6815 Betzdorf, Luxembourg.

ORDRE DU JOUR

1. Liste de présences, quorum et adoption de l'ordre du jour
2. Désignation d'un secrétaire et de deux scrutateurs
3. Présentation par le Président du Conseil d'administration du rapport de gestion du Conseil pour l'année 2013
4. Présentation des principaux développements de la société pendant l'année 2013 et perspectives
5. Présentation des résultats financiers pour l'exercice 2013
6. Présentation du rapport du réviseur d'entreprises
7. Approbation du bilan au 31 décembre 2013 et du compte de profits et pertes pour l'exercice 2013
8. Décision sur l'affectation du résultat net de l'exercice 2013
9. Transferts entre comptes de réserves
10. Décharge à donner aux administrateurs
11. Décharge à donner au réviseur d'entreprises
12. Election statutaire du réviseur d'entreprises pour l'année 2014 et fixation de sa rémunération
13. Résolution permettant à la société l'acquisition de ses propres FDRs et/ou actions de la catégorie A ou B
14. Nomination de six membres du Conseil d'administration pour une durée de trois ans
15. Fixation de la rémunération des membres du Conseil d'administration
16. Divers

Assister à l'assemblée

Les droits d'un actionnaire de participer à l'assemblée générale ordinaire et d'exercer le vote attaché à ses actions sont déterminés en fonction des actions détenues par cet actionnaire le quatorzième jour qui précède l'assemblée générale ordinaire, à savoir le 20 mars 2014 à minuit (la date d'enregistrement). Si un détenteur de FDRs souhaite assister à l'assemblée en personne, il devra se faire inscrire comme actionnaire dans le registre des actionnaires de la société avant la date d'enregistrement. Une personne qui n'est pas actionnaire à la date d'enregistrement ne peut pas assister à l'assemblée générale ordinaire.

Conversion en actions de la catégorie A

Le détenteur de FDRs qui souhaite convertir ses FDRs en actions A doit faire cette demande conformément aux clauses 12 et 16 des *Terms and Conditions* du *Amended and Restated Fiduciary Deposit Agreement* du 26 septembre 2001. Ce document est disponible auprès de la Banque et Caisse d'Epargne de l'Etat, Luxembourg. Aucune commission de conversion ne sera exigée des personnes physiques qui ne sont pas déjà actionnaires de la catégorie A et qui procèdent à la conversion d'un maximum de 10.000 FDRs en actions A, leur permettant de participer en personne à l'assemblée générale ordinaire du 3 avril 2014.

Pour assister en personne à l'assemblée, la conversion de FDRs en actions de la catégorie A devra être effectuée le 20 mars 2014 à 16 heures 30 au plus tard. Pour plus d'information à ce sujet, merci de bien vouloir contacter la Banque et Caisse d'Epargne de l'Etat, Luxembourg à l'adresse suivante : corporateactions.sec@bcee.lu.

Instructions de vote

Le détenteur de FDRs (Fiduciary Depositary Receipt) est en droit, sous réserve des dispositions applicables (la loi luxembourgeoise, statuts de la société, seuils de participation et contrat de concession) d'instruire le Fiduciaire en tant que mandataire en vue d'exercer son droit de vote au moyen d'un certificat de vote disponible sur demande à la banque auprès de laquelle les FDRs sont détenus.

Pour que les instructions de vote soient valables, le certificat de vote devra être complété et dûment signé par le détenteur de FDRs ou le cas échéant par le bénéficiaire économique. Pour plus d'information à ce sujet, merci de bien vouloir contacter la Banque et Caisse d'Epargne de l'Etat, Luxembourg à l'adresse suivante : corporateactions.sec@bcee.lu.

A la réception du certificat de vote comportant les déclarations et documents requis par le Fiduciaire ou la société, avant ou à la date déterminée par le Fiduciaire (à savoir le 27 mars 2014 à 17 heures), celui-ci devra transmettre à la société ledit certificat de vote accompagné des déclarations et documents requis pour vérifier si les détenteurs de FDRs ou les bénéficiaires économiques peuvent acquérir la qualité d'actionnaires de la catégorie A de la société si à la place des FDRs ils détenaient un nombre correspondant d'actions A.

Si dans un délai de 8 jours ouvrables au Luxembourg à partir de la réception du certificat de vote avec les déclarations et documents requis, la société n'a pas notifié au Fiduciaire son rejet de la demande du détenteur de FDRs, elle est présumée l'avoir acceptée.

Après réception de l'accord écrit de la société quant aux instructions de vote, le Fiduciaire votera ou fera en sorte qu'il soit voté conformément à ces instructions. Le Fiduciaire pourra désigner et nommer des représentants dûment autorisés afin que ceux-ci assistent à l'assemblée et votent au nom et pour compte des détenteurs de FDRs.

Les instructions de vote sont considérées comme étant irrévocables et définitives 48 heures avant l'heure d'ouverture de l'assemblée, à savoir le 1er avril 2014 à 10 heures 30 au plus tard.

Dans le cas où le Fiduciaire n'aurait pas reçu des instructions de vote des détenteurs de FDRs, le Fiduciaire sera supposé avoir été instruit de voter conformément aux propositions de vote du Conseil d'administration définies lors de sa réunion y afférente.

Aucune résolution ne sera soumise au vote sous le point 16. Divers.

Modifications de l'ordre du jour

Un ou plusieurs actionnaires disposant ensembles d'au moins 5% du capital social de SES, ont le droit d'inscrire des points à l'ordre du jour de l'assemblée générale ordinaire et ils ont le droit de déposer des projets de résolution concernant des points inscrit ou à inscrire à l'ordre du jour de l'assemblée générale ordinaire. Cette demande devra être formulée par écrit et adressée par voie postale (à SES, attn. Mme Naoual Jamou, Château de Betzdorf, L-6815 Betzdorf) ou par voie électronique (shareholders@ses.com) et doit parvenir à SES au plus tard le vingt-deuxième jour qui précède l'assemblée générale ordinaire (à savoir le 12 mars 2014). Cette demande doit inclure une justification ou un projet de résolution à adopter lors de l'assemblée générale ordinaire, ainsi qu'une adresse postale ou électronique à laquelle SES peut transmettre l'accusé de réception de cette demande endéans 48 heures.

SES publiera alors un ordre de jour révisé au plus tard le quinzième jour qui précède la date de l'assemblée générale ordinaire (le 19 mars 2014).

Documents mis à disposition par SES

Les documents mis à disposition par la société pour les besoins de la présente assemblée (y inclus les propositions du Conseil d'administration) peuvent être consultés par les détenteurs de FDRs auprès du Fiduciaire - Banque et Caisse d'Epargne de l'Etat, Securities Department, 1, rue Zithe, L - 2954 Luxembourg, BGL BNP Paribas Luxembourg S.A., 50, avenue J. F. Kennedy, L – 2951 Luxembourg et Société Générale, GSSI/GIS/CMO/AGL, 32, rue du Champ de Tir, F - 44312 Nantes Cedex 3, pendant les heures d'ouverture et sont disponibles sur le site internet de la société www.ses.com. N'hésitez pas à contacter SES pour de plus amples informations à l'adresse suivante : shareholders@ses.com

Société Anonyme
RCS Luxembourg B 81267

Notice is hereby given of the

Annual General Meeting

of SES, Société Anonyme, to be held at the company's registered office at Château de Betzdorf, 6815 Betzdorf, Luxembourg, on

Thursday, April 3, 2014 at 10:30 a.m.

AGENDA

1. Attendance list, quorum and adoption of the agenda
2. Nomination of a secretary and of two scrutineers
3. Presentation by the Chairman of the Board of Directors of the 2013 activities report of the Board
4. Presentation on the main developments during 2013 and perspectives
5. Presentation of the 2013 financial results
6. Presentation of the audit report
7. Approval of the balance sheet as of December 31, 2013 and of the 2013 profit and loss accounts
8. Decision on allocation of 2013 profits
9. Transfers between reserve accounts
10. Discharge of the members of the Board of Directors
11. Discharge of the auditor
12. Appointment of the auditor for the year 2014 and determination of its remuneration
13. Resolution on company acquiring own FDRs and/or own A-, or B-shares
14. Election of six Directors for a three-year term
15. Determination of the remuneration of Board members
16. Miscellaneous

Attendance

The right of a shareholder to attend the Annual General Meeting (AGM) and to participate in the vote will be determined on the fourteenth day (i.e. March 20, 2014) at midnight, preceding the AGM (the Registration Date). If a FDR holder wishes to attend the meeting in person, he has to be recorded as a shareholder in the share register of the Company prior to the Registration Date. Anyone not being a shareholder at the Registration Date may not attend or vote at the AGM.

Withdrawal of FDRs and Conversion into A-shares

A FDR holder who wants to convert FDRs into A-shares has to request this conversion in accordance with conditions 12 and 16 of the Terms and Conditions of the Amended and Restated Fiduciary Deposit Agreement dated September 26, 2001. This is available at the Banque et Caisse d'Epargne de l'Etat, Luxembourg where the FDRs are held. No charge for conversion will be requested for natural persons who are not yet shareholders of category A and who proceed to a conversion of a maximum of 10,000 FDRs into A-shares, allowing them to participate in the AGM of April 3, 2014.

The latest date for withdrawing FDRs and converting into A-shares for personal attendance at the meeting is March 20, 2014 at 4:30 p.m. Please feel free to contact Banque et Caisse d'Epargne de l'Etat, Luxembourg for further queries in this respect at the following address: corporateactions.sec@bcee.lu

Voting instructions

The FDR (Fiduciary Depositary Receipt) holder is entitled, subject to any applicable provisions (e.g. Luxembourg law, Articles of Incorporation, shareholders' thresholds and concession agreement) to instruct the Fiduciary as proxyholder as to the exercise of the voting rights by means of a voting certificate available on request at the bank where the FDRs are held.

In order for the voting instructions to be valid, the voting certificate form must be completed and duly signed by the FDR holder or, as the case may be, the beneficial owner. Please feel free to contact Banque et Caisse d'Epargne de l'Etat, Luxembourg for further queries in this respect at the following address: corporateactions.sec@bcee.lu.

Upon receipt of the voting certificate on or before the date determined by the Fiduciary (being March 27, 2014 at 5:00 p.m.) with such certification and evidence as requested by the Fiduciary or by the Company, the Fiduciary shall transmit to the Company the relevant certifications and supporting evidence and the company shall verify whether the relevant holders of FDRs or the beneficial owners thereof would qualify as an A-shareholder of the Company if in lieu of FDRs they would hold the corresponding number of A-shares.

If within 8 Luxembourg business days from the receipt of such certification and supporting evidence, the Company has not notified the Fiduciary of its rejection of the request of a holder to exercise its voting rights pertaining to the A-shares underlying its FDRs, the company shall be deemed to have accepted the relevant voting request.

After receipt of the written approval of the voting request by the company, the Fiduciary shall vote or cause to be voted in accordance with the instructions set forth in such requests. The Fiduciary may designate and appoint authorized representatives to attend the meeting and vote on behalf of the FDR holders.

The voting instructions are deemed to be irrevocable and definitive 48 hours prior to the time for which the meeting has been convened, i.e. at the latest on April 1, 2014 at 10:30 a.m.

If the Fiduciary has not received voting instructions from the FDR holder, the Fiduciary shall be deemed to have been instructed to vote in the manner proposed by the Board of Directors in the relevant meeting.

There will be no vote under item 16. Miscellaneous.

Amendments to the Agenda

One or more shareholders owning together at least 5% of the Share capital of SES have the right to add items on the agenda of the AGM and may deposit draft resolutions regarding items listed in the agenda or proposed to be added to the agenda. This request will need to be received at the latest the twenty–second day (i.e March 12, 2014) preceding the AGM and made in writing via mail (to: SES, attn. Mrs Naoual Jamou, Château de Betzdorf, L-6815 Betzdorf) or e-mail (to: shareholders@ses.com) and will need to include a justification or draft resolution to be adopted at the AGM. The written request will need to include a contact address (mail or e-mail) to which the Company can confirm receipt within 48 hours from the receipt of the request.

At the latest fifteen days (i.e March 19, 2014) preceding the AGM, the Company will then publish a revised agenda.

Documents made available by SES

Documents made available by the Company (including the Recommendations of the Board of Directors) for the purpose of this meeting may be inspected during normal working hours by the FDR holders at the offices of the Fiduciary, Banque et Caisse d'Epargne de l'Etat, Luxembourg, Securities Department, 1, rue Zithe, L - 2954 Luxembourg, or alternatively at the offices of the Listing Agents, BGL BNP Paribas S.A., 50, avenue J.F. Kennedy, L - 2951 Luxembourg and Société Générale, GSSI/GIS/CMO/AGL, 32, rue du Champ de Tir, F - 44312 Nantes Cedex 3 and are available on the company's website www.ses.com. Please feel free to contact SES for further queries in this respect at the following address: shareholders@ses.com.

Assemblée Générale Annuelle de SES
Jeudi 3 avril 2014 à 10 heures 30

Point 2 de l'ordre du jour

Selon l'article 23 des statuts "Le président de l'Assemblée désigne un secrétaire. L'Assemblée choisit deux scrutateurs".

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Agenda item 2

According to article 23 of the Articles of Incorporation "The Chairperson shall appoint a secretary. The Meeting shall appoint two scrutineers".

Assemblée Générale Annuelle de SES
Jeudi 3 avril 2014 à 10 heures 30

Point 3 de l'ordre du jour

Présentation par le Président du Conseil d'administration du rapport de gestion du Conseil pour l'année 2013.

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Agenda item 3

Presentation by the Chairman of the Board of Directors of the 2013 activities report of the Board.

2013 Activities Report

Introduction

SES has been listed on the Luxembourg Stock Exchange since 1998 and on Euronext Paris since 2004. The company follows the 'Ten Principles of Corporate Governance' adopted by the Luxembourg Stock Exchange (its home market)as revised in 2013 and the governance rules applied by companies listed in Paris, where most of the trading in SES FDRs takes place. Where those rules conflict*, e.g.* with regard to the publication of the individual remuneration of the members of its Executive Committee and its Board members, SES follows the rules of its home market by reporting the aggregate amount of the direct and indirect remuneration of the members of the Executive Committee, with the fixed and the variable components of the benefits being separately identified.

SES meets all the recommendations made by the 'Ten Principles' except with regard to Recommendation 3.9, which states that the committees created by the Board should only have advisory powers. The SES Board has delegated some decision-making powers to the Remuneration Committee. For the full details of these powers, see the charter of the Remuneration Committee on the SES website (www.ses.com).

The company continuously increases the flow of information to its shareholders via the corporate governance section of its website and communicates with its shareholders through the dedicated e-mail address: shareholders@ses.com. In line with Luxembourg law, the company allows shareholders to receive all corporate documentation, including the documents for shareholder meetings, in electronic format.

In this context, the website contains a regularly updated stream of information, such as the latest version of the company's main governance documents, be it the articles of incorporation, the corporate governance charter (including the charters of the various committees set up by the Board) or the separate sections on the composition and the mission of the Board, the Board's committees and the Executive Committee. This section also contains the SES Code of Conduct and Ethics, the Dealing Code, the financial calendar and any other information that may be of interest to the company's shareholders.

Organisation principles

Created on March 16, 2001 under the name of SES GLOBAL, SES is incorporated in Luxembourg. Following the completion of the acquisition of GE Americom on November 9, 2001, SES became the parent company of SES ASTRA, originally created in 1985. A copy of SES's articles of incorporation, in its latest version, is available in the corporate governance section of the company's website.

The annual general meeting of shareholders

Under Luxembourg company law, the company's annual and/or extraordinary general meetings represent the entire body of shareholders of the company. They have the widest powers, and resolutions passed by such meetings are binding upon all shareholders, whether absent, abstaining from voting or voting against the resolutions.

The meetings are presided by the Chairman of the Board or, in case of his absence, by one of the Vice Chairmen of the Board or, in their absence, by any other person appointed by the meeting. Any shareholder who is recorded in the company's shareholder register at least 14 business days before the meeting is authorised to attend and to vote at the meeting. A shareholder may act at any meeting by appointing a proxy (who does not need to be a shareholder).

The company has issued two classes of shares: Class A and Class B shares.

Although they constitute separate classes of shares, Class A and Class B shares have the same rights except that the shares of Class B, held by the State of Luxembourg and by two entities wholly-owned by the State of Luxembourg, entitle their holders to only 40% of the dividend, or in case the company is dissolved, to 40% of the net liquidation proceeds paid to shareholders of Class A. Class B shares are not freely traded. Each share, whether of Class A or B, is entitled to one vote. In accordance with the company’s articles of incorporation, no shareholder of Class A may hold, directly or indirectly, more than 20%, 33% or 50% of the company’s shares unless it has obtained prior approval from the meeting of the shareholders. Such limit is calculated by taking into account the shares of all classes held by a shareholder of Class A.

A shareholder or a potential shareholder who plans to acquire by whatever means, directly or indirectly, more than 20%, 33% or 50% of the shares of the company must inform the Chairman of the Board of such intention. The Chairman will then inform the government of Luxembourg of the planned acquisition, which may only be opposed by the government within three months from receiving such information, should the government determine that such acquisition is against the general public interest.

In case of no opposition from the government, the Board shall convene an extraordinary meeting of shareholders, which may decide at a majority provided for in article 67-1 of the law of August 10, 1915, as amended, regarding commercial companies, to authorise the demanding party to acquire more than 20%, 33% or 50% of the shares.

The annual general meeting is held on the first Thursday in April. Each registered shareholder will receive written notice of the annual general meeting, including the time of the meeting and the agenda, at least 30 days prior to the meeting. Holders of the company’s FDRs will be represented at the meeting by Banque et Caisse d’Epargne de l’Etat acting as Fiduciary. Each FDR will represent one Class A share. If a holder of FDRs desires to attend the annual general meeting of shareholders in person, that shareholder needs to convert at least one FDR into an A share. In order to facilitate the attendance of the meeting by FDR holders, the company will pay the applicable charge for a conversion of up to 10,000 FDRs for a short period prior to the annual general meeting.

Notice of the meeting and of the proposed agenda will also be published in the press and in the “Memorial C”. The Fiduciary will circulate the draft resolutions to both international clearing systems, Clearstream and Euroclear, allowing FDR holders to give their voting instructions to the Fiduciary in time for the meeting. At the same time, the draft resolutions will be made available on the company’s website. Unless the Fiduciary has received specific instructions from the FDR holder, the Fiduciary will vote in favour of the proposals submitted by the Board.

The meeting may deliberate validly only if at least half of the shares of Class A and at least half of the shares of Class B are represented. In the event that the required quorum is not reached, the meeting will be reconvened in accordance with the form prescribed by the articles of incorporation. It may then validly deliberate without consideration of the number of represented shares.

The proceedings are held in French, but an English translation is provided by the company. A French version of the AGM minutes and the results of the shareholders’ votes will be published on the SES website within 15 days of the annual general meeting.

With the exception of the procedure described above whenever a shareholder intends to hold more than 20%, 33% or 50%, all the resolutions of the meeting are adopted by a simple majority vote except if otherwise provided for by Luxembourg company law. The annual general meeting held on April 4, 2013 was attended by 99.871% of the company’s shareholders. As the 4,875,016 FDRs held by the company did not participate in the vote, the participation in the vote was reduced to 98.951% of the company’s shares.

During the 2013 annual general meeting, the shareholders approved the 2012 financial results and the allocation of the 2012 profits, granted discharge to the external auditor and the directors, elected PwC as the company’s external auditor in replacement for E&Y and granted an authorisation to SES to buy back its own shares. The shareholders also approved the directors’ fees, which remained unchanged in comparison to 2012. Finally shareholders elected six Directors for a term of three years with a minimum majority of 92.8% of the votes expressed. Four of the Directors saw their mandate renewed, whereas Romain Bausch and Tsega Gebreyes were elected for a first mandate of three years.

All of the Board's other proposals were carried by a majority of at least 99.4% of the votes expressed. In accordance with article 67-1 of the Luxembourg company law, abstentions are not considered when determining whether a resolution has been passed or not. The detailed results of the shareholders' votes are available in the corporate governance section of the company's website.

The Board of Directors and its committees

Mission

The Board of Directors is responsible for defining the company's strategic objectives as well as its overall corporate plan. The Board approves, upon proposal from the Executive Committee, the annual consolidated accounts of the company and the appropriation of results, the group's medium-term business plan, the consolidated annual budget of the company and the management report to be submitted to the meeting of shareholders. It also approves major investments and is responsible vis-à-vis shareholders and third parties for the management of the company, which it delegates to the Executive Committee.

Composition

The Board of SES is composed of 18 directors, all but one of them non-executive directors. In accordance with the company's articles of association, two thirds of the Board members represent holders of Class A shares and one third of the Board members represent holders of Class B shares. In line with the decision taken by the shareholders at their annual general meeting in 2011, the mandates of the current directors will expire at the annual general meeting of shareholders in April 2014, 2015 and 2016, respectively. Mr René Steichen is the Chairman of the Board of Directors. He was elected by the members of the Board in the meeting which followed the annual general meeting on April 4, 2013. René Steichen is currently assisted by two Vice Chairmen, Messrs François Tesch and Jean-Paul Zens, each one elected on the basis of proposals submitted by directors representing shareholders of Class A and of Class B shares, respectively.

In the event of a vacancy on the Board, the remaining directors may, upon a proposal from the Nomination Committee and on a temporary basis, fill such a vacancy by a majority vote. In this case, the next annual general meeting of shareholders will definitively elect the new director, who will complete the term of the director whose seat became vacant.

In accordance with internal regulations, at least one third of the Board members must be independent directors. A Board member is considered independent if he has no relationship of any kind with the company or management which may impact his judgment. This is defined as:

– not having been a director for more than 12 years;
– not having been an employee or officer of the company over the previous five years;
– not having had a material business relationship with the company in the previous three years; and
– not representing a significant shareholder owning directly or indirectly more than 5% of the company's shares.

Nine of the current Board members are considered independent:

Ms Bridget Cosgrave, Tsega Gebreyes and Miriam Meckel and Messrs Marc Beuls, Marcus Bicknell, Jacques Espinasse, Conny Kullman, Ramu Potarazu and Marc Speeckaert.

Of the nine directors who are not considered independent, six represent a significant shareholder owning more than 5% of the company's shares, two have been a director for more than 12 years and one director has an employment relationship with the company.

Mr Pierre Margue, Vice President, Legal Services Corporate and Finance, acts as secretary of the Board of Directors.

Rules of functioning

The Board of Directors meets when required by the company's business, and at least once in a quarter. It can only validly deliberate if a majority of the directors are present or represented. The resolutions of the Board are passed by a simple majority of votes of the voting directors present or represented, not considering abstentions. Any material contract that is proposed to be signed by the company or any of its wholly controlled operating subsidiaries with a shareholder owning, directly or indirectly, at least 5% of the shares of the company is subject to a prior authorisation by the Board. In 2013 there have been no transactions between the company and a shareholder owning directly or indirectly at least 5% of the company's shares.

Activities of the Board of Directors in 2013

The Board of Directors held six meetings in 2013, with an average attendance rate of more than 95%. After endorsement by the Audit Committee, the Board approved the 2012 audited accounts, including the proposed dividend as well as the results for the first half of 2013. During the year, the Board approved the new strategic plan as well as a business plan for the period 2013–2019, which served as the basis for the 2014 budget approved by the Board in December.

During the year 2013, the Board approved the procurement of SES-10 as well as the divestment from Solaris, a Joint-Venture the company had set up with Eutelsat to develop next-generation Mobile Satellite Services (MMS).

During 2013, the Board also decided to launch a new share buyback programme, which was implemented on Euronext Paris through the filing of a 'notice d'information' on May 15. The 2013 programme was limited to the following two objectives:

– to meet the company's obligations under its executive share ownership and stock option plans; and
– to operate under the framework of a liquidity contract signed with Rothschild.

Finally, the Board noted two updates to the company's risk management report. The Board was regularly informed by the Executive Committee on the group's activities and financial situation as well as on the frequency spectrum dispute with Eutelsat. The Board was updated on O3b and noted the sale of the company's shares in Glocom Ltd and in ND SatCom in line with earlier Board decisions. At each meeting directors receive a report on ongoing matters and the Chairmen of the three committees set up by the Board present a report on the latest developments discussed in these respective committees. In addition, a business report is distributed to the members of the Board on a monthly basis.

The Board further noted an update of the Treasury Roadmap and received a presentation on the main regulatory issues identified in the satellite sector.

In line with past practice, the Board proceeded with a self-evaluation exercise, as a result of which management agreed to some additional modifications which should further streamline the internal corporate governance processes.

The 18 members of the current Board of Directors are:

René Steichen

Born November 27, 1942, Mr Steichen became a director on June 1, 1995. He was elected Chairman on April 15, 1996. Prior to that time, he was a member of the Luxembourg government (1984–1993) and member of the European Commission (1993–1995). He is currently an attorney at law in Luxembourg. He is also a member of the Board of Directors of SES ASTRA and Chairman of the Board of Luxconnect S.A. Mr Steichen studied law and political science in Aix-en-Provence and Paris. He holds a doctorate in law and also earned the final degree in economics and finance from the Institut d'Etudes Politiques of Paris. Mr Steichen is the Chairman of the Board as well as of the company's Nomination and Remuneration Committees.

Mr Steichen is a Luxembourg national. He is not an independent director, because he represents an important shareholder.

François Tesch

Born January 16, 1951, Mr Tesch became a director on April 15, 1999. He is Chief Executive Officer of Foyer S.A. and Luxempart S.A. He graduated with a degree in economics from the Faculté d'Aix-en-Provence and holds an MBA from INSEAD (Institut Européen d'Administration des Affaires). Mr Tesch is also a Board Member of Atenor Group S.A. and Financière de Tubize S.A., and Vice Chairman of the Board of SES and a member of the Nomination Committee of SES.

Mr Tesch is a Luxembourg national. He is not an independent director, because he has been a director for more than 12 years.

Jean-Paul Zens

Born January 8, 1953, Mr Zens became a director on May 7, 2002, and was elected Vice Chairman on the same date. Mr Zens is also a member of the Board of Directors of SES ASTRA and Entreprise des Postes et Télécommunications, Luxembourg. He is currently Director of the Media and Communications department of the Ministry of State in Luxembourg. He holds a law degree and a degree in psychology and communications sciences from the University of Strasbourg. Mr Zens is a member of the Nomination Committee of SES.

Mr Zens is a Luxembourg national. He is not an independent director because he represents an important shareholder.

Serge Allegrezza

Born October 25, 1959, Mr Allegrezza became a director on February 11, 2010. He is currently the Director General of Statec, the Luxembourg Institute for Statistics and Economic Studies, a post he has held since April 2003. He was Conseiller de Gouvernement 1ère classe at the Ministry of Economics, responsible for internal market policy, and is the Chairman of the Observatory for Competitiveness. He is also the Chairman of the Board of Directors of Entreprise des Postes et Télécommunications and of the Board of LuxTrust i.n.c and a member of the Conseil Economique et Social. Mr Allegrezza, was a parttime lecturer at the IAE/University of Nancy 2, has a Master's in economics and a PhD in applied economics.

Mr Allegrezza is a Luxembourg national. He is not an independent director, because he represents an important shareholder.

Romain Bausch

Born July 3, 1953, Mr Bausch has been President and Chief Executive Officer of SES since 1995, following a career in the Luxembourg civil service (Ministry of Finance). Before joining SES as its chief executive, Mr Bausch occupied key positions in the banking, media and telecommunications sectors and spent a five-year term as a Director and Vice Chairman of SES. Mr Bausch is also Chairman of the Board of Directors of SES ASTRA and Vice Chairman of the Board of Directors of O3b Networks. Mr Bausch also serves as a Director of Fedil – Business Federation Luxembourg and is a member of the Boards of Directors of Aperam, BIP Investment Partners and Compagnie Financière La Luxembourgeoise. He graduated with a degree in economics (specialisation in business administration) from the University of Nancy. He holds an honorary doctorate from the Sacred Heart University in Luxembourg.

Mr Bausch is a Luxembourg national. He is not an independent director, because of his employment relationship with SES.

Marc Beuls

Born September 15, 1956, Mr Beuls became a director on April 7, 2011. He is the former President and CEO of Millicom International Cellular S.A., a position he held from 1998 to 2009. Prior to joining Millicom in 1992 as Senior Vice President in charge of finance and treasury, Mr Beuls worked for Generale Bank in Belgium, specialising in project and trade financing in emerging markets. Mr Beuls graduated from the Limburg Business School, currently UHasselt, holding a degree in economics with a major in finance. Mr Beuls is a member of the Audit and Risk Committee of SES.

Mr Beuls is a Belgian national. He is an independent director.

Marcus Bicknell

Born February 28, 1948, Mr Bicknell became a director on May 6, 2005. Mr Bicknell is a director of New Media Foundry Ltd, and Langstaff-Ellis Ltd, two non-listed companies in the United Kingdom, and is a member of the Development Board of the Royal Academy of Dramatic Art. From 1986 to 1990 he was Commercial Director of Société Européenne des Satellites. Mr Bicknell holds an MA Honours Degree in physical anthropology from Cambridge University. Mr Bicknell is a member of the Remuneration Committee and the Nomination Committee of SES.

Mr Bicknell is a British national. He is an independent director.

Marc Colas

Born May 13, 1955, Mr Colas became a director on February 21, 2013. He was the general secretary of the Council of Ministers of the Luxembourg Government from 2004 to 2013, and he is presently Administrateur Général in the Presidency of the Government, in the Prime Minister's Office. Prior to that, he has held several positions in the Luxembourg civil service, in the Ministry of Finance, the Ministry for the Civil Service and Administrative Reform, the Ministry of Home Affairs and since 2004 in the Presidency of the Government, in the Prime Minister's Office. From 2001-2006, Mr Colas was a member of the Audit Committee of the European Investment Bank. He is also a member of the Board of Oeuvre Nationale de Secours Grand-Duchesse Charlotte. Mr Colas graduated with a master's degree in law from the University of Strasbourg and holds a double Master of Business Administration (Finance and Marketing) from the Richard T. Farmer School of Business from the University of Oxford (Ohio).

Mr Colas is a Luxembourg national. He is not an independent director, because he represents an important shareholder.

Bridget Cosgrave

Born July 1, 1961, Ms Cosgrave became a director on April 3, 2008. She is President and Founder of Every European Digital, a company to develop technology agnostic broadband infrastructure opportunities, currently focused on Poland. From 2009 until 2011, Ms Cosgrave served as Director General of DIGITALEUROPE. Ms Cosgrave was with Belgacom S.A. from 2001-2007 as a member of the Executive Committee. Her roles there included Executive Vice President of the Enterprise division, Chairman, President & founding CEO of BICS, a joint venture with Swisscom and MTN and Board Member of Belgacom Mobile (Proximus) and Telindus Group. Ms Cosgrave holds an MBA from London Business School and a BA (Hons) in Economics & History from Queen's University in Canada. Ms Cosgrave is a member of the Audit and Risk Committee of SES.

Ms Cosgrave is a dual Irish and Canadian national. She is an independent director.

Hadelin de Liedekerke Beaufort

Born April 29, 1955, Mr de Liedekerke Beaufort became a director on April 17, 2000. He is currently a director of Santander Telecommunications, a privately held company, as well as a director of other private companies with interests in various fields such as financial, communication and real estate developments. Mr de Liedekerke Beaufort graduated from the Ecole Hôtelière de Lausanne. Mr de Liedekerke Beaufort is a member of the Remuneration Committee of SES.

Mr de Liedekerke Beaufort is a French national. He is not an independent director, because he has been a director for more than 12 years.

Jacques Espinasse

Born May 12, 1943, Mr Espinasse became a director on May 6, 2005. In May 2007, after five years of duty, he retired as a member of the Management Board and Chief Financial Officer of Vivendi. Mr Espinasse is the former Chief Operations Officer of TPS. He is a member of the Supervisory Boards of LBPAM, Axa Belgium, Axa Holdings Belgium, Axa Bank Europe and Hammerson Plc. and holds a BBA and an MBA from the University of Michigan. Mr Espinasse is a member of the Audit and Risk Committee and the Remuneration Committee of SES.

Mr Espinasse is a French national. He is an independent director.

Jean-Claude Finck

Born January 22, 1956, Mr Finck became a director on May 31, 2001. Mr Finck is Chief Executive Officer of Banque et Caisse d'Epargne de l'Etat, a member of the Boards of Directors of Bourse de Luxembourg S.A., Luxair S.A., Cargolux S.A., La Luxembourgeoise S.A., La Luxembourgeoise Vie S.A., Paul Wurth S.A., and La Banque Postale Asset Management. Mr Finck graduated with a degree in economics from the University of Aix/Marseille. Mr Finck is a member of the Audit and Risk Committee of SES.

Mr Finck is a Luxembourg national. He is not an independent director, because he represents an important shareholder.

Tsega Gebreyes

Born December 14, 1969, Mrs Tsega Gebreyes became a director on April 4, 2013. She is the Founding Director of Satya Capital Limited. She served as Chief Business Development and Strategy Officer of Celtel International BV and Senior Advisor to Zain. She was also Founding Partner of the New Africa Opportunity Fund, LLP (re-named Zeypher Opportunity Fund LLP) and has worked with McKinsey and Citicorp. Mrs Gebreyes is a director of Ison Grown, Hygeia Nigeria Limited and Satya Capital Limited. She has a double major in Economics and International Studies from Rhodes College and holds an MBA from Harvard Business School.

Mrs Gebreyes is an Ethiopian national. She is an independent director.

Conny Kullman

Born July 5, 1950, Mr Kullman became a director on April 5, 2012. He was a former Director General, CEO and Chairman of Intelsat. Mr Kullman graduated with a Master of Science in Electronic Engineering from the Chalmers University of Technology in Gothenburg in 1974. After working as a Systems Engineer for Saab-Ericsson Space AB in Sweden until 1983, he joined Intelsat in Washington D.C., where he held several positions before becoming the company's Director General and CEO in 1998. Mr Kullman became the CEO of Intelsat, Ltd. in 2001, and in 2005, Chairman of Intelsat, Ltd., and CEO and President of Intelsat (Bermuda), Ltd., positions from which he retired in 2006. Mr Kullman is a member of the Remuneration Committee and of the Nomination Committee of SES.

Mr Kullman is a Swedish national. He is an independent Director.

Miriam Meckel

Born July 18, 1967, Pr. Dr. Meckel became a director on April 5, 2012. She is Professor for Corporate Communication and Director of the Institute for Media Management and Communication, University of St. Gallen. Prior to her current position, she was Undersecretary of State for Europe, International Affairs and Media and government spokeswoman in the office of the Premier of North Rhine-Westphalia. She also worked as Professor for Journalism and Communication Studies at the University of Münster, and was Managing Editor and presenter of a television news magazine for RTL Television. She has also been active as a freelance journalist for public and commercial television. Pr. Dr. Meckel is a member of the Boards of Directors of SES ASTRA, of the Ecole Hôtelière de Lausanne and of Commerzbank International S.A. Luxembourg. She holds a PhD in Communication Studies from the University of Münster.

Pr. Dr. Miriam Meckel is a German national. She is an independent Director.

Ramu Potarazu

Born August 10, 1961, Mr Potarazu became a director on February 20, 2014. He is the CEO of Binary Fountain. He is the Founder and former CEO of Vubiquity. Prior to founding Vubiquity, Mr Potarazu spent 15 years in various positions at Intelsat (1991-2006). He became Intelsat's Vice President of Operations and CIO in 1996 and its Vice President, Commercial Restructuring in 2000. In 2001 Mr Potarazu became President of Intelsat Global Service Corporation and from 2002 to 2006 he was President and Chief Operating Officer of Intelsat Ltd. Prior to joining Intelsat, Mr Potarazu held several engineering jobs. Mr Potarazu graduated with a BS in Computer Science and in Mathematics from the Oklahoma Christian University. He also holds an MSc in Electrical Engineering from the John Hopkins University and was a member of the Stanford Executive Program.

Mr Potarazu is a US National. He is an independent Director.

Victor Rod

Born April 26, 1950, Mr Rod became a director on November 23, 1995. He is President of Commissariat aux Assurances and Chairman of the Board of Directors of Banque et Caisse d'Epargne de l'Etat, Luxembourg. Mr Rod graduated with a degree in law from the University of Nancy.

Mr Rod is a Luxembourg national. He is not an independent director because he represents an important shareholder.

Marc Speeckaert

Born May 23, 1951, Mr Speeckaert became a director on May 6, 2005. He is the Managing Director of Sofina S.A. and a Director of several non-listed corporations, as well as of Rapala (which is listed on the Helsinki Stock Exchange) and of Mersen (which is listed on Euronext Paris). Mr Speeckaert graduated with a degree in applied economics and holds a Master in Business and Administration from the Université Catholique de Louvain (UCL) in Belgium. He also participated in an Advanced Management Program from Wharton, University of Pennsylvania (USA). Mr Speeckaert is the Chairman of the Audit and Risk Committee and a member of the Nomination Committee of SES.

Mr Speeckaert is a Belgian national. He is an independent director.

Committees of the Board of Directors

The Chairman's Office

The Chairman and the two Vice Chairmen are members of the Chairman's Office. The Chairman's Office prepares the agenda for the Board meetings, allowing the Vice Chairmen to co-ordinate the preparation of the Board meetings with the directors of their respective share classes.

The current members are:
Mr René Steichen
Mr François Tesch
Mr Jean-Paul Zens.

The Chairman's Office met six times during 2013 with a members' attendance rate of more than 94%

The Remuneration Committee

In accordance with general corporate governance standards, the company's Board established a Remuneration Committee which determines the remuneration of the members of the Executive Committee, and which advises on the overall remuneration policies applied throughout the company. It reports to the Board at each meeting through its Chairman. The Remuneration Committee is composed of six members, at least half of whom are independent Board members in line with the SES internal regulations. The Remuneration Committee is now composed of the following six non-executive directors:

Mr René Steichen
Mr Marcus Bicknell (independent)
Mr Hadelin de Liedekerke Beaufort
Mr Jacques Espinasse (independent)
Mr Conny Kullman (independent)
Mr Jean-Paul Zens.

The Remuneration Committee was chaired in 2013 by the Chairman of the Board.

The Remuneration Committee held five meetings, with an attendance rate of 90%. Matters addressed related to the determination of the 2013 stock option grant and the 2012 bonus for members of the Executive Committee. The Remuneration Committee further determined the number of performance shares allocated to the members of the Executive Committee for their performance in 2012 and it adopted the 2013 business objectives which are used as one element in the determination of their bonuses for 2013. The Remuneration Committee decided that from 2014 onwards, executives will receive fewer restricted shares and more performance shares. After each meeting, the Board is briefed in writing about the work of the Remuneration Committee.

The Remuneration Committee also oversees the implementation of the decision under which the members of the Executive Committee must within five years hold the equivalent of an annual salary's worth of registered shares in the company (with the President and CEO of SES having to hold shares worth two years of his salary).

The Audit and Risk Committee

As part of its overall corporate governance, the Board established an Audit and Risk Committee, which assists the Board in carrying out its oversight responsibilities in relation to corporate policies, risk management, internal control, internal and external audit and financial and regulatory reporting practices. The committee has an oversight function and provides a link between the internal and external auditors and the Board. The Audit Committee is composed of six members, four of whom are independent Board members.

The current members of the Audit and Risk Committee are:

Mr Marc Speeckaert, Chairman of the Audit and Risk Committee (independent)
Mr Marc Beuls (independent)
Mr Marc Colas
Ms Bridget Cosgrave (independent)
Mr Jacques Espinasse (independent)
Mr Jean-Claude Finck

The Audit and Risk Committee held five meetings, with a members' attendance rate of 90%.

The meetings were dedicated in particular to the review of the 2012 financial results before their submission to the Board and their subsequent approval by the shareholders at the statutory annual general meeting, and to the results of the first half of 2013. Members of the Board also had the opportunity to channel any comments they had on the company's quarterly results through the Chairman of the Audit and Risk Committee prior to the publication of these results.

The Audit and Risk Committee reviewed the company's statement on internal control systems prior to its inclusion in the annual report, approved the Internal Audit plan, and received bi-annual updates on the Internal Audit activities and on the follow-up of the major recommendations. It also reviewed the 2012 Ernst & Young Management letter.

The Audit and Risk Committee further continued to encourage management in its efforts to eliminate as many non-operating legal entities as possible. In line with good corporate governance practice, and as a result of the RFP launched in 2012 for the appointment of the external auditor, the Audit and Risk Committee proposed to the Board and to the shareholders to appoint PwC as external auditor for 2013.

The Audit and Risk Committee received bi-annual updates on risk management from the SES risk management committee and held several discussions on IT security. The Committee received updates on the newly introduced ERP system and an update on the Treasury Roadmap as well as an annual report from the Chairman of the Compliance Committee. It reviewed the Internal Audit Charter and approved a limited number of non-Audit engagements to be performed by the new external auditor who also briefed the Audit and Risk Committee on the first six months of the transition from EY to PwC. Finally the Audit and Risk Committee reviewed the recommendations submitted by the CSSF resulting from an analysis by the CSSF of the company's 2012 annual accounts.

After each meeting, the Board is briefed in writing about the work of the Audit and Risk Committee.

The Nomination Committee

In line with best practice in corporate governance, the Board established a Nomination Committee whose role is to identify and nominate suitable candidates for the Board of Directors, for election by the annual general meeting of shareholders. Such proposals are based on submissions from shareholders for a number of candidates at least equal to the number of posts to be filled for each class of shareholders. The Nomination Committee also proposes candidates for Executive Committee membership for election by the Board.

The Nomination Committee is composed of six members, at least half of whom are independent Board members in line with the SES internal regulations:
Mr René Steichen
Mr Marcus Bicknell (independent)
Mr Conny Kullman (independent)
Mr Marc Speeckaert (independent)
Mr François Tesch
Mr Jean-Paul Zens.

The Nomination Committee was chaired in 2013 by the Chairman of the Board. The Nomination Committee met nine times with an attendance rate of 89%. The main topics discussed related to the appointment of a new CEO, the appointment of a new CFO and the Management Succession Plan 2013 as well as to the preparation of the Board renewal.
After each meeting, the Board is briefed in writing about the work of the Nomination Committee.

The Executive Committee

Mission

The Executive Committee is in charge of the daily management of the group. It functions as a collegial body. The Executive Committee is mandated to prepare and plan the overall policies and strategies of the company for approval by the Board. It may approve intra-group transactions, irrespective of the amount, provided that they are consistent with the consolidated annual budget of the company as well as specific transactions with third parties for an amount up to EUR 10 million per project. It informs the Board at its next meeting on each such transaction, it being understood that the aggregate amount for such projects can at no time be higher than EUR 30 million.

The Executive Committee may approve any external credit facilities or external guarantees, pledges, mortgages and any other encumbrances of the company, or any wholly-owned affiliate, for as long as the company will not lose its investment grade rating as a result of such facility or guarantee. It may approve increases of up to 5% in the capital expenditure budget for a satellite procurement already approved by the Board, it being understood that the Internal Rate of Return will need to comply with certain specific thresholds defined by the Board. The Executive Committee informs the Board at its next meeting of each such increase.

The Executive Committee submits to the Board those measures which it deems necessary to be taken in order to meet the purposes of the company. Prior to the beginning of each fiscal year, the Executive Committee submits to the Board a consolidated budget for approval.

The Executive Committee is in charge of implementing all decisions taken by the Board and by the committees specially mandated by the Board. The Executive Committee may, in the interests of the company, sub-delegate part of its powers and duties to its members acting individually or jointly.

The Chairman of the Executive Committee organises the work of the Executive Committee and co-ordinates the activities of its members, who report directly to him. In order to facilitate the implementation by the Board of its overall duty to supervise the affairs of the company, the Chairman of the Executive Committee informs the Chairman of the Board on a regular basis of the company's activities. The latter receives the agenda and the minutes of all meetings of the Executive Committee in due time. During 2013, the Executive Committee met 44 times, with an attendance rate of more than 95%. Mr Pierre Margue, Vice President, Legal Services Corporate and Finance, the secretary of the Board of Directors, also acted as secretary to the Executive Committee.

Composition

The following persons are members of the Executive Committee:

- the President and CEO who assumes the chairmanship of the Executive Committee
- the CEO Designate
- the Chief Financial Officer
- the Chief Commercial Officer
- the Chief Development Officer, and
- the Chief Technology Officer.

Members of the Executive Committee are nominated by the Board of Directors upon a proposal from the Nomination Committee.
The current members of the Executive Committee are:

Mr Romain Bausch

Born July 3, 1953, Mr Bausch has been President and Chief Executive Officer of SES since 1995, following a career in the Luxembourg civil service (Ministry of Finance). Before joining SES as its chief executive, Mr Bausch occupied key positions in the banking, media and telecommunications sectors and spent a five-year term as a Director and Vice Chairman of SES. Mr Bausch is also Chairman of the Board of Directors of SES ASTRA and Vice Chairman of the Board of Directors of O3b Networks. Mr Bausch also serves as a Director of Fedil – Business Federation Luxembourg and is a member of the Boards of Directors of Aperam, BIP Investment Partners and Compagnie Financière La Luxembourgeoise. He graduated with a degree in economics (specialisation in business administration) from the University of Nancy. He holds an honorary doctorate from the Sacred Heart University in Luxembourg.

Mr Bausch is a Luxembourg national. He will retire as President and CEO effective April 3, 2014.

Mr Karim Michel Sabbagh

Born September 26, 1963, Mr Sabbagh joined SES on September 1, 2013 as CEO Designate. He is a member of the SES Executive Committee and serves on the Board of SES ASTRA, O3b and YahLive He served on the Board of SES from April 7, 2011 until August 31, 2013 and was a member of the Audit and Risk Committee of SES for the same period. He was a Senior Partner and a practice and regional leader for communications, media & technology at Booz & Company. At Board and Chief Executive levels, he has shaped and served the strategic agenda of global players in the communications, media and satellite sectors. He has led end-to-end multinational teams in long-term, large-scale privatizations, international expansion, mergers and acquisitions, growth acceleration and strategy-based transformation programmes. Mr Sabbagh is a visiting professor in technology management and member of the Academic Council for the School of International Management at Écoles des Ponts et Chaussées ParisTech (Grandes Écoles) in France. He holds a BBA with Distinction from the American University of Beirut, an MBA from the American University of Beirut, a PhD with Honors in strategic management from the American Century University in New Mexico, and a DBA in international business management from the International School of Management.

Mr Sabbagh is a Canadian and Lebanese national. He will succeed to the President and CEO, effective April 4, 2014.

Mr Padraig McCarthy

Born September 27, 1960, and appointed Chief Financial Officer on 4 April 2013, Padraig McCarthy started his career with SES in 1995 and is a skilled satellite finance executive, having held senior finance positions throughout his career in the company. As of 2001, Mr McCarthy has been the CFO of SES ASTRA and, since the integration of SES ASTRA and SES WORLD SKIES into SES, Senior Vice President Financial Operations & Business Support at SES. Mr McCarthy is a Director of SES ASTRA and an alternate Director of Yahlive. Prior to joining SES, he occupied various positions with KPMG, Schering Plough and Norton S.A (an affiliate of Saint Gobain). Mr McCarthy holds a bachelor's degree in Commerce from the University College Cork and is a fellow of the Irish Institute of Chartered Accountants.

Mr McCarthy is an Irish national.

Mr Martin Halliwell

Born April 20, 1959, and appointed Chief Technology Officer on May 1, 2011. Mr Halliwell was President of SES ENGINEERING from January 1, 2008 to April 2011. Prior to this assignment, Martin Halliwell held the position of SVP and Chief Technology Officer at SES ASTRA, where he was responsible for all engineering and operational activities. In the course of his career at SES ASTRA, Mr Halliwell held a number of positions, including General Manager, Global Multimedia Networks, Technical Director of SES Multimedia and Deputy to the Technical Director of SES ASTRA. Prior to joining SES, Martin Halliwell worked for Cable & Wireless and for Mercury Communications.Mr Halliwell holds a BA in Mathematics and Mechanical Engineering and an MBA specialising in external environment and strategic management from the Open University. Mr Halliwell is a member of the Board of SES ASTRA and of O3b Networks.

Mr Halliwell is a British national.

Mr Ferdinand Kayser

Born July 4, 1958, and appointed Chief Commercial Officer of SES on May 1, 2011. Mr Kayser was previously President and Chief Executive Officer of SES ASTRA as of January 2002. Mr Kayser came to SES from Premiere World, the digital pay-TV bouquet of Germany's Kirch Group, where he was Managing Director between 1997 and 2001. Prior to joining the Kirch Group, Mr Kayser held a number of executive positions at CLT, Europe's largest commercial broadcaster, including Senior Vice

President in charge of German TV and radio activities (1989–1992), Managing Director in charge of the launch of RTL2 (1993) and Executive Vice President and member of the Management Board responsible for all TV activities of CLT (1993–1996). Mr Kayser holds a Master of Economics from the University of Paris 1, Panthéon-Sorbonne, and has concluded specialised university studies in Media Law and Management of Electronic Media. Mr Kayser is a member of the Boards of SES ASTRA and YahLive.

Mr Kayser is a Luxembourg national.

Mr Gerson Souto

Born June 14, 1964, and appointed Chief Development Officer of SES on May 1, 2011. Mr Souto joined SES in 1998 for a career in the Business Development function and held various executive positions within SES. Since 2009, Mr Souto was a member of the executive management of SES WORLD SKIES with responsibility for commercial services; prior to that and since 2007, he held similar responsibilities at SES' NEW SKIES division. Prior to joining SES, Mr Souto worked for Intelsat and at Embratel. Mr Souto holds an MBA from George Washington University in Washington, D.C., an MA in Telecommunication Systems from the Pontifical Catholic University in Brazil, and a bachelor's degree in Telecommunication Engineering from the Federal Fluminense University in Brazil. Mr Souto is a member of the Boards of SES ASTRA and of O3b Networks.

Mr Souto is a Brazilian national.

Remuneration

Remuneration of the members of the Board of Directors

The annual general meeting of shareholders determines the remuneration of the members of the Board of Directors for attending Board and committee meetings. In 2013, the shareholders decided to maintain the fees paid to the directors at the previous year's level with a majority of more than 99.99%. Directors receive a fixed fee of EUR 40,000 per year, whereas the Vice Chairmen and the Chairman of the Audit and Risk Committee receive an annual fixed fee of EUR 48,000 and the Chairman receives EUR 100,000 per year.

The shareholders also maintained the fees per meeting at EUR 1,600 for each meeting of the Board or a committee of the Board attended. Half of that fee is paid if the director participates via telephone or videoconference in the meeting.

All these fees are net of any Luxembourgish withholding taxes. The total net remuneration fees paid for the year 2013 to the members of the Board of Directors (net of the Luxembourgish withholding tax) amounted to EUR 1,126,267, of which EUR 345,600 were paid as variable fees, with the remaining EUR 780,667 representing the fixed part of the Board fees. The gross overall figure for the year 2013 was EUR 1,407,833.

Company stock owned by members of the Board of Directors

On December 31, 2013, the members of the Board of Directors and their closely associated family members owned a combined total of 832,787 shares and FDRs (representing 0.16% of the company's share capital).
Transactions made by members of the Board of Directors are published on the company's website under Management Disclosures. In accordance with the company's Dealing Code, directors require prior permission before dealing in SES shares or FDRs.

Remuneration of the members of the Executive Committee

The remuneration of the members of the Executive Committee is determined by the Remuneration Committee. It is composed of a fixed and a variable part. The total gross remuneration paid to the six members of the Executive Committee relative to the year 2013 amounted to EUR 10,669,893.15 of which EUR 3,367,417.92 represented the fixed part and EUR 7,302,474.96 the variable part. The direct remuneration paid to the members of the Executive Committee amounted to EUR 4,926,797.34 whereas the indirect remuneration was EUR 5,743,095.77. The indirect remuneration also contains the benefits derived by the members of the Executive Committee from the company's executive stock option plan and the long-term incentive plan, as adopted by the Board of Directors. During 2013, the members of the Executive Committee were awarded a combined total of 148,184 options to acquire company FDRs at an exercise price of EUR 23.87, the price being based on the average of the closing price on Euronext Paris of the first 15 trading days following the Remuneration Committee meeting at which the options were authorised. A quarter of those options vested on January 1, 2014, the remaining quarters vesting on January 1, 2015, 2016 and 2017, respectively. In 2013, members of the Executive Committee were granted 73,326 restricted shares as part of the company's long-term incentive plan, as well as 24,288 performance shares. These shares will vest on June 1, 2016.

During 2013, Messrs Romain Bausch, Martin Halliwell, Ferdinand Kayser, Padraig McCarthy and Gerson Souto sold some or all of the restricted shares which vested on June 1. SES publishes the details of all transactions made by its Board members and by the members of its Executive Committee on its website: http://www.ses.com/management-disclosures.

Each member of the Executive Committee is entitled to two years of base salary in case his contract is terminated without cause. If they resign they are not entitled to any compensation.

<u>Company stock owned by members of the Executive Committee</u>

On December 31, 2013, the six members of the Executive Committee then in place owned a combined total of 293,699 shares and FDRs (representing 0.06% of the company's share capital), 299,154 unvested restricted and performance shares and 1,222,174 options. Transactions made by members of the Executive Committee are published on the company's website under Management Disclosures. Members of the Executive Committee are required to comply with the company's dealing code.

External auditor

In accordance with the Luxembourg law on commercial companies, the company's annual and consolidated accounts are certified by an external auditor appointed by the annual general meeting of shareholders. On April 4, 2013, and based upon a proposal from the Board, the shareholders elected PwC as the company's external auditor for one year and approved its remuneration, with a majority of more than 99.4%. The mandate of PwC will expire at the annual general meeting on April 3, 2014.

Business risks and their mitigation

This section contains a summary of the main risks that SES may face during the normal course of its business. However:

– this section does not purport to contain an exhaustive list of the risks faced by SES and SES may be significantly affected by risks that it has not identified or considered not to be material;
– some risks faced by SES, whether they are mentioned in this section or not, may arise from external factors beyond SES's control;
– where mitigations are mentioned in this section, there is no guarantee that such mitigations will be effective (in whole or in part) to remove or reduce the effect of the risk.

<u>Risks relating to procurement</u>

Risk of launch delays and/or launch failures
SES is planning to launch four satellites between 2014 and 2016. The launch of any of these satellites carries a risk of delay for a variety of reasons, including the late availability of the satellite or co-passenger satellite for shipment to the launch site, the late availability of the launch service or last-minute technical problems arising on the satellite, co-passenger satellite or launcher.

A launch delay or failure could have a material negative effect on revenue and also potentially cause the loss of frequency rights at certain orbital positions. Satellite launch and in-orbit insurance policies do not compensate for lost revenues due to the loss of customers or for consequential losses resulting from any launch delay or failure.

SES attempts to mitigate the risk of a launch delay interrupting existing services by leaving large time margins in procurement schedules for replacement satellites.

There is always an inherent risk of launch failure in the form of a reduced satellite lifetime (in case of incorrect orbit injection), reduced functionality of the satellite or the total loss of a mission.

SES attempts to mitigate the risk of launch failure in several ways, including by detailed technical risk management of each satellite and launch vehicle programme, asset insurance for each launch and a staggered fleet deployment scheme (allowing assets to be repurposed in the case of single satellite failure so as to ensure a minimum impact on customers and revenues).

Risk of dependency on launch service providers

SES is largely dependent on Arianespace, ILS and SpaceX to launch its satellites into space. SES may incur significant delays in launching new satellites in the event of a prolonged unavailability of one of those three systems.

Risk of dependency on satellite manufacturers and secondary suppliers

SES is dependent on six major satellite manufacturers for the construction of its satellites.

Dependency on a small number of satellite manufacturers may reduce SES's negotiating power and access to advanced technologies (which may only be available to certain suppliers). It may also result in a higher concentration of risk – SES may incur significant delays in procuring new satellites in the event of prolonged problems at one of these satellite manufacturers. Further, the difficulties caused by any technical problems with the design of a particular model of satellite may be multiplied if several satellites of that design are purchased.

In addition, there are a limited number of second tier suppliers of certain key components for communication satellites. SES may incur significant delays in launching new satellites in the event of prolonged problems at one of these secondary suppliers.

SES attempts to mitigate this risk by a constant monitoring of its supplier base, maintaining multiple procurement sources and developing relationships with new suppliers to the extent possible.

<u>Risks relating to satellites</u>

Risk of in-orbit failure

One or more of SES' satellites may suffer in-orbit failures, ranging from a partial impairment of their commercial capabilities to a total loss of the asset. In the event of such a failure, SES may not be able to continue to provide service to its customers from the same orbital slot or at all.

SES attempts to mitigate the risk of in-orbit failure by careful vendor selection and high quality in-orbit operations. SES' fleet is diversified by manufacturer and satellite type, which reduces the likelihood of widespread technical problems. The impacts of such failures on customer service and related revenues are mitigated by an in-orbit backup strategy, where customers on an impaired satellite can be transferred to another satellite in the fleet. However, there is no guarantee that these mitigations will be entirely effective, especially in the event of the failure of several satellites.

For example, several of SES's satellites are operating beyond the end of their design life and have experienced various technical anomalies. These satellites have already completed the primary missions for which they were designed and have been redeployed for secondary missions. Satellites in secondary missions are used for various reasons, such as developing new orbital locations, safeguarding spectrum rights and providing redundant capacity for satellites in their primary missions. These satellites' technical capabilities do not generally need to be fully utilised in operating their secondary missions, which potentially mitigates the effects of further technical failures.

In addition, eleven of SES' Lockheed Martin A2100 have experienced technical problems with their solar array circuits. The extent of the problem varies depending on the satellite but it may reduce both the operational life of the satellite and the number of usable transponders, leading to a reduction in the revenue generated by the satellite. All of the satellites with solar array issues are still being used for their primary missions, with the exception of AMC-4 and NSS 7, which are being used for secondary missions.

NSS 12, a satellite built by Space Systems Loral, has also experienced solar array power losses. However, appears to be less severe than the Lockheed Martin A2100 solar array issue and SES does not believe a specific mitigation plan is needed at this point.

Several of SES's satellites (AMC-4, ASTRA 1G, ASTRA 1H, ASTRA 1M, ASTRA 2B and NSS 7 and Quetzsat) have experienced various other anomalies.

Technical failures have resulted in a reduction of available capacity on ASTRA 1G and a reduction in the operational life of ASTRA 1H. There is no risk of a recurrence of these issues on these satellites.

AMC-4 and NSS 7 have completed their primary missions and as a result no mitigation is in place.

ASTRA 1M, which is a key asset at the 19.2°E prime orbital position, has currently lost redundancy on its propulsion subsystem. Further technical problems on the propulsion system could result in the loss of the satellite. However, SES believes that such an event is unlikely and the risk is mitigated by the additional capacity at this orbital.

Quetzsat-1 has experienced the loss of redundancy in its data handling equipment and further technical problems with this sub-system could result in the loss of the satellite. However, SES believes that the possibility of such an event happening is unlikely.

In-orbit insurance constitutes an additional financial mitigation against the risk of impairments, subject to the limitations of such insurance.

Risk of short operational life

The expected design life of SES's satellites is typically 15 years. In the event of changes in the expected fuel life of the satellite, in-orbit anomalies or other technical factors, its actual life may be shorter than this. This could lead to the satellite being depreciated faster than anticipated and the lifetime revenue generated by the satellite being reduced, diminishing the overall return on investment for the asset. SES attempts to mitigate the risk of a reduced operational life by careful vendor selection and high quality in-orbit operations.

<u>Risks relating to insurance</u>

Insurance coverage risk

SES's satellites may be subject to damage or loss from events that might not be covered by insurance policies. SES maintains launch and initial in-orbit insurance, in-orbit insurance and third party liability insurance for its satellites. The insurance policies generally contain exclusions from losses resulting from:

- military or similar action;
- any anti-satellite device;
- electromagnetic and radio interference (except for physical damage to a satellite directly resulting from this interference);
- confiscation by any governmental body;
- insurrection and similar acts or governmental action to prevent such acts;

– nuclear reaction or radiation contamination;
– wilful or intentional acts causing the loss or failure of satellites; and
– terrorism.

The insurance policies do not provide compensation for business interruption, loss of market share, reputational damage, loss of revenue, incidental and consequential damages and similar losses that might arise from the failure of a satellite launch, incorrect orbital placement or the failure of a satellite to perform according to specifications. In addition, SES's in-orbit insurance only covers losses in excess of the risk retention level selected by SES.

The in-orbit insurance policies may exclude from coverage failures arising from pre-existing defects, such as defects in solar array and battery anomalies of some existing satellites. In addition, SES will not be fully reimbursed if the cost of a replacement satellite exceeds the sum insured. As a consequence, the loss, damage or destruction of any satellites as a result of any of these events could result in material increases in costs or reductions in expected revenues or both.

SES has reviewed its approach to in-orbit insurance of its satellites and, in recognition of the excellent procurement and operating record, has adopted a policy of limited self-insurance. Premiums are paid to a wholly-owned subsidiary, thus reducing the amount of insurance premiums paid to external insurance companies.

If any event occurs that is covered by the in-orbit insurance, the payment of the sum insured could result in material increases in costs.

SES has third party liability insurance that covers damage suffered by third parties resulting from accidents such as launch failures and satellite collisions. It is subject to an annual combined single limit of €500 million of coverage.

Insurance availability risk

Satellite insurance is a cyclical market dominated by the law of supply and demand. The amount of capacity currently available in the market is adequate to cover SES satellite programmes. However, events outside SES's control – including large losses and shifts of insurance capacity from space to other lines of business – could change this situation. This could result in increases in the amount of insurance premiums paid by SES to cover its risks and affect its ability to obtain the desired level of coverage.

SES's self-insurance programme improves its flexibility to accommodate variations in market conditions.

Risks relating to customers

Risk of key customer loss

SES depends on a number of key customers whose loss (or non-renewal) would reduce SES' revenues. SES's five largest commercial customers, represented 23.4% of SES's total revenues in 2013. The total revenue generated from contracts with the U.S. government (and customers serving the U.S. government) represented approximately 10% of SES's total revenues in 2013.

If key customers reduce their reliance on SES by developing or increasing relationships with other satellite operators (or moving to other telecommunications solutions) and such key customers cannot be replaced, SES's revenues may be impacted negatively.

SES's main existing satellite capacity agreements for direct to home in Europe typically have contract durations of ten years, with some contracts for longer periods. If SES is unsuccessful in obtaining the renewal of its satellite capacity agreements when they come up for renewal on commercial terms similar to those currently reflected in its agreements, revenues could be adversely affected for some time.

SES's customer base is subject to constant change. Bankruptcy of key customers or customer consolidation resulting from mergers and acquisitions can reduce demand for SES's satellites capacity, thereby affecting SES's revenues.

Risks relating to customer credit

SES may suffer a financial loss if any of its customers fail to fulfil their contractual payment obligations.

The level of customer credit risk may increase as SES grows revenues in emerging markets because credit risk tends to be higher in these markets (compared to the mature markets of Europe and North America).

This risk is mitigated principally through a customer credit policy that includes credit checks, credit profiles, deposits or other forms of security, monitoring of payment performance and the application of a provisioning policy.

Further details are provided in Note 19 to the consolidated financial statements.

Risks inherent in international business

SES conducts business around the world. It is exposed to issues such as financial, regulatory, geopolitical, tax and trade risks in many jurisdictions. Political and financial stability in some jurisdictions may impact SES's business in that country. In practice, it may be difficult for SES to enforce its legal rights in some jurisdictions.

The inherent instability of doing business in certain jurisdictions may have a negative impact on SES's revenues.

Risks inherent in doing business with the U.S. government

The proxy structure of the SES Government Solutions entity, in line with common practice for businesses serving certain segments of the U.S. government, imposes various restrictions on SES's Board of Directors and executive management in directly supervising the maintenance of an internal control system and imposing an internal audit structure. However, these restrictions are mitigated through having an agreement on a required risk management and internal control framework.

Risks relating to the satellite communications market

Competition risk

The telecommunications market is fiercely competitive and SES faces competition from satellite, terrestrial and wireless networks.

SES faces competition from international, national and regional satellite operators. Some national operators receive tax and regulatory advantages in their country which are not available to SES. The development of national satellite programmes may hinder SES's ability to compete in those countries on normal economic terms.

In addition, SES competes with operators of terrestrial and wireless networks. Any increase in the technical effectiveness or geographic spread of these terrestrial and wireless networks could result in a reduction in demand for SES's satellites. Some terrestrial and wireless operators may receive state aid and subsidies not available to SES.

Competition in the telecommunications market could result in a demand reduction for SES's satellite capacity and have a significant negative impact on SES's results.

Technology risk

The satellite telecommunications industry is vulnerable to technological change. SES's satellites could become obsolete due to unforeseen advances in telecommunications technology leading to a reduction in demand for its services and a negative impact on revenues.

The use of new technology to improve signal compression rate could lead to a reduction in demand for SES's satellites, which, if not offset by an increase in demand, could lead to a negative impact on the results.

Risks relating to SES' strategic development

Emerging market risk

SES's development strategy includes targeting new geographical areas and emerging markets and potentially to develop joint ventures or partnerships with local telecommunications, media and financial businesses in order to improve market access for its services.

SES may be exposed to the inherent instability of doing business in those regions. Such inherent instability could have an adverse impact on SES's revenue.

Please also see "Risks inherent in international business**"** above.

In some emerging markets, customers may be less financially secure and run a higher risk of insolvency than in more developed markets. The failure of a customer could have an adverse impact on SES's revenue.

Investment risk

SES regularly evaluates opportunities to make strategic investments. These opportunities may not yield the expected benefits due to a number of factors such as antitrust reviews, financing costs and regulatory approvals. If an investment is made, it may adversely affect SES's results due to financing costs or the performance of the investment following acquisition.

SES has a number of strategic investments in businesses that it does not fully control. As a result, SES is dependent in part on the cooperation of other investors and partners in protecting and realising the full potential of certain investments. SES may not be able to prevent strategic partners from taking actions that are contrary to SES's business interests.

SES also invests in new and innovative projects such as O3b Networks, which often feature new technology or uncertain market demand. If the technology is not successful or demand does not materialise as planned, the value of SES's investment may be reduced.

In relation to O3b, there can be no assurance that the business will not require further funding. If SES was to increase its investment in O3b to over 50%, it would have to include O3b's indebtedness in SES' financial statements. It may also have to purchase the shares of the minority investors at a fair market value.

SES has also earmarked certain funds for investment, which includes the replacement of existing satellites (often with increased capacity) and the launching of new satellites. The successful marketing and sale of new capacity is dependent on the underlying demand for satellite capacity in the targeted regional markets. If that demand does not materialise as anticipated, SES's financial forecasts may not be met.

Risks related to Regulatory and Corporate

Legal risk

SES cannot always predict the impact of laws and regulations on its operations. The operation of the business is and will continue to be subject to the laws and regulations of the governmental authorities of the countries where SES operates or uses radio spectrum and offers satellite services or capacity, as well as to the frequency co-ordination process of the International Telecommunication Union (ITU). Regulation and legislation is extensive and outside SES's direct control. New or modified rules, regulations, legislation or decisions by a relevant governmental entity or the ITU could materially and adversely affect operations.

The international nature of SES's business means that it is subject to civil or criminal liability under the U.S., UK, EU and other regulations in relation to economic sanctions, export controls and anti-bribery requirements. International risks and violations of international regulations may negatively affect future operations or subject SES to criminal or civil enforcement actions.

Disputes in relation to SES's business arise from time to time and can result in legal or arbitration proceedings. The outcome of these proceedings cannot be predicted. A negative outcome in a substantial litigation or arbitration case could have a material impact on SES's business and financial position.

Spectrum access risk

SES needs access to orbital slots and associated frequencies to permit it to maintain or grow its satellite system.

The ITU establishes radio regulations and is responsible for the allocation of frequency spectrum for particular uses and the allocation of orbital locations and associated frequency spectrum. SES can only access spectrum through ITU filings made by national administrations.

Orbital slots and associated frequencies are a limited resource. The ITU may reallocate spectrum from satellite to terrestrial uses. In addition, national administrations are increasingly charging for access to spectrum by the use of fees and auctions.

Any reallocation of spectrum from satellite to terrestrial uses or charging by national administrations may have a significant adverse effect on SES's current results and future prospects.

Spectrum co-ordination risk

SES is required to co-ordinate the operation of its satellites with other satellites operators through the ITU so as to prevent or reduce interference between satellites. SES may also be required to co-ordinate any replacement satellite that has performance characteristics which differ from those of the satellite it replaces.
As a result of such co-ordination, SES may be required to modify the proposed coverage areas of its satellites, satellite design or transmission plans in order to eliminate or minimise interference with other satellites or ground-based facilities. Those modifications may mean that use of a particular orbital position is significantly restricted, possibly to the extent that it may not be economical to place a new satellite in that location. In addition, interference concerns of a country may affect the ability of SES's satellite network to generate revenues, due to the operational restrictions that the country may impose.

Similarly, the performance of SES's satellites in the affected areas could be adversely affected if ITU regulations or other legal constraints fail to prevent competing satellite operators from causing harmful interference by the operation of their satellites.

Spectrum bringing into use risk

If SES does not

- occupy unused orbital locations by specified deadlines, or
- does not maintain satellites in the orbital locations it currently uses, or
- does not operate in all the frequency bands for which a licence has been received,

those orbital locations or frequency bands may become available for other satellite operators to use.

SES has access to a large portfolio of orbital locations that have been filed at the ITU through various administrations. For each filing, the ITU and the national regulators impose various conditions that have to be met in order to secure the spectrum. Operational issues such as satellite launch failure, launch delay or in-orbit failure might compromise the access to the spectrum at specific orbital locations. SES is committed to the highest quality in satellite procurement and launch, which helps to reduce this risk. In addition, SES's large fleet permits the relocation of in-orbit satellites in order to meet the regulatory conditions in many of the cases.

Regulatory risk

SES may need to obtain and maintain approvals from authorities or other entities to offer or operate satellite capacity. For example, SES must obtain authorisations or landing rights in certain countries for satellites to be able to transmit signals to or receive signals from those countries. The failure to obtain landing rights or the authorisations necessary to operate satellites internationally to provide services could lead to loss of revenues.

Customers are responsible for obtaining regulatory approval for their operations. As a result, there may be governmental regulations of which SES is not aware or which may adversely affect the operations of customers. SES could lose revenues if customers' current regulatory approvals do not remain sufficient in the view of the relevant regulatory authorities, or if additional necessary approvals are not granted on a timely basis, or at all, in all jurisdictions in which customers wish to operate or provide services or if applicable restrictions in those jurisdictions become unduly burdensome.

Export control

U.S. companies and companies located in the United States must comply with U.S. export control laws in connection with any information, products or materials that they provide to foreign companies relating to communications satellites, associated equipment and data. SES's U.S. operations may not be able to maintain normal international business activities and SES's non-U.S. operations may not be able to source satellites, satellite-related hardware, technology and services in the United States if:

– export licences are not obtained in a timely fashion;
– export licences do not permit transfer of all items requested;
– launches are not permitted in the locations that SES prefers; or
– the requisite licence, when approved, contains conditions or restrictions that pose significant commercial or technical problems.

Such occurrences could impede construction and delay the launch of any future satellites, adversely impacting current and/or future revenues.

External threat risk

In common with other satellite operators, SES is vulnerable to the risk of terrorist acts, sabotage, piracy, attack by anti-satellite devices, jamming, unintentional interference and natural disaster. Such external threats may lead to a temporary or permanent interruption in service and/or the loss of customers. Any such act could have a potentially significant adverse effect on SES's results.

Cyber risk

SES's operations may be subject to hacking, malware and other forms of cyber-attack. SES has put in place protections against these forms of cyber-attack and is continually updating its defences. However, the environment for cyber-attack is increasingly hostile and there remains a risk to SES.

Risk of loss of key employees

SES has a number of key employees with highly specialised skills and extensive experience in their fields. If one of these employees were to leave, SES may have difficulty replacing him or her. SES attempts to mitigate the risk of losing key employees through retention programmes, succession planning and development plans.

If SES is unable to retain key employees or attract new highly-qualified employees, it could have a negative impact on SES's business, financial situation and results.

Unforeseen high impact risk

SES's operations may be subject to unforeseen events which are both improbable and have a high impact. Due to the unforeseen nature of the event, it is difficult to manage the impact of such events or predict the nature or extent of the damage. Such unforeseen events may have a significant negative impact on SES' business, financial situation and results.

<u>Risks relating to finance</u>

Economic conditions risk

The global financial system has suffered considerable turbulence and uncertainty in recent years including the Eurozone sovereign debt crisis. This turbulence has contributed to a general economic slowdown in many of the countries where SES operates. This may have a negative effect on SES's performance if potential customers face difficulties funding their business plans, which could in turn delay the onset of new revenue.

Cash flow risk

SES operates a strong business model but if, for any reason, SES is not successful in implementing its business model, cash flow and capital resources may not be sufficient to repay indebtedness. If SES is unable to meet debt service obligations or comply with covenants, a default under debt agreements would occur. To avoid a possible default or upon a default, SES could be forced to reduce or delay the completion or expansion of the satellite fleet, sell assets, obtain additional equity capital or refinance or restructure its debt.

Debt rating risk

A change in SES' debt rating could affect the cost and terms of its debt as well as its ability to raise debt. SES's policy is to attain, and retain, a stable BBB rating with Standard & Poor's and Fitch, and a Baa2 rating with Moody's. If SES's credit rating was downgraded, it may affect SES's ability to obtain financing and the terms associated with that financing. SES cannot guarantee that it will be able to maintain its credit ratings.

Financial covenant risk

Many of SES' financing agreements require it to maintain a net debt to EBITDA ratio of not more than 3.5 to 1. Several major rating agencies have indicated that failure to comply with SES's policy of maintaining a ratio of not more than 3.3 to 1 could result in a review of SES' credit rating. Complying with this ratio may limit SES's flexibility and opportunities including by limiting capital expenditures and investments.

Tax risk

SES's financial results may be materially adversely affected by unforeseen additional tax assessments or other tax liabilities.

SES does business in many different countries and is potentially subject to tax liabilities in multiple tax jurisdictions. It has tax liabilities on its business operations in multiple jurisdictions. SES makes provisions in its accounts for current and deferred tax liabilities and tax assets based on a continuous assessment of tax laws relating to it.

However, SES cannot be certain of a tax authority's application and interpretation of the tax law. SES may be subjected by tax authorities to unforeseen material tax claims, including late payment interest and/or penalties. These unforeseen tax claims may arise through a large number of reasons including identification of a taxable presence of a non-indigenous group company in a taxing jurisdiction, transfer pricing adjustments, application of indirect taxes on certain business transactions after the event and disallowance of the benefits of a tax treaty. In addition, SES may be subject to tax law changes in a taxing jurisdiction leading to retroactive tax claims.

SES has implemented a tax risks mitigation charter based on (among other things) a framework of tax opinions for the financially material tax positions taken by SES, transfer pricing documentation for the important inter-company transactions of SES, a transfer pricing policy and procedures for accurate tax compliance in all taxing jurisdictions.

Liquidity risk

SES requires liquidity to maintain its operations and meet its obligations. Any liquidity problems may have a significant impact on SES's operations and lead to the breach of contractual obligations. SES' objective is to efficiently use cash generated so as to maintain short-term debt and bank loans at a low level. In case of liquidity needs, SES can call on uncommitted loans and a committed syndicated loan. In addition, if deemed appropriate based on prevailing market conditions, SES can access additional funds through a European Medium-Term Note or commercial paper programme. SES's debt maturity profile is tailored to allow the company to cover repayment obligations as they fall due.

SES operates a centralised treasury function which manages the liquidity of SES in order to optimise the funding costs. This is supported by a daily cash pooling mechanism.

Further details are provided in Note 19 to the consolidated financial statements.

Foreign currency risk

SES's reported financial performance can be impacted by movements in the U.S. dollar/euro exchange rate as SES has significant operations whose functional currency is the U.S. dollar and liabilities denominated in U.S. dollar.

To mitigate this exposure, SES can enter into forward foreign exchange or similar derivatives contracts to hedge the exposure on financial debt or on the net assets.

Further details are provided in Note 19 to the consolidated financial statements.

Interest rate risk

SES's exposure to risk of changes in market interest rates relates primarily to SES' floating rate borrowings. SES carefully monitors and adjusts the mix between fixed and floating rate debt from time to time following market conditions. Interest rate derivatives can beused to manage the interest rate risk. The terms of the hedge derivatives are negotiated to match the terms of the hedged item to maximise hedge effectiveness.

Further details are provided in Note 19 to the consolidated financial statements.

Counterparty risk

SES exposure relates to the potential default of a counterparty holding financial assets (cash and cash equivalents, held for trading financial assets, loans receivable and derivative instruments), with the maximum exposure being equal to the carrying amount of these instruments.

The counterparty risk from a cash management perspective is reduced by the implementation of several cash pools, accounts and related paying platforms with different counterparties.

To mitigate the counterparty risk, SES only deals with recognised financial institutions with an appropriate credit rating – generally 'A' and above. All counterparties are financial institutions which are regulated and controlled by the national financial supervisory authorities of the applicable countries. The counterparty risk portfolio is analysed on a quarterly basis. Moreover, to reduce this counterparty risk the portfolio is diversified as regards the main counterparties, ensuring a well-balanced relationship for all categories of products (derivatives as well as deposits).

Further details are provided in Note 19 to the consolidated financial statements.

Internal control procedures

Objective

The Board has overall responsibility for ensuring that SES maintains a sound system of internal controls, including financial, operational and compliance controls.

Such a system is an integral part of the corporate governance strategy of the company.

Internal control procedures help to ensure the proper management of risks and provide reasonable assurance that the business objectives of the company can be achieved.

The internal control procedures are defined and implemented by the company to ensure:

- the compliance of actions and decisions with applicable laws, regulations, standards, internal rules and contracts;
- the efficiency and effectiveness of operations and the optimal use of the company's resources;
- the correct implementation of the company's internal processes, notably those to ensure the safeguarding of assets;
- the integrity and reliability of financial and operational information, both for internal and external use;
- that management's instructions and directions are properly applied; and
- that material risks are properly identified, assessed, mitigated and reported.

Like all control systems, internal controls cannot provide an absolute guarantee that risks of misstatement, losses or human error have been totally mitigated or eliminated.

Control environment

SES has adopted a robust internal control framework based on a set of guidelines prepared by COSO (Committee of Sponsoring Organisations of the Treadway Commission). This framework provides reasonable assurance that the internal control objectives are being achieved; it is also consistent with the reference framework proposed by the French securities regulator, the 'Autorité des Marchés Financiers' (AMF).

The control environment is an essential element of the company's internal control framework, as it sets the tone for the organisation. This is the foundation of the other components of internal control, providing discipline and structure.

The Board has delegated the design, implementation and maintenance of a rigorous and effective system of internal controls to the Executive Committee of SES, which in turn works closely with the other levels of management in establishing control policies and procedures.

In the context of SES's organisational realignment in 2011, management undertook several initiatives to increase the internal efficiency and effectiveness of its operations. The descriptions of the main SES functions and processes have been reviewed and electronically documented using a Business Process Management software, with the support of the Operational Excellence Team. This has been supplemented by a review of all policies and procedures. The aim is to design and implement a common set of policies and procedures that best support the organisation and can be used company-wide.

The policies and procedures, which are formalised by the management of a department or cross-functional teams, apply to all employees, officers and directors of the company, its subsidiaries and other controlled affiliates as the general framework for their own business process design.

These policies and procedures also take into account specificities of each legal entity and are adapted where necessary to their activity, size, organisation, and legal and regulatory environment.

A ‘Code of Conduct and Ethics’ has been established to reinforce the corporate governance principles and control environment. This code is applicable to all employees, officers and directors of the company, its subsidiaries and other controlled affiliates. Regular refresher courses are presented to SES employees worldwide to ensure high level of awareness and compliance by SES staff.

The policies outlined in this code are designed to ensure that all employees, officers and directors act at all times in accordance with the applicable laws, regulations and norms of conduct, and with the highest standards of integrity. The code was submitted to the Audit and Risk Committee and has been approved by the Board. In addition, a Sales Agency and Representative policy has been adopted and implemented to further strengthen this process.

Employees and officers in all entities of the company have been informed of the content of the Code of Conduct and its applicable principles. An SES Compliance Committee, composed of designated Compliance Officers in each main company location, is tasked with raising the staff’s awareness of the code and to ensure a consistent roll-out and training programme for the code. The committee meets regularly to discuss important topics or issues.

To ensure full compliance with the data protection laws and regulations, in 2013 SES has appointed a Data Protection Officer.

Another key component of the control environment is the co-ordination of risk management with internal control. Risk management and internal control systems complement each other in controlling the company’s activities.

Risk management

SES has adopted a risk management policy based on principles proposed by COSO and ISO31000. The co-ordination of the implementation of this policy and the development of a risk register is the responsibility of a Risk Management Committee which reports to the Executive Committee of SES. The Executive Committee in turn reports to the Board, which has the ultimate responsibility for oversight of the company’s risks and ensuring that an effective risk management system is in place. Common definitions and measures of risk management have been established and training has been provided to the various risk owners to ensure that the risk management policy is properly implemented. A risk management co-ordinator has been appointed in order to ensure the adequate review of the risks facing SES. Each reported risk is categorised, assessed by the risk owners, and reviewed by the Risk Management Committee. As a result of such review, a risk can be flagged as a ‘top risk’ which triggers additional analysis for that risk in order to determine the appropriateness and effectiveness of the risk response. All top risks are periodically reported to the Executive Committee, the Audit and Risk Committee, and the Board.

Internal control activities

Regarding the internal controls in the area of accounting and financial reporting, the following should be noted:

- Staff involved in the company’s accounting and financial reporting is appropriately qualified and is kept up-to-date with relevant changes in International Financial Reporting Standards (IFRS). Additionally, specific training and written guidance on particular matters is provided where needed. A reporting handbook, regularly updated for business developments and regulatory changes, is available to all relevant staff members and provides a summary of the company’s accounting and financial reporting guidelines and policies.

- Controls have been established in the processing of accounting transactions to ensure appropriate authorisations for transactions, effective segregation of duties, and the complete and accurate recording of financial information.

- Activities with a significant potential risk, such as financial derivative transactions, take place within a clearly defined framework approved by the Board, or are brought to the Board for specific approval. In accordance with the requirements of IFRS, SES discloses detailed information on the market, credit and foreign exchange risks to which it is exposed, as well as its strategy for managing those risks.

- The company relies on a comprehensive system of financial reporting. Strategic plans, business plans, budgets and the interim and full-year consolidated accounts of the company are drawn up and brought to the Board for approval. The Board also approves all significant investments. The Board receives monthly financial reports setting out the company's financial performance in comparison to the approved budget and prior year figures.

- Any weaknesses in the system of internal controls identified by either internal or external auditors are promptly and fully addressed.

- The external auditors perform a limited review of the company's half-year financial statements and a full audit of the annual consolidated financial statement.

Regarding the internal controls in the area of treasury management, the following should be noted:

- The treasury function uses a specific software that helps to ensure the efficiency and control of the implementation of the SES' hedging strategy for interest rate and foreign currency fluctuations. This software also aims to centralise the cash management of the SES affiliates.

- In order to ensure enhanced security and efficiency of the bank payments process, the company is using a secured banking payments system that allows for secured authorisation and transfer of payments from the SAP accounting systems directly to the bank.

- A clear segregation of duties and assignment of bank mandates between members of SES management, treasury and accounting departments is implemented.

- In order to streamline the cash management process, SES has centralised the in-house bank in one hub and further reduced the number of cash pools being used. This in house banking system is fully integrated and managed by the SAP system.

- SES predominately uses forward currency contracts to eliminate or reduce the currency exposure on single deals, such as satellite procurements, tailoring the maturities to each milestone payment. The foreign currency risk might be in EUR or USD. The forward contracts are in the same currency as the hedged item and can cover up to 100% of the total value of the contract. It is the company's policy not to enter into forward contracts until a firm commitment is in place, and to match the terms of the hedge derivatives to those of the hedged item to maximise effectiveness.

- The activities of the Treasurer, and in particular the hedging activities engaged during the year, are authorised within the framework approved by the Board.

- The Treasurer reports on a formal basis every quarter to the Board as part of the financial reporting.

- To further strengthen these controls, a treasury policy is regularly updated. In addition, a Foreign Exchange Risk Mitigation strategy, combined with a multiple year funding plan based on the SES business plan, was prepared and presented to the Audit and Risk Committee.

Regarding the internal controls in the area of tax management, the following should be noted:

- The tax management department aims to seek upfront tax clearance with relevant local tax authorities with regard to the tax ramifications of main business ventures, corporate reorganisations and financing structures of the company. Where this is not possible, the tax treatment is analysed based on best authoritative interpretations and reported in internal tax technical memos or tax opinions from external tax consultancy firms.

- The transfer pricing team is responsible for continuously improving and fine-tuning the required contemporaneous transfer pricing documentation underpinning all inter-company transactions of the company. SES' transfer pricing reports (including functional and economic analyses including benchmarking studies), are embedded in a framework consisting of a master file and a transfer pricing policy.

Regarding the internal controls in the area of satellite operations, the following should be noted:

- SES's Technology Department is responsible for the procurement of satellites, launch vehicles, the procurement and maintenance of satellite-related ground infrastructure, and the administration, control and operations of the global satellite ecosystem.

- The reporting of the satellite-procurement and operations risk management process that is in place to monitor and assess sources of technical risks and to develop qualitative, quantitative and statistical methods which allow the mitigation of risk at the satellite fleet level has been integrated into the company's Risk Management framework.

- The operational procedures for satellite control and payload management cover manoeuvres and configuration changes required in nominal situations as well as in case of technical emergencies. The controllers are trained and certified in the execution of such procedures. These procedures are periodically reviewed to ensure that they are up-to-date. An up-to-date satellite control software is being used and fully validated electronic station-keeping procedures are being applied throughout the entire SES fleet.

- SES has designed crisis management systems and supporting infrastructure and tools in order to address satellite in-orbit anomaly situations at an appropriate management level. An effective 'trouble tickets' escalation process is used to provide effective and timely support to customers.

- The Satellite Contingency and Emergency Response Process reflects the current company's organisational structure.

- SES has adequate satellite control backup capability utilising European and U.S.-based Satellite Operations Centres ('SOCs').

- TT&C functions in the U.S. are being moved from the Woodbine and Vernon Valley SOCs to Princeton, NJ.

- Adequate backup capabilities are currently implemented in the following areas:
  - The TT&C function is currently provided for each satellite via at least two independent antenna sites. The sites are connected via a ground dual-redundant state of the art network to at least two site diverse SOCs. SOC consolidation in the US is well progressing and will finish by the end of Q3 2014. SOC move in Betzdorf to new finished building is under preparation and will conclude by the end of 2014. Both SOC projects will increase the satellite control efficiency and network security;

  - A backup Ground Control System for Loral and Astrium spacecrafts has been installed in the U.S. to support the emergency disaster recovery capabilities of the European SOC;

- The global network that supports TT&C (telemetry, tracking and control) has been greatly strengthened by deploying a dual-redundant state-of-the-art MPLS network connecting all the SOCs and TT&C sites worldwide.

- The alternative European back-up of the TT&C functions has been built out for SES needs with a fully operational backup plan for all ASTRA satellites.

- In 2013 the required TT&C infrastructure for new satellite missions, as well as for relocation missions, were provided within the existing back-up concept.

Regarding the internal controls in the area of information and communication technology, the following should be noted:

- Management is committed to ensuring that its data, infrastructure and information technology systems are as secure as is reasonably practicable. Security controls, policies and procedures are in place to prevent unauthorised access to premises, computer systems, networks and data. Policies and procedures have been defined and implemented in order to address the more rigorous regulations governing handling of personally identifiable data.

- Electronic information is regularly backed up and copies are stored off-site.

- SES has disaster recovery plans for its business applications.

- An ongoing Information Systems security enhancement initiative has been started by Information Technology in 2012 to ensure that the impact of new security threats is identified and assessed, and that potential risks are adequately mitigated.

Information and communication

A project to align and harmonise all front- and back-office business processes in SES was completed in 2013. The main components of a new ERP system, Customer Relation Management system and back-office business processes were commissioned into use on January 1, 2013.

The single integrated and company-wide SAP application platform enhances and enables consistency and transparency of all business data throughout SES, fast consolidation of financial data, and accurate real time reporting on all levels is facilitated by this system. The harmonised processes and SAP application platform also enhance the general and IT internal control systems of SES.

Internal communication ensures the effective circulation of information and supports the implementation of internal control and risk management by providing business and functional objectives, instructions and information to all levels of SES. The corporate intranet portal and collaboration tools are instrumental to sharing and disseminating information throughout the company.

Monitoring activities

Monitoring is done in two ways: through ongoing evaluations or separate evaluations. Ongoing evaluations are performed by management as routine operations, built into business processes and performed on a real-time basis, reacting to changing conditions.

The SES Internal Audit function performs separate evaluations of the relevance of, and compliance with, company policies and internal control procedures.

The mission of the Internal Audit function is to provide independent and objective assurance regarding the effectiveness and efficiency of business operations, the reliability of financial and operational reporting, and the company's compliance with legal and regulatory requirements. In this

context, Internal Audit is also tasked to support management with identifying, preventing and minimising risks, as well as safeguarding the company's assets.
To ensure an appropriate level of independence and communication, the Internal Audit function has a direct reporting line into the Audit and Risk Committee and reports functionally to the President and CEO of SES.

The activities of the Internal Audit function are executed in accordance with an annual audit plan, which is reviewed and approved by the Audit and Risk Committee. This annual plan is derived from an annual risk assessment based on a risk mapping exercise relying on the SES risk register. The annual risk assessment responds to the need to dynamically link the audit plan to risks and exposures that may affect the organisation and its operations. This exercise involves identifying the inherent risks relative to all business processes and then assessing the levels of residual risks after consideration of specific mitigating controls.

Internal Audit monitors the implementation of internal control recommendations and regularly reports on effective compliance to the President and CEO of SES and to the Audit and Risk Committee.

Internal Audit also regularly co-ordinates audit planning and exchanges relevant information with the company's external auditors.

The proxy structure of the SES Government Solutions entity, in line with common practice for businesses serving certain segments of the U.S. government, imposes various restrictions on the Board and executive management in directly supervising the maintenance of an internal control system and imposing an internal audit structure. The SES Internal Audit function did not perform any direct internal control review of this entity during 2013, in line with the imposed restrictions. However, these restrictions are mitigated through having agreement on a required risk management and internal control framework which is subject to evaluation and testing by a third-party internal audit function. An adequate reporting process of activities of the third-party audit function to the Internal Audit function and Audit and Risk Committee has been put in place.

It should be further noted that in any event PwC, as external auditor, reviewed the stand-alone accounts of SES Government Solutions.

Human resources

Human resources strategy

SES strives to be the employer of choice in the industry. The company identifies, secures, engages, develops and retains the best talent to further expand its technological reach and business objectives.

SES respects and trusts its people, embraces diversity and lives by its values. SES senior managers have a responsibility as role models to all SES employees, and must therefore act in accordance with the guidelines laid down for SES senior management. SES employees are engaged, committed and proud to be associated with their company.

To leverage the employees' full potential, SES focuses on competency development, alignment of objectives and knowledge sharing. SES ensures that every employee has the necessary resources and support to be successful in his or her career within the context of its performance management system. Human Resources is the catalyst to drive organisational and cultural initiatives leading to sustainable stakeholders' value creation.

SES employees

As of December 31, 2013, the Group employed 1,237 individuals worldwide (counted in full time equivalents (FTEs)), comprising 448, 364, 365 and 60 FTEs in Luxembourg, the rest of Europe, the United States and the rest of the world, respectively.

SES values and culture

SES' employees observe a common set of core values, which provide guidance for their activities. These values inspire a unique organisational culture and reflect SES' aspirations which are geared towards achieving the highest performance at the service of customers, shareholders and society at large. SES' values are primarily focused on providing highest-quality customer service.

They are:
Excellence
Having the passion and commitment to be the best in the industry.
Partnership
Developing and maintaining co-operative relationships which build upon SES' strengths and skills to achieve common goals and benefits at the service of the customers.
Leadership
Articulating strategic vision, demonstrating values and creating an environment in which SES can meet the needs of the marketplace.
Integrity
Consistently applying the principles of honesty, accountability, responsibility, fairness and respect.
Innovation
Establishing a business culture that stimulates creativity across the organization, develops employees' skills and improves processes, products and services.

The Human Resources (HR) function

SES is supported by a team of HR professionals based in the company's major locations around the world. HR strategy and objectives are aligned with the business objectives, decisions and guidance of SES's Executive Committee. A major task in 2013 was to support growth in the emerging markets (Africa, Latin America, Asia/Middle East) by assisting in the opening of new offices, establishing an organisation structure in the markets, hiring local staff and transferring employees from mature to emerging markets.

Development of the company's intranet has been ongoing, ensuring employees receive the most up-to-date and relevant information according to location and entity. The intranet continues to be the main vehicle for employee communications. Additionally, the company's vision and business strategy are conveyed successfully to all employees to strengthen awareness and engagement.

The Human Resources Team worked towards bringing all entities within SES under one framework and in 2013 introduced a harmonised approach in coordination with the respective department towards Information Security, Data Protection and Social Media. The SES Bonus Plans were aligned and a global Social Report was delivered. In addition, SES rolled out an anti-bribery training to all Employees.

A learning organisation

We believe that highly qualified and motivated employees continue to be the foundation of our success as a company. SES, through the Learning and Development (L&D) function is committed to enhancing organizational effectiveness by continuously improving employees' abilities to maximize performance. Employees' growth and development opportunities are provided through classroom training, e-learning, external courses, conferences and tuition assistance. As a structure, we use the following five training categories:

- Customer
- Leadership
- Technology
- Professional Development
- Compliance

Three key principles guide our learning and development efforts:

- Leaders as Teachers: Bi-directional learning with SES's experts as trainers
- Multimedia: Videos and simulations breathe life into learning
- Interactivity: The learner has an active role to play

Developing and retaining talent

SES focuses on identifying and developing high-potential leadership talent by means of succession planning. This includes participation in executive assessments, executive development programmes, coaching and stretch assignments.

In 2013 a dedicated programme was designed for the identification, engagement and development of our high potential employees

In order to support the company's organisational realignment, SES launched the 'MOMENTUM' employee development programme in 2011 which is offered to all employees in the organisation. The first module, on organisational change, was delivered to all employees in 2011 and early 2012. The second module dedicated to SES strategy included an interactive business simulation and has been rolled out across the organisation during 2013. The third module, scheduled for 2014, will engage employees on how we interact with our customers and other strategic stakeholders.

SES regularly offers key employees international assignments through a 'Development Programme' which boosts cross-functional and cross-continental talent and knowledge exchange. In 2013, three new graduates joined our two-year 'SES Associate Programme' consisting of four six-month cross-functional assignments
For some companies in Luxembourg, the legal framework provides for a personnel delegation and a mixed committee.

The personnel delegations consist of between one and six members. All delegates have been elected in 2013 for a new five-year term. Their mandate consists in protecting the interests of the workforce with regard to working conditions, job security and social matters. The personnel delegation is informed on the developments affecting the company and advises on amendments to work rules.

The mixed committee consists of three employer representatives and three employee representatives. The mixed committee has co-decision powers in matters covering performance assessment, health and safety and in the general criteria applied in the recruitment, promotion and dismissal policies. The mixed committee is consulted on all important decisions regarding investments in plant or equipment, work processes and working conditions. The committee is informed about the general development of the company and employment trends.

As one of SES legal entities, SES ASTRA, benefits from a concession granted by the Luxembourg State, three employee representatives sit on the Board of Directors of SES ASTRA. One of them sits as an observer on the Board of SES.

In other SES locations, the social dialogue is conducted according to the rules laid out in the local legal frameworks, for instance by means of works councils.

In The Hague, The Netherlands, a Dutch works council represents the interests of the employees in line with national laws; the same is true for some divisions in Munich, Germany, where employee representation occurs via the local 'Betriebsrat'.

In 2013 Social Elections took place in Luxembourg and The Hague.

Investor Relations

SES's dedicated Investor Relations function reports to the Chief Financial Officer and works closely with the President and CEO. Its purpose is to develop and co-ordinate the group's external financial communications and interactions with equity and debt investors, investment analysts, credit rating agencies, financial journalists and other external audiences, to monitor stock market developments and to provide feedback and recommendations to the SES Executive Committee.

The Vice President, Investor Relations is responsible for the definition and execution of SES's active Investor Relations programme and participation in investor conferences and similar events. Investor Relations also works closely with the group's General Counsel to ensure that the group's external communications are compliant with all applicable legal and regulatory requirements.

Corporate social responsibility – Corporate Governance

In 2013, SES implemented a range of corporate social responsibility projects and ventures in geographic areas where the SES group has commercial activities, provides communication services or otherwise interacts with local communities.

The policy

SES's CSR policy is aimed at supporting educational projects, with a focus on reflecting the group's position as a leading provider of global communications infrastructure and services.

SES believes it has a responsibility to support projects that contribute to the development of a communications-based society and a knowledge-based economy. We believe that progress in this area should help develop more resilient and flexible economic structures, contribute to enhanced social mobility development, and also contribute to the emergence of more sustainable economic development models.

In 2013 SES reinforced its commitment to support educational institutions especially in Africa, reflecting the company's increasing commercial presence on the African continent.

Projects supported by SES

Education

In 2013, SES continued its initiated student scholarship support programme with the University of Witwatersrand in Johannesburg, South Africa.

SES pursued its scholarship programme with the international Space University (ISU) in Strasbourg, France, supporting students in advanced space applications.

Furthermore, SES continued its engagement initiated in 2010 for a five-year partnership with the University of Luxembourg.

SES committed to support the university's efforts to develop a centre of excellence and innovation for advanced information and communications technology in satellite systems, by cooperating with the University's Interdisciplinary Centre for Security, Reliability and Trust (SnT) and by financing a chair in satellite, telecommunications and media law.

In the Greater Luxembourg region, SES worked closely with SnT to develop a business incubator to encourage industrial development of PhD projects.

SES maintains a seat on the Board of Directors of SnT and also conducts regular steering committee meetings with SnT management and students.

In 2013, SES had the following University partnerships:

Our engagement with the Princeton University emphasizes two projects:
- The use of electric propulsion in transfer orbit and impacts on satellite bus architecture
- Internet intelligent overlay network using satellites.

SES' partnership with the Université Catholique de Louvain relates to three projects:

- Reconfigurable radio systems using non-exclusive frequency bands
- High rate generic pre-distortion system demonstrator for automated optimized multi-carrier operation of a transponder
- Use of polarization as a signaling dimension

Our engagement with the Sapienza University in Rome involves the following:

- Mission design for electric propulsion transfer orbit

SES renewed its support to the International Polar Foundation.
The company donates bandwidth to enable the foundation's Princess Elisabeth research station in Antarctica to communicate via satellite. Princess Elisabeth Antarctica's design and construction seamlessly integrates passive building technologies, renewable wind and solar energy, water treatment facilities, continuously monitored power demand and a smart grid for maximising energy efficiency.

Charitable donations

In 2013 SES continued its donation towards the Betzdorf based Institut St Joseph, a home for mentally handicapped people.

SES made a donation to the victims of the November typhoon that struck the Philippines.

SES also matched donations made by SES employees to international emergency relief organisations providing help to victims of natural or man-made disasters, especially after the typhoon that struck the Philippines.

Other projects

SES is a member of the IDATE Foundation, based in Montpellier, France, which provides assistance in strategic decision-making to the telecommunications, internet and media industries. SES is also a member of the International Astronautical Federation, a global organisation that promotes awareness of space activities worldwide.

In 2013 SES remained a sponsor of the "Musek am Syrdall", local festival and supported the "Discovery Zone" film festival.

SES provided support to the project "Business Initiative 123 – GO", 'a business angel" project that aims at stimulating the development of innovative business projects in Luxembourg and the surrounding regions.

Environmental initiatives

SES is committed to respecting the world's natural environment, and to aligning the companies' and the staff's conduct and, to the extent possible, those of their suppliers, to the principles of sustainable development. Compliance is benchmarked against the legal rules and regulations applied in the countries in which SES operates, as well as against industry-wide best practices. SES's objective is to continuously improve its environmental performance and to further reduce the environmental impact of its activities.

The activities of SES are mainly office and technology-based and overall have a light environmental impact. In its operations, the company promotes the most efficient use of energy and natural resources. It has successfully implemented a programme to rely on cogeneration power. SES applies a waste recycling programme, which aims to avoid, reduce and recycle waste material as efficiently as possible; this programme is subject to independent third-party audits and quality control. SES also conducts environmental training on a regular basis and encourages its staff to adopt environmentally correct attitudes in their professional activities. SES regularly conducts a company-wide carbon footprint assessment covering all of its operations.

In 2012, the company's activities related to operating and commercializing SES's satellite fleet, as well as general administration, finance and marketing, generated approximately 33,300 tonnes of CO2e worldwide, a reduction of more than 15% compared to 2011.

Emissions from Scope 2 electricity consumption represented the largest component of SES's total emissions in 2012 (approximately 61%) with Scope 1 emissions (approximately 21%) and Scope 3 business travel (18%) providing the remaining contribution. Teleports generated the largest share of the emissions from Scope 1 and Scope 2 sources.

Details of the carbon footprint are disclosed as part of the Carbon Disclosure Project, in which SES participates (www.cdproject.net).

In the wake of the implementation in previous years of a substantial carbon reduction plan at its headquarters site in Betzdorf, Luxembourg, SES continues to support carbon reduction initiatives on an ongoing basis, and especially in connection with new building constructions and infrastructure upgrades. In Luxembourg, the company also operates a CHP unit, which reduces the emissions load of the general grid. In addition, since January 2010, the Luxembourg campus has been using electricity sourced from hydropower, which can be considered CO2-free; the same applies to operations in Sweden. The use of renewable energy has had a significant additional reduction impact (of an estimated 6,000 tonnes) on the company's carbon emissions in Luxembourg. However, due to the carbon accounting rules, these emissions gains are not reflected in the company's carbon disclosure figures. SES applies best practices in minimising the environmental impact of outsourced activities, such as the manufacturing and launching of spacecraft. The company also ensures that the amount of radiation emitted from earth stations respects or remains below the maximum levels defined by the countries of operation; compliance is checked through yearly internal and third-party audits by accredited organisations that specialise in the field of industrial safety.

Responsibility statement

The Board of Directors and the executive management of the company reaffirm their responsibility to ensure the maintenance of proper accounting records disclosing the financial position of the group with reasonable accuracy at any time, and ensuring that an appropriate system of internal controls is in place to ensure the group's business operations are carried out efficiently and transparently. In accordance with Article 3 of the law of January 11, 2008 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, we declare that, to the best of our knowledge, the consolidated financial statements for the year ended December 31, 2013, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the year of SES and its subsidiaries included in the consolidation taken as a whole. In addition, the management report includes a fair review of the development and performance of the business and the position of SES and its subsidiaries included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

René Steichen	**Romain Bausch**
Chairman of the Board of Directors	President and CEO

Attachment 1

Main SES Shareholders
as of 28 February 2014

A Shares

Sofina Group
Luxempart Invest S. à r.l.
Nouvelle Santander Telecommunications S.A.
Banque et Caisse d'Epargne de l'Etat (Fiduciary)

B Shares

Banque et Caisse d'Epargne de l'Etat
Etat du Grand Duché de Luxembourg
Société Nationale de Crédit et d'Investissement

Composition of the Board of Directors
and of the Committees set up by the Board
as on December 31, 2013

Chairman

Mr René Steichen

Vice-Chairmen

Mr François Tesch
Mr Jean-Paul Zens

Members

Mr Serge Allegrezza
Mr Romain Bausch
Mr Marc Beuls
Mr Marcus Bicknell
Mr Marc Colas
Mrs Bridget Cosgrave
Mr Hadelin de Liedekerke Beaufort
Mr Jacques Espinasse
Mr Jean-Claude Finck
Mrs Tsega Gebreyes
Mr Conny Kullman
Dr Miriam Meckel
Mr Victor Rod
Mr Marc Speeckaert

Observers

Mr Pierre Goerens, Commissioner of the Government at SES ASTRA

Mrs Maria Kugel, SES ASTRA Employee Representative

Secretary to the Board of Directors

Mr Pierre Margue, VP Legal Services Corporate and Finance

Chairman's Office

Mr René Steichen, Chairman
Mr François Tesch
Mr Jean-Paul Zens

Audit and Risk Committee

Mr Marc Speeckaert, Chairman
Mr Marc Beuls
Mr Marc Colas
Mrs Bridget Cosgrave
Mr Jacques Espinasse
Mr Jean-Claude Finck

Remuneration Committee

Mr René Steichen, Chairman
Mr Marcus Bicknell
Mr Hadelin de Liedekerke Beaufort
Mr Jacques Espinasse
Mr Conny Kullman
Mr Jean-Paul Zens

Nomination Committee

Mr René Steichen, Chairman
Mr Marcus Bicknell
Mr Conny Kullman
Mr Marc Speeckaert
Mr François Tesch
Mr Jean-Paul Zens

Assemblée Générale Annuelle de SES
Jeudi 3 avril 2014 à 10 heures 30

Point 4 de l'ordre du jour

Une présentation sur les principaux développements de la société pendant l'année 2013 et les perspectives sera donnée en cours de séance.

* * *

Agenda item 4

A presentation on the main developments during 2013 and perspectives will be given during the meeting.

4. Présentation des principaux développements de la société pendant l’année 2013 et perspectives

Presentation of the main developments during 2013 and perspectives

Romain Bausch, President and CEO

Prime Developments In 2013

- Solid revenue and EBITDA growth
- Contract backlog at an historic high
- Strong video focus a core growth driver
- Reinforced position in established and targeted developing markets
- Extended frequency spectrum at 28.5E for EMEA
- Three successful satellite launches underpin growth
- Further investments in high growth markets and applications, leveraging SES's differentiating competencies
- Portfolio rationalisation (Solaris, ND SatCom and Glocom divestments)
- Leading satellite / space technology innovations
- Improved cash generation and reduced leverage
- Sustained, improved returns to shareholders
- Positive outlook

Robust Top Line Growth

REVENUE

Excluding analogue, at constant FX

+5.9%

At constant FX

+3.4%

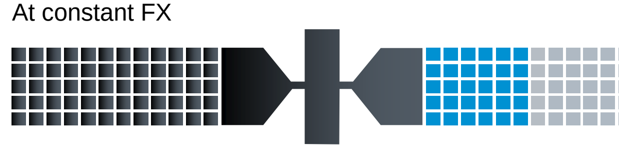
EUR 1,862.5 million*

EBITDA

Excluding analogue, at constant FX

+6.2%

At constant FX



+2.8%

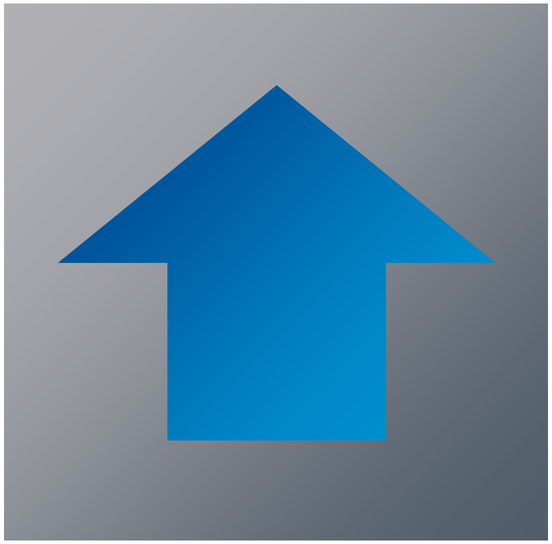
EUR 1,364.7 million*

* As reported

Improving EBITDA Margins

Group	Infrastructure	Services
73.3%	83.3%	17.1%

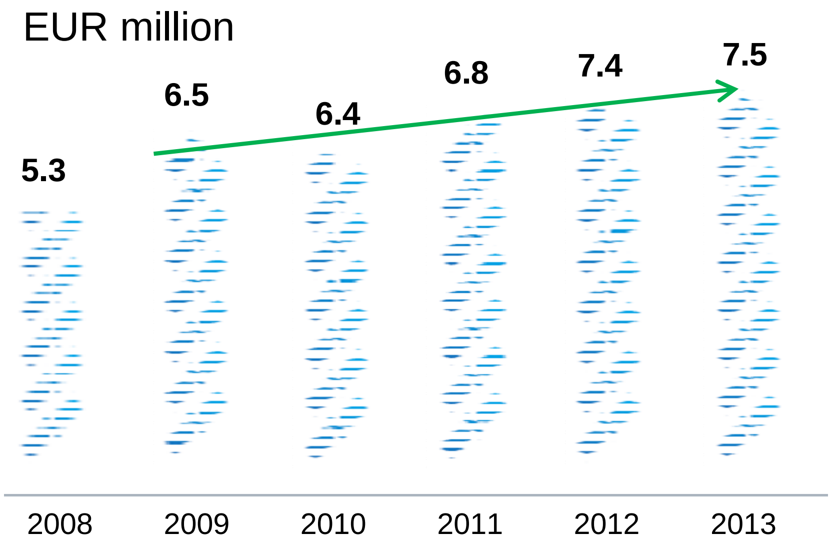




2012: 73.1%*	2012: 83.0%*	2012: 14.9%

* At constant FX and ex-analogue

Contract Backlog Increase – Ex-analogue *)



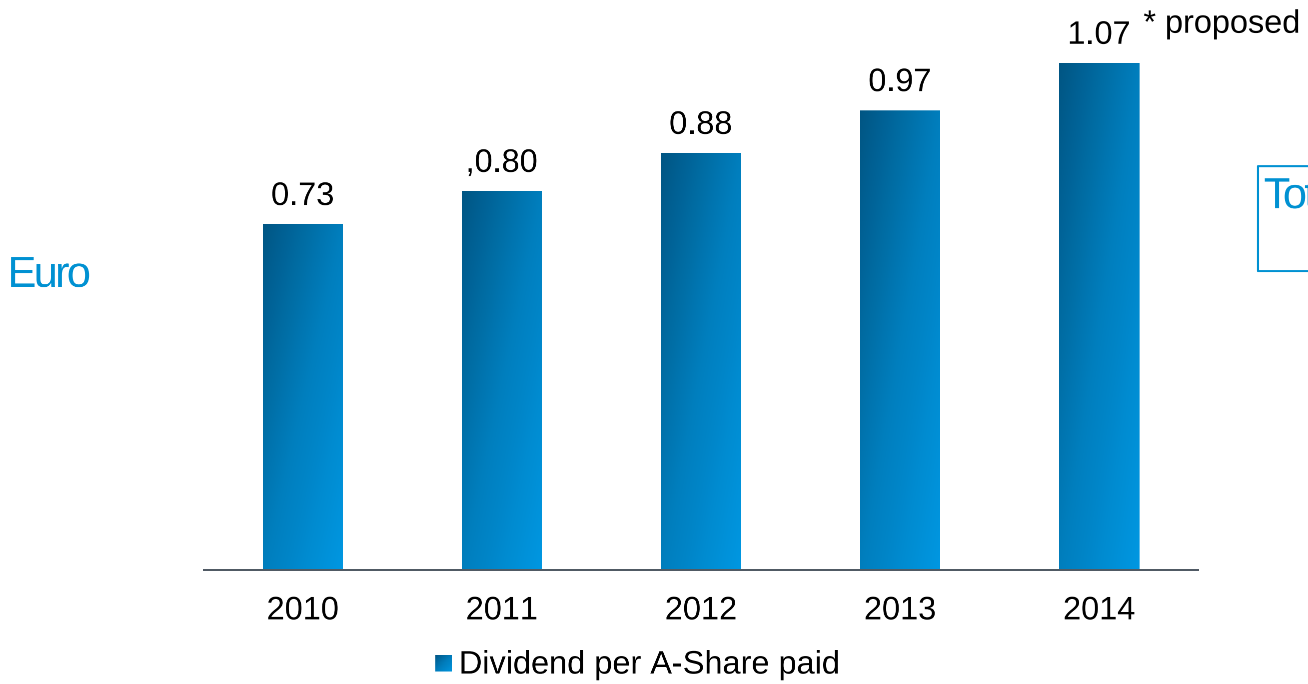
*) at constant FX

2008-2013
CAGR of 7%

- Fully-protected contract backlog has grown to a historic high of EUR 7.5 billion
- SES group backlog at 31 December 2013 equals 4.0 x 2013 revenue
- Weighted average remaining contract life of 8.5 years

Continuously Increasing Contract Backlog

Dividend

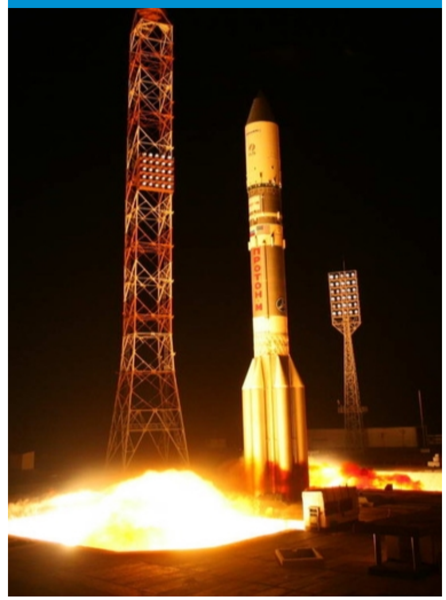


Total of EUR 1.8 billion paid in dividends 2010-2014

▲ Progressive dividend policy continues to enhance shareholder returns

Progressive Dividend Policy

Recent Launches Underpin Future Growth

SES-6	ASTRA 2E	SES-8
		
June 2013 40.5W **LatAm growth** Anchor DTH customer **+ 49 txps**	September 2013 28.2 E/28.5 E **Europe replacement,** **MENA growth capacity** **+ 12 txps**	December 2013 95E **Asia-Pacific growth** Anchor DTH customer **+ 21 txps**

New capacity at prime orbital positions

Building The Future

Strong video core

- Acquiring new video customers in established and emerging markets (CEE, Latin America, Asia, Africa)
- Developing video solutions for the new IP environment (IP-LNB, SAT>IP)

Mobility solutions

- Footprints designed to support aero/maritime mobile connectivity
- SES-6 (North Atlantic), SES-9 (Indian Ocean, NE Asia)

Space technology innovation drives costs improvements

- More efficient launchers, e.g. SpaceX's Falcon 9
- More efficient satellites, e.g. using electric propulsion (Electra programme)

Improving throughput with innovation: O3b case

- O3b Networks – a differentiated, Mid-Earth Orbit HTS system
- Flexible coverage, low latency
- "Fibre in the sky" value proposition
- First launch of 4 satellites in June 2013
- Two launches (delivering an additional 8 satellites) scheduled in 2014

Major Contracts In The Period

Region	Revenue at constant FX and (Europe only) ex-analogue	Major new and renewal contracts
Europe	EUR 936.4 million +6.3%	Orange Romania, MagtiSat Telekom Srbija, Arqiva Sky Deutschland, RTL RAI, M7, Towercom
North America	EUR 398.0 million -2.9%	Gogo, Panasonic, Hughes/Row44 KVH Industries, Globecast ITC Global, iN Demand
International	EUR 528.1 million +12.8%	Oi!, Sky Vision, GSAT Mediascape, IPMTV StarTimes, Platco Digital PT Indonesia

Future Launches Sustaining Growth

ASTRA 5B

Q1 2014
31.5 E
Repl. and growth capacity
CEE, Russia and CIS
EGNOS -2
+ 21 txps

ASTRA 2G

Q2 2014
28.2 E / 28.5 E
Repl. and growth capacity
Europe, Africa
DTH services
+ 10 txps

SES-9

H1 2015
108.2 E
Repl. and growth capacity
Asia-Pacific
DTH and mobility
+ 53 txps

SES-10

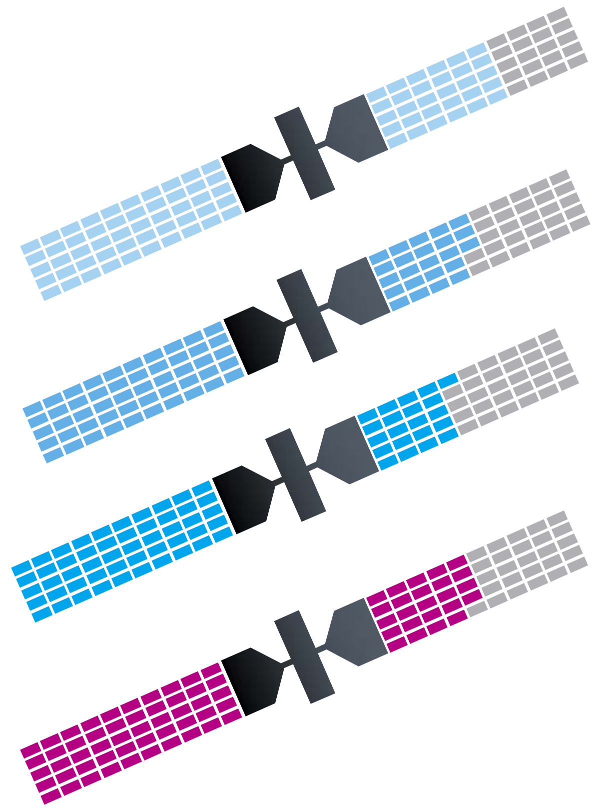
H2 2016
67 W
Repl. and growth capacity
LatAm
DTH connectivity
+ 27 txps

Building On Established Orbital Positions

Fleet Utilisation

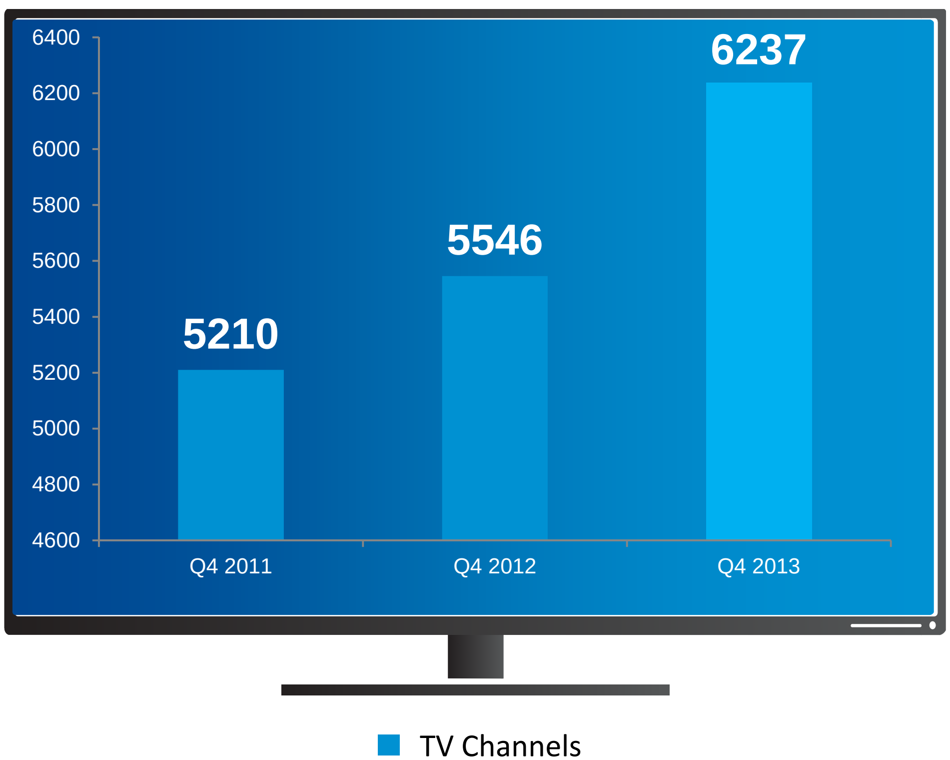
- 3.6% increase in commercially available transponders (+51)
- Utilisation rate remained stable at 74.0%
- 3.0% increase in utilised transponders (+32)

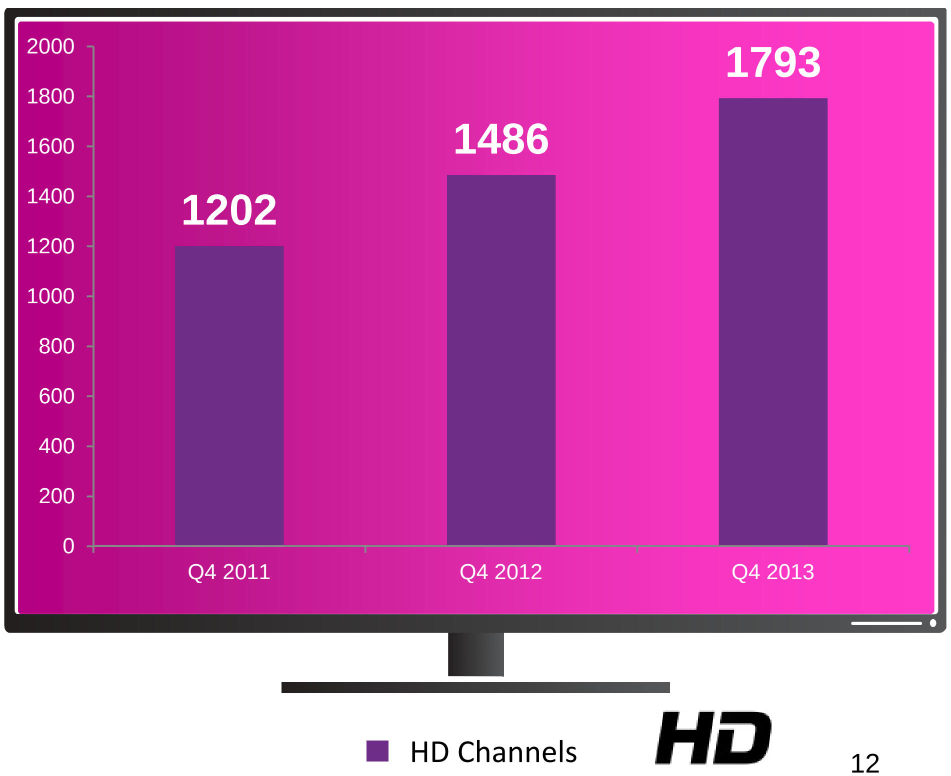
In 36 MHz-equivalent transponders	YE 2012	YE 2013
Europe Utilised	279	278
Europe Available	345	347
Europe %	80.9%	80.1%
North America Utilised	289	279
North America Available	384	384
North America %	75.3%	72.7%
International Utilised	500	543
International Available	707	756
International %	70.7%	71.8%
Group Utilised	1,068	**1,100**
Group Available	1,436	**1,487**
Group %	74.4%	**74.0%**



Channel Growth

- SES carries over **6,000 TV channels**, **of which almost 1,800 HD channels**
- SES transmits over **70%** more HD channels than Eutelsat and Intelsat combined !!
- YOY growth of 12%, 21% in HD





New Satellites to Increase Capacity

Sustained fleet investment programme:

7 (3 launched)

new satellites between year-end 2012 and 2016

Capacity increase:

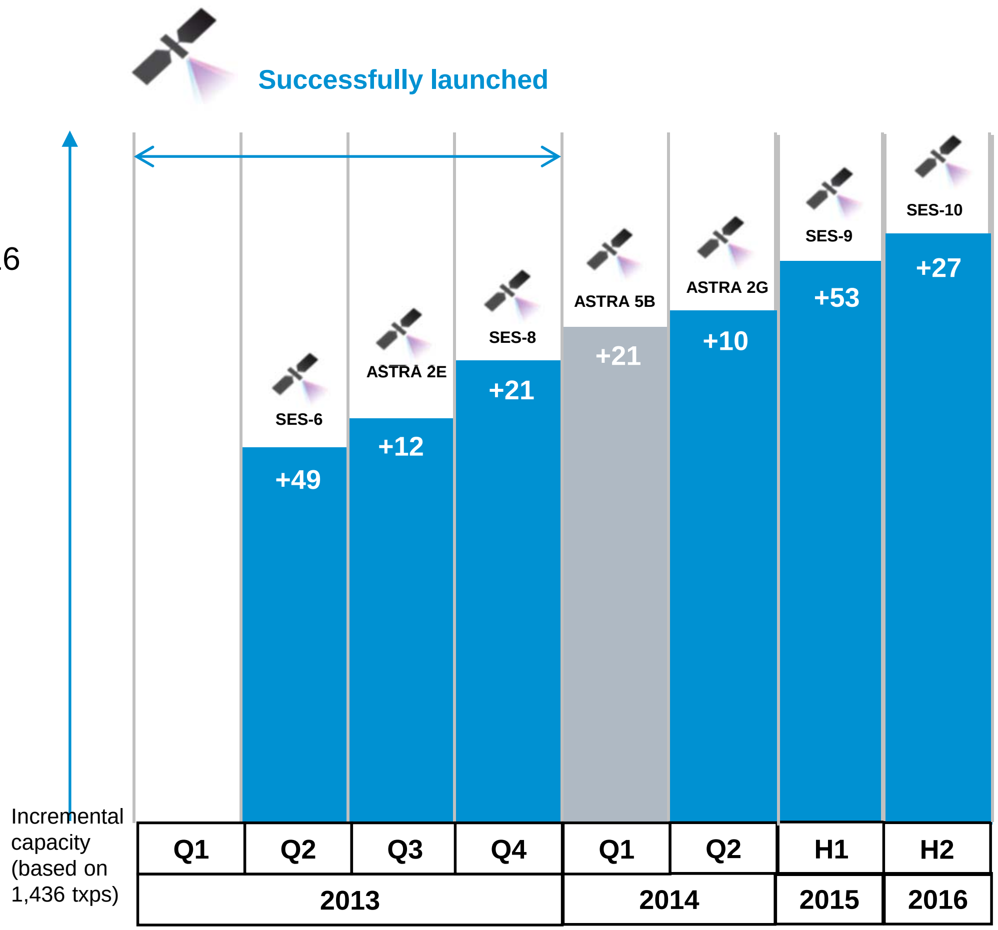
Europe +21
International +172
Total +193

13%

total capacity increase over year-end 2012

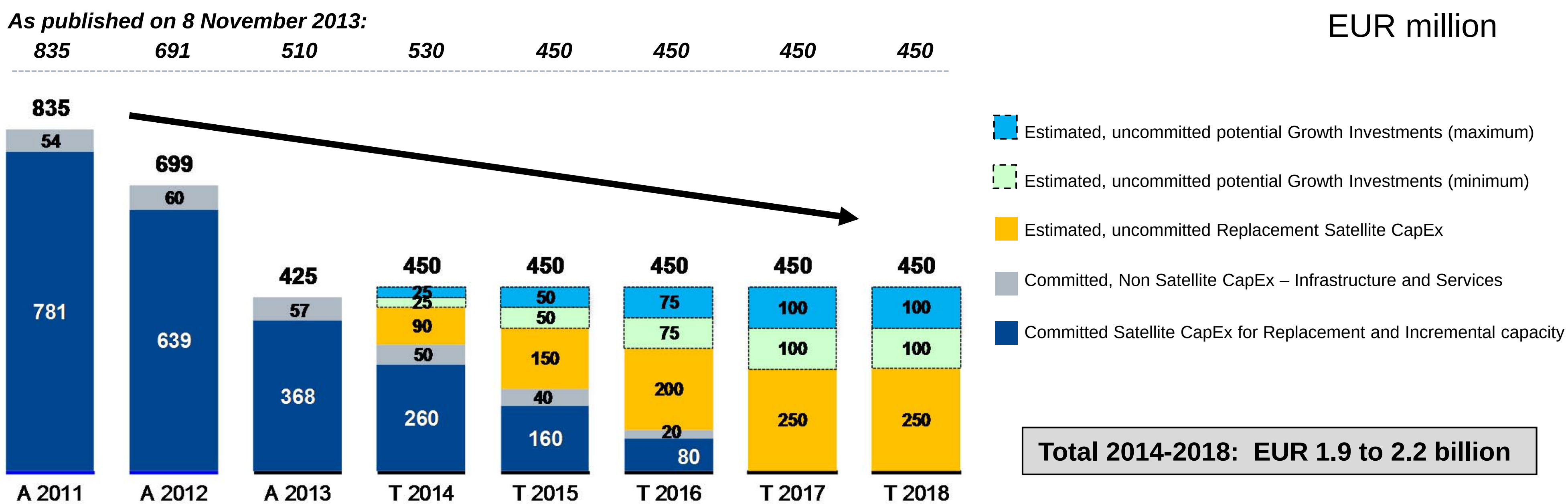
24%

total international capacity increase over year-end 2012



SES' investment programme has a strong focus on growing market segments and regions

Capital Expenditure is Reducing



- Significant CapEx reduction in 2013 related to end of heavy replacement cycle
- 2014 to 2018: Replacement CapEx spending further reduces as SES replacement cycle will reach its floor
- Up to three satellites foreseen between 2014 and 2018 for potential, as yet uncommitted, investment programmes with additional CapEx spending of approximately EUR 0.7 billion as of 2014 for growth in Asia and Latin America
- CapEx as proportion of revenue reduces from 38% in 2012 to ~10% to ~25% between 2014 and 2018 (2013: 23%)

Notes: FX translation based on 1 EUR = 1.40 USD (Actual 2011), 1.29 USD (Actual 2012), 1.33 (Actual 2013) and 1.35 USD (Trend 2013-2018);
Including capitalised interest, not including financial or intangible investments

Assemblée Générale Annuelle de SES
Jeudi 3 avril 2014 à 10 heures 30

Point 5 de l'ordre du jour

Une présentation sur les résultats financiers pour l'exercice 2013 sera donnée en cours de séance.

* * *

Agenda item 5

A presentation on the 2013 financial results will be given during the meeting.

5. Présentation des résultats financiers pour l’exercice 2013

Presentation of the 2013 financial results

Padraig McCarthy, CFO

SES-8 lifts off from Cape Canaveral on a Falcon 9 rocket, 3 December 2013

Financial Highlights – FY 2013 (1/2)

EUR million

FY 2013 compared to prior year period	As reported	**At constant FX**	Excluding analogue and at constant FX
Revenue	1,862.5 (+1.9%)	**+3.4%**	+5.9%
EBITDA	1,364.7 (+1.3%)	**+2.8%**	+6.2%
EBITDA margin **- *prior year***	73.3% *73.7%*	*73.7%*	*73.1%*
Infrastructure margin **- *prior year***	83.3% *83.5%*	*83.5%*	*83.0%*

Strong topline organic growth translated into solid margins

Financial Highlights – FY 2013 (2/2)

EUR million

Operating Profit
851.2 (+7.7%)

+**8.9% at constant FX**
(2012 included AMC-16 impairment of 36.6)

Prior year: 790.5 as reported

Profit of the Group
566.5 (-12.7%)

+4.7%, if excluding tax provision release in 2012

Prior year: 648.8 as reported

Free Cash Flow
726.2 (+36%)

Strong increase versus prior driven by lower investing activities (422 versus 698)

Prior year: 535.7 as reported

Earnings per A-share
EUR 1.41 (Prior year: EUR 1.62)

Net debt / EBITDA
2.79 times

Financial headroom creation

Prior year: 2.96 times

Contract backlog
EUR 7.5 billion

Highest ever
Prior year: EUR 7.4 billion (at constant FX)

Dividend per A-share (proposed)
EUR 1.07

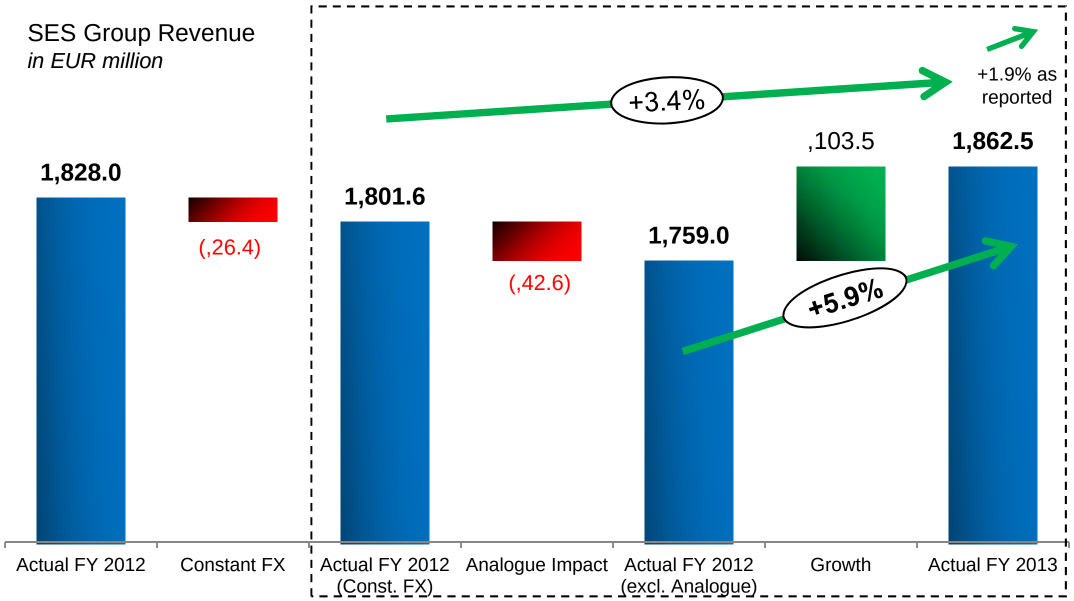
10% increase

Prior year: EUR 0.97

All key metrics improving versus prior

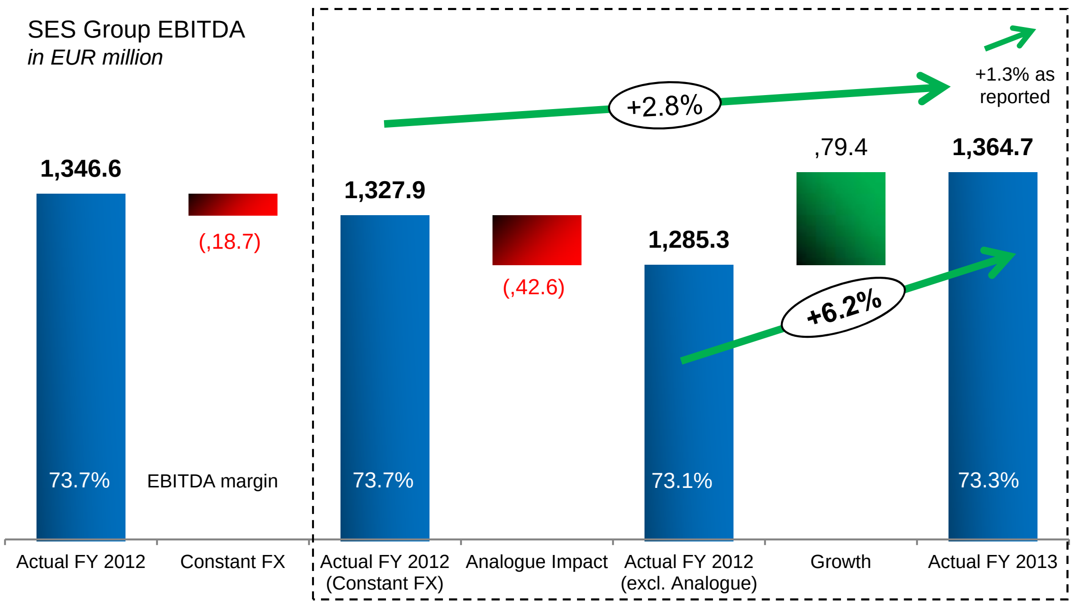
Revenue Walk from FY 2012 to FY 2013

FX rate EUR/USD:		
Actual FY 2012	1.2910	
Actual FY 2013	1.3259	-2.7%



- FY 2013 revenue increased by 3.4% at constant FX to EUR 1,862.5 million
- Excluding German analogue revenue in 2012 and at constant FX, revenue grew by 5.9%, or EUR 103.5 million
- The underlying revenue increase reflects continued strong growth in the infrastructure and services businesses
- Regional revenue developed as follows (at constant FX): Europe +1.4% (+6.3%, excluding analogue); North America -2.9%: International +12.8%

EBITDA Walk from FY 2012 to FY 2013



FX rate EUR/USD:

Actual FY 2012	1.2910	
Actual FY 2013	1.3259	**-2.7%**

- EBITDA for the period was EUR 1,364.7 million and increased by 2.8% at constant FX despite the absence of EUR 42.6 million of analogue EBITDA
- Excluding German analogue and at constant FX, EBITDA grew by 6.2%, or EUR 79.4 million
- The continuing favourable development of services businesses delivered strong revenue growth, with an accompanying increase in associated cost of goods sold. Excluding this, total operating costs were tightly managed, increasing by only 2.8%

Infrastructure and Services Segmentation

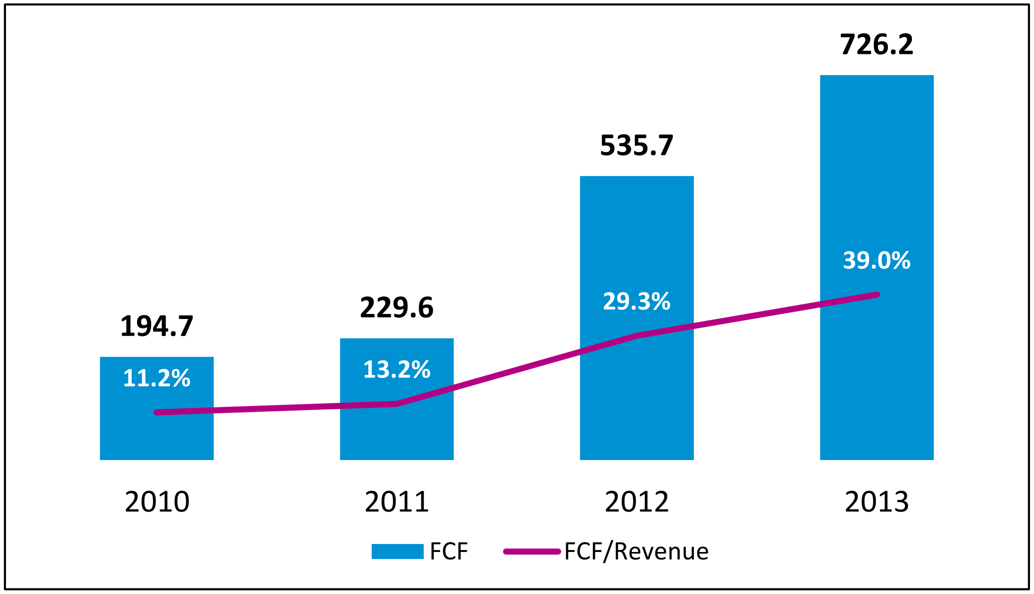
Business Segmentation FY 2013 (as reported)				
in EUR million	Infrastructure	Services	Other / Elim. *)	SES GROUP
Revenues	**1,591.0**	**432.5**	**(161.0)**	**1,862.5**
EBITDA	**1,325.2**	**73.8**	**(34.3)**	**1,364.7**
Margin %	**83.3%**	**17.1%**		**73.3%**

- Reported group EBITDA margin declined from 73.7% to 73.3% due to the absence of EUR 42.6 million of analogue revenues and EBITDA. When excluding German analogue from 2012 (first four months), the underlying group EBITDA margin was 73.1%, a margin increase of 0.2% points. This change is the net result of:
  - Increase of the services revenue contribution versus total revenue (from 20.5% to 22.7%)
  - Improvement of the underlying infrastructure margin from 83.0% (excluding analogue) to 83.3%
  - Increase of the services margin from 14.9% to 17.1%
  - Services growth also drove increase of transponder "pull-through" (+12.7% versus prior)

*) Revenue elimination refers to cross-charged capacity and other services, EBITDA elimination to unallocated SES corporate expenses

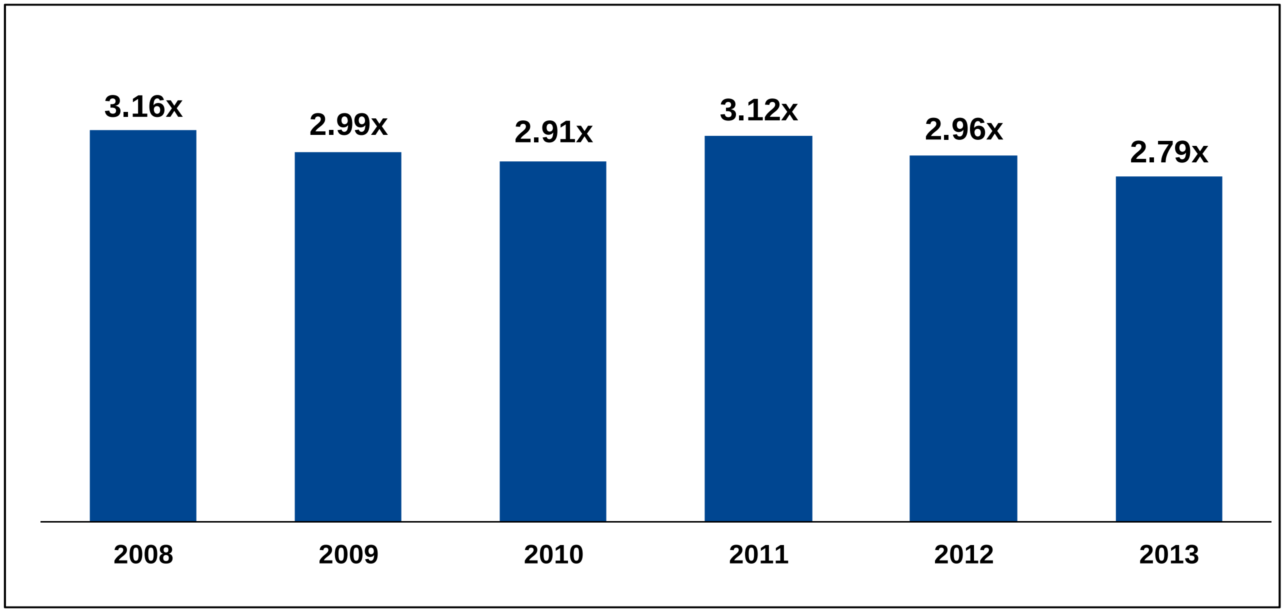
Strong Free Cash Flow Generation

EUR million



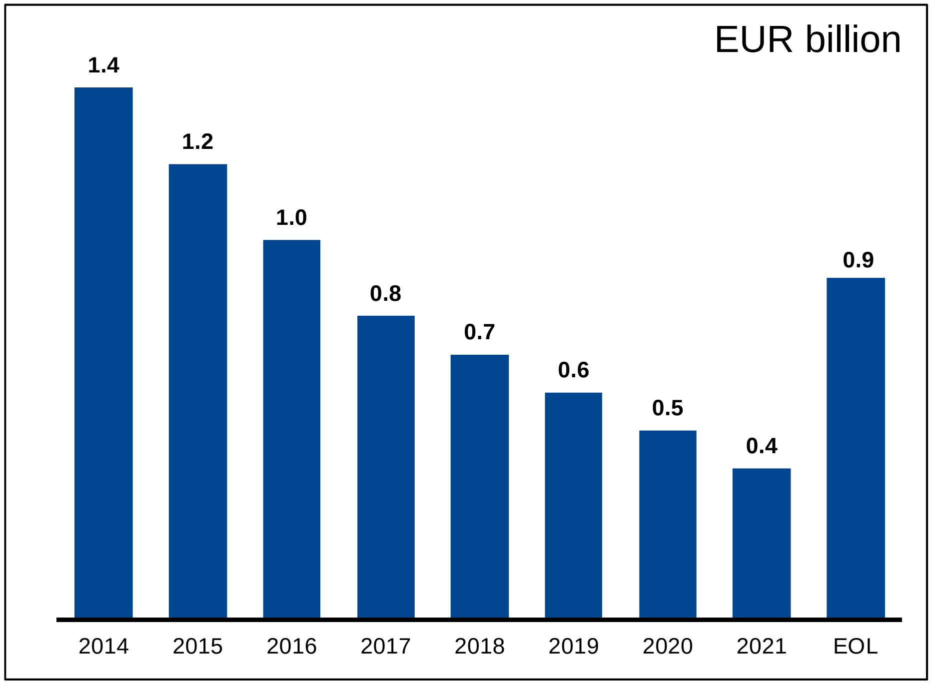
- Free cash flow before financing activities significantly increased since 2010 delivering a CAGR 2011-2013 of approximately 55%
- Free cash flow as a per cent of sales increases from 11% in 2010 to 39% in 2013

Leverage (Net debt / EBITDA)



- Indebtedness has been managed well below the threshold of 3.3 times
- Threshold of 3.3 times to be maintained in order to keep investment grade
- Sound and well balanced financing and liquidity levels in place

Backlog roll-out



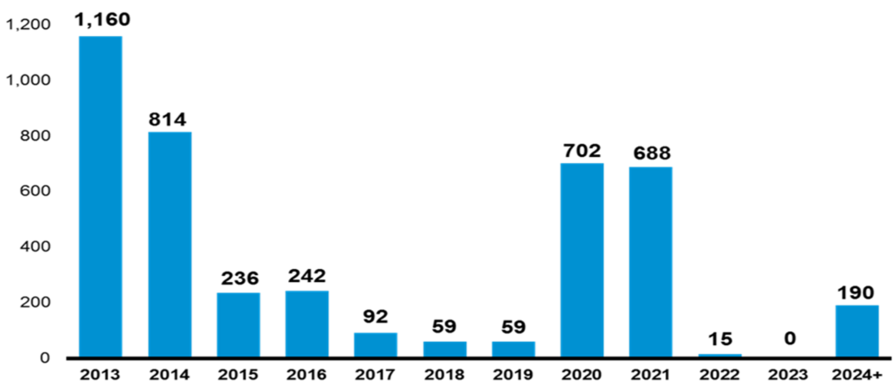
- SES group backlog at 31 December 2013 = EUR 7.5 billion = 4.0 x 2013 revenue
- EUR 1.4 billion of renewals and new business signed since end 2012
- Some 75% of revenue targeted for 2014 already under contract at beginning of the year
- Weighted average remaining contract life of 8.5 years

Notes: - USD exchange rate on 31.12.2013: 1.38 USD / EUR; EOL = End Of Life

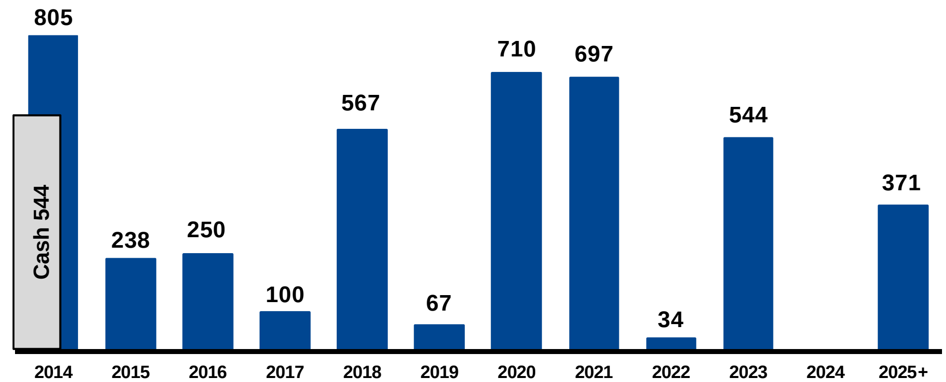
Maturity Profile

EUR million

December 31, 2012



December 31, 2013



▲ **On 31 December 2012,** total debt stood at EUR 4,257 million (cash of EUR 240.0 million)

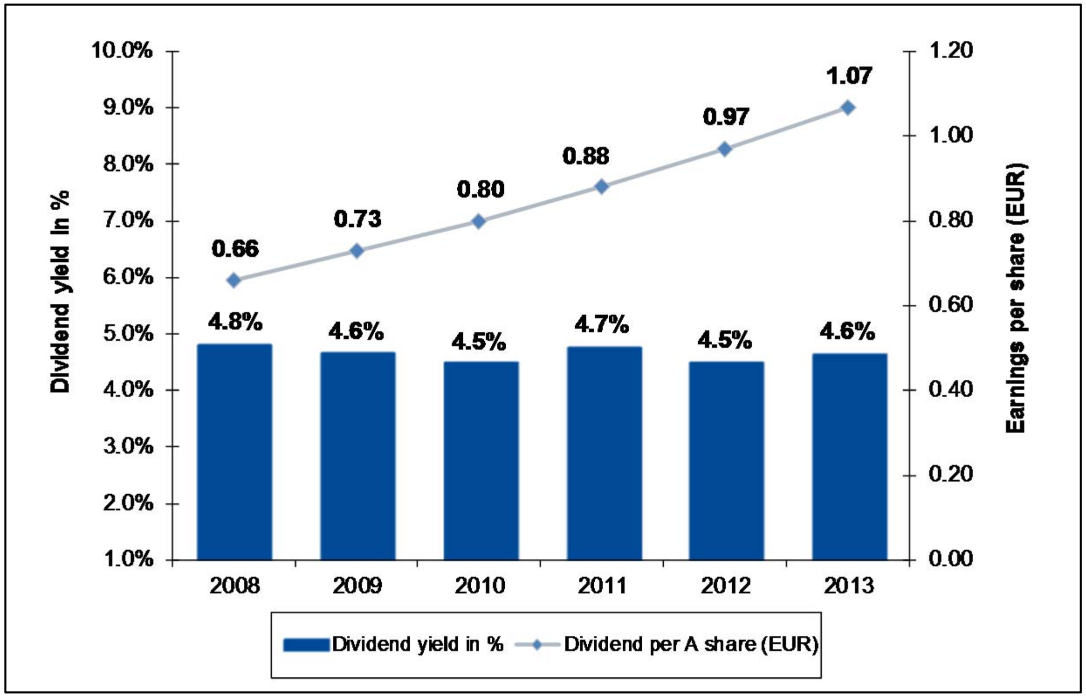
▲ Extended maturity was delivered through:
- Private Placements, EUR 140 million, maturing in 2027
- Schuldschein (German bond), EUR 50 million, maturing in 2032
- Successful inception of European Commercial Paper program in Q3 2012

▲ **On 31 December 2013**, total debt stood at EUR 4,382 million (cash of EUR 544.2 million)

▲ Extended maturity from 4.8 to 6.6 years was delivered through:
- Completion of inaugural EUR 1 billion US-Bond offering in April 2013
- Successful placement of EUR 500 million 5-year bond in October 2013 with lowest coupon ever of 1.875%

Net debt reduced by EUR 0.2 billion

Shareholder Returns



- Dividend per A-share for 2013 of EUR 1.07 proposed, a 10% increase
- 2013 Dividend yield of 4.6%
- Shareholder return of approximately EUR 2.5 billion over 2008-2013 (thereof EUR 2.1 billion in dividends and EUR 0.4 billion in share buy-backs and cancellations)

Note: Dividend yields calculated using year end closing price

Guidance

Reporting Period *	As reported	
	Revenue	EBITDA
2014	6% - 7%	6% - 7%
2014-2016 (CAGR)	4.0% - 4.5%	4.0% - 4.5%

- Guidance on other key financial elements in 2014:
  - Infrastructure EBITDA margin above 82%
  - Services activities EBITDA margin of 14% to 18%
  - Total depreciation (excluding amortisation) is expected within a range of EUR 480 – 510 million
  - Reported tax rate in a range of 13% to 18%
  - Net Debt / EBITDA ratio will be managed below 3.3 times

** Guidance bases revenue and EBITDA growth relative to FY 2013 figures, on a constant FX basis and at same scope; Depreciation range based on USD 1.35*

Summary

- Solid position in established core markets
- Successful programmes of expansion in new markets, with high growth potential
- Consistently demonstrating leading innovations delivering CapEx efficiencies
- Tight cost management enhancing margins
- Substantial contract backlog
- EBITDA growth and reducing CapEx profile deliver strong cash generation
- Well positioned for further organic and inorganic growth
- Growing returns to shareholders

Assemblée Générale Annuelle de SES
Jeudi 3 avril 2014 à 10 heures 30

Point 6 de l’ordre du jour

Présentation du rapport du réviseur d’entreprises.

* * *

Agenda item 6

Presentation of the audit report.

SES
Château de Betzdorf
L-6815 Betzdorf

RCS Luxembourg B 81267

Consolidated financial statements as at December 31, 2013, and Independent auditor's report

Contents

Audit report

To the Shareholders of
SES S.A.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of SES S.A. and its subsidiaries, joint ventures and associates (the "Group") which comprise the consolidated statement of financial position as at 31 December 2013, and the consolidated statements of income, comprehensive income, cash flows and changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé" including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as of 31 December 2013, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

The consolidated Directors' report, including the corporate governance statement, which is the responsibility of the Board of Directors, is consistent with the consolidated financial statements and includes the information required by the Law with respect to the Corporate Governance Statement.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 20 February 2014

Gilles Vanderweyen

Consolidated income statement
For the year ended December 31, 2013

In millions of euros		**2013**	2012
Revenue	Note 4	**1,862.5**	1,828.0
Cost of sales	Note 5	**(179.6)**	(173.3)
Staff costs	Note 5	**(185.8)**	(180.7)
Other operating expenses	Note 5	**(132.4)**	(127.4)
Operating expenses	Note 5	**(497.8)**	(481.4)
EBITDA[1]		**1,364.7**	1,346.6
Depreciation expense	Note 12	**(466.5)**	(515.6)
Amortisation expense	Note 14	**(47.0)**	(40.5)
Operating profit	Note 4	**851.2**	790.5
Finance revenue	Note 7	**9.6**	6.5
Finance costs	Note 7	**(183.1)**	(176.1)
Net financing charges		**(173.5)**	(169.6)
Profit before tax		**677.7**	620.9
Income tax income/(expense)	Note 8	**(87.5)**	42.2
Profit after tax		**590.2**	663.1
Share of joint ventures and associates' result, net of tax	Notes 3, 15	**(21.7)**	(14.0)
Profit for the year		**568.5**	649.1
Attributable to:			
Equity holders of the parent		**566.5**	648.8
Non-controlling interests		**2.0**	0.3
		568.5	649.1
Earnings per share (in euro)[2]			
Class A shares	Note 10	**1.41**	1.62
Class B shares	Note 10	**0.56**	0.65

1 Earnings before interest, taxes, depreciation, amortisation and share of joint ventures and associates' result.

2 Earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders by the weighted average number of shares outstanding during the year as adjusted to reflect the economic rights of each class of share. Fully diluted earnings per share are insignificantly different from basic earnings per share.

The notes are an integral part of the consolidated financial statements.

Consolidated statement of comprehensive income
For the year ended December 31, 2013

In millions of euros		2013	2012 Restated[1]
Profit for the year		**568.5**	649.1
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligation		**3.8**	2.5
Income tax effect		**(1.3)**	(0.9)
Remeasurements of post employment benefit obligation, net of tax		**2.5**	1.6
Total items that will not be reclassified to profit or loss		**2.5**	1.6
Items that may be reclassified subsequently to profit or loss			
Impact of currency translation		**(231.2)**	(99.8)
Net gain on hedge of net investment		**45.8**	9.3
Income tax effect		**(13.7)**	(2.4)
Total net gain on hedge of net investment, net of tax		**32.1**	6.9
Net movements on cash flow hedges	Note 9	**(1.8)**	11.5
Income tax effect		**0.5**	(1.9)
Total net movements on cash flow hedges, net of tax		**(1.3)**	9.6
Total items that may be reclassified subsequently to profit or loss		**(200.4)**	(83.3)
Total other comprehensive loss for the year, net of tax		**(197.9)**	(81.7)
Total comprehensive income for the year, net of tax		**370.6**	567.4
Attributable to:			
Equity holders of the parent		**370.1**	571.1
Non-controlling interests		**0.5**	(3.7)
		370.6	567.4

[1]Restated for the adoption of IAS 19 (revised) and for certain balance sheet reclassifications, refer to Note 2

The notes are an integral part of the consolidated financial statements.

Consolidated statement of financial position
As at December 31, 2013

In millions of euros		**2013**	2012 Restated[1]
Non-current assets			
Property, plant and equipment	Note 12	**3,747.7**	4,037.1
Assets in the course of construction	Note 13	**1,099.8**	1,050.3
Total property, plant and equipment		**4,847.5**	5,087.4
Intangible assets	Note 14	**2,750.3**	2,876.0
Investments in joint ventures and associates	Notes 3, 15	**141.8**	171.6
Other financial assets	Note 16	**3.9**	10.6
Trade and other receivables	Note 17	**65.5**	70.1
Deferred tax assets	Note 8	**95.7**	89.2
Total non-current assets		**7,904.7**	8,304.9
Current assets			
Inventories		**6.4**	4.4
Trade and other receivables	Note 17	**586.6**	412.7
Prepayments		**37.4**	34.9
Derivatives	Note 18	**9.5**	4.3
Cash and cash equivalents	Note 20	**544.2**	240.0
Total current assets		**1,184.1**	696.3
Total assets		**9,088.8**	9,001.2
Equity			
Attributable to equity holders of the parent	Note 21	**2,820.7**	2,801.7
Non-controlling interests		**78.2**	79.4
Total equity		**2,898.9**	2,881.1
Non-current liabilities			
Loans and borrowings	Note 23	**3,542.2**	3,068.0
Provisions	Note 24	**129.0**	169.8
Deferred income	Note 25	**227.8**	285.4
Deferred tax liabilities	Note 8	**645.3**	669.1
Other long-term liabilities	Note 26	**59.7**	42.5
Total non-current liabilities		**4,604.0**	4,234.8
Current liabilities			
Loans and borrowings	Note 23	**803.7**	1,159.7
Provisions	Note 24	**12.6**	16.0
Deferred income	Note 25	**385.6**	238.2
Trade and other payables	Note 26	**341.4**	410.7
Derivatives	Note 18	**-**	40.4
Income tax liabilities	Note 8	**42.6**	20.3
Total current liabilities		**1,585.9**	1,885.3
Total liabilities		**6,189.9**	6,120.1
Total liabilities and equity		**9,088.8**	9,001.2

[1]Restated for the adoption of IAS 19 (revised) and for certain balance sheet reclassifications, refer to Note 2

The notes are an integral part of the consolidated financial statements.

Consolidated statement of cash flows
For the year ended December 31, 2013

In millions of euros		**2013**	2012
Profit before tax		**677.7**	620.9
Taxes paid during the year	Note 8	**(30.6)**	(37.9)
Finance costs, net	Note 7	**147.7**	132.4
Depreciation and amortisation	Notes 12, 14	**513.5**	556.1
Amortisation of client upfront payments		**(42.3)**	(41.0)
Other non-cash items in consolidated income statement		**24.2**	23.5
Consolidated operating profit before working capital changes		**1,290.2**	1,254.0
(Increase)/decrease in inventories		**1.3**	0.6
(Increase)/decrease in trade and other debtors		**(211.6)**	(63.7)
(Increase)/decrease in prepayments and deferred charges		**2.9**	14.5
Increase/(decrease) in trade and other creditors		**(60.3)**	64.5
Increase/(decrease) in payments received on account		**(21.2)**	11.6
Increase/(decrease) in upfront payments and deferred income		**147.2**	(48.1)
Changes in operating assets and liabilities		**(141.7)**	(20.6)
Net operating cash flow		**1,148.5**	1,233.4
Cash flow from investing activities			
Net disposal/(purchase) of intangible assets	Note 14	**(5.5)**	(1.6)
Purchase of tangible assets	Notes 12, 13	**(377.5)**	(634.0)
Disposal of tangible assets	Note 12	**0.2**	3.2
Investment in equity-accounted investments	Note 15	–	(68.1)
Proceeds from disposal of subsidiaries and joint ventures	Note 3	**15.5**	–
Loan granted to associate	Note 15	**(12.3)**	–
Repayment of loan to associate	Note 15	**14.2**	4.1
Settlement of net investment hedge instruments	Note 19	**(57.0)**	–
Other investing activities		**0.1**	(1.3)
Net cash absorbed by investing activities		**(422.3)**	(697.7)
Cash flow from financing activities			
Proceeds from borrowings	Note 23	**1,769.5**	790.6
Repayment of borrowings	Note 23	**(1,587.1)**	(784.6)
Dividends paid on ordinary shares, net of dividends received	Note 11	**(390.2)**	(351.0)
Dividends paid to non-controlling interest		**(5.6)**	(5.6)
Interest on borrowings	Note 23	**(180.3)**	(194.5)
Issue of shares	Note 21	–	86.7
Acquisition of treasury shares		**(22.9)**	(86.7)
Proceeds on treasury shares sold		**44.7**	44.1
Net cash absorbed by financing activities		**(371.9)**	(501.0)
Net foreign exchange movements		**(50.1)**	(12.7)
Net (decrease)/increase in cash		**304.2**	22.0
Net cash at beginning of the year (Note 20)	Note 20	**240.0**	218.0
Net cash at end of the year (Note 20)	Note 20	**544.2**	240.0

The notes are an integral part of the consolidated financial statements.

Consolidated statement of changes in shareholders' equity
For the year ended December 31, 2013

In millions of euros	Issued capital	Share premium	Treasury shares	Other reserves	Retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Total	Non-controlling interests	Total Equity
At January 1, 2013 Restated[1]	**633.0**	**595.9**	**(75.4)**	**1,658.1**	**650.1**	**(0.1)**	**(659.9)**	**2,801.7**	**79.4**	**2,881.1**
Result for the year	–	–	–	–	566.5	–	–	566.5	2.0	568.5
Other comprehensive income (loss)	–	–	–	2.5	–	(1.3)	(197.6)	(196.4)	(1.5)	(197.9)
Total comprehensive income (loss) for the year	–	–	–	**2.5**	**566.5**	**(1.3)**	**(197.6)**	**370.1**	**0.5**	**370.6**
Allocation of 2012 result	–	–	–	258.6	(258.6)	–	–	–	–	–
Dividends paid[2]	–	–	–	–	(390.2)	–	–	(390.2)	(5.6)	(395.8)
Share-based payment adjustment	–	–	–	11.2	–	–	–	11.2	–	11.2
Exercise of stock options	–	–	45.8	(12.5)	–	–	–	33.3	–	33.3
Other movements	–	–	–		(5.4)	–	–	(5.4)	3.9	(1.5)
At December 31, 2013	**633.0**	**595.9**	**(29.6)**	**1,917.9**	**562.4**	**(1.4)**	**(857.5)**	**2,820.7**	**78.2**	**2,898.9**

In millions of euros	Issued capital	Share premium	Treasury shares	Other reserves	Retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Total	Non-controlling interests	Total Equity
At January 1, 2012 Restated[1]	**624.4**	**507.0**	**(25.9)**	**1,384.4**	**619.4**	**(9.7)**	**(571.0)**	**2,528.6**	**83.1**	**2,611.7**
Result for the year	–	–	–	–	648.8	–	–	648.8	0.3	649.1
Other comprehensive income (loss)	–	–	–	1.6	–	9.6	(88.9)	(77.7)	(4.0)	(81.7)
Total comprehensive income (loss) for the year	**–**	**–**	**–**	**1.6**	**648.8**	**9.6**	**(88.9)**	**571.1**	**(3.7)**	**567.4**
Allocation of 2011 result	–	–	–	266.7	(266.7)	–	–	–	–	–
Issue of share capital	8.6	88.9	(11.0)	–	–	–	–	86.5	–	86.5
Dividends paid[2]	–	–	–	–	(351.0)	–	–	(351.0)	–	(351.0)
Share-based payment adjustment	–	–	–	12.0	–	–	–	12.0	–	12.0
Exercise of stock options	–	–	(38.5)	(6.6)	–	–	–	(45.1)	–	(45.1)
Employee benefits (past service cost)	–	–	–	–	(0.4)	–	–	(0.4)	–	(0.4)
At December 31, 2012 Restated[1]	**633.0**	**595.9**	**(75.4)**	**1,658.1**	**650.1**	**(0.1)**	**(659.9)**	**2,801.7**	**79.4**	**2,881.1**

[1] Restated for the adoption of IAS 19 (revised), refer to Note 2

[2] Dividends are shown net of dividends received on treasury shares.

The notes are an integral part of the consolidated financial statements.

Note 1 – Corporate information

SES S.A. ('SES' or 'the Company') was incorporated on March 16, 2001 as a limited liability Company (Société Anonyme) under Luxembourg Law. References to the 'Group' in the following notes are to the Company and its subsidiaries, joint ventures and associates. SES trades under 'SESG' on the Luxembourg Stock Exchange and Euronext, Paris.

The consolidated financial statements of SES for the year ended December 31, 2013 were authorised for issue in accordance with a resolution of the directors on February 20, 2014. Under Luxembourg Law the financial statements are approved by the shareholders at the annual general meeting.

Note 2 – Summary of significant accounting policies

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and endorsed by the European Union (IFRS), as at December 31, 2013.

The consolidated financial statements have been prepared on a historical cost basis, except where fair value is required by IFRS as described below. The carrying values of recognised assets and liabilities that are hedged items in fair value hedges, and are otherwise carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged.

Certain comparatives in the consolidated statement of financial position have been reclassified to conform with the current year presentation (see Notes 12, 14, 16 and 24).

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS, effective from January 1, 2013, adopted by the Group:

IAS 1 Financial Statement Presentation – Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The amendments to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position or performance.

IAS 19 Employee benefits (revised)

IAS 19 (revised) amends the accounting for employment benefits. The Group has applied the standard retrospectively in accordance with the transition provisions of the standard when impact was considered material. The impact on the Group has been in the following areas:

- The standard requires past service cost to be recognised immediately in profit or loss. This has resulted in the recognition of unrecognised past service cost, net of taxes at January 1, 2012 of EUR (1.7) million and of EUR (1.3) million at December 31, 2012.

The profit or loss for prior periods has not been restated as the impact has been considered as immaterial on the performance of the Group. Had we restated the profit or loss, the operating expenses recognised in the income statement for the year to December 31, 2012 would have reduced by EUR 0.4 million.

- For defined benefit plans, the ability to defer recognition of actuarial gains and losses (i.e., the corridor approach) has been removed. As revised, amounts recorded in profit or loss are limited to current and past service costs, gains or losses on settlements, and net interest income (expense). All other changes in the net defined benefit asset (liability), including actuarial gains and losses are recognised in other comprehensive income with no subsequent recycling to profit or loss. This has resulted in the recognition of unrecognised actuarial losses, net of taxes at January 1, 2012 of EUR 7.3 million and of EUR 5.7 million at December 31, 2012 being recognised in other comprehensive income.

  The standard replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year. There is no change to determining the discount rate; this continues to reflect the yield on high-quality corporate bonds. This amendment did not have any material impact on the financial position or performance of the Group.

- There is a new term 'remeasurements'. This is made up of actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost.
- 'Provisions and deferred income' as previously reported has been restated at the reporting dates to reflect the effect of the above. Amounts have been restated as at December 31, 2012 as EUR 357.3 million (previously EUR 350.6 million). As a result of the above effects, 'Deferred tax liabilities' as previously reported has been restated as at December 31, 2012 as EUR 669.1 million (previously EUR 671.5 million).

- The effect of the change in accounting policy on the statement of cash flows and on earnings per share was immaterial.

IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities — Amendments to IFRS 7

These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32.

The adoption of this standard did not have any significant impact on the financial position or performance of the Group.

IFRS 13 Fair value measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted.

The adoption of this standard did not have any significant impact on the financial position or performance of the Group.

IAS 36 Impairment of assets - Amendments to IAS 36, on the recoverable amount disclosures for non-financial assets

This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13. The amendment is not mandatory for the Group until January 1, 2014, however the Group has decided to early adopt the amendment as of January 1, 2013.

The adoption of this standard did not have any significant impact on the financial position or performance of the Group.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its controlled subsidiaries, after the elimination of all material inter-company transactions. Subsidiaries are consolidated from the date the Company obtains control until such time as control ceases. Acquisitions of subsidiaries are accounted for using the purchase method of accounting. The financial statements of subsidiaries and affiliates are prepared for the same reporting period as the Company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. For details regarding the subsidiaries included in the consolidated financial statements see Note 29.

Total comprehensive income within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative translation differences, recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Interests in joint ventures

The Group has interests in joint ventures which are jointly controlled entities which are accounted for using the equity method. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

Under the equity method, the investment in a jointly controlled entity is carried in the statement of financial position at cost, plus post-acquisition changes in the Group's share of net assets of the jointly controlled entity, less distributions received and less any impairment in value of the investment. The Group income statement reflects the Group's share of the results after tax of the jointly controlled entity.

Financial statements of jointly controlled entities are prepared for the same reporting year as the Group. Where necessary, adjustments are made to those financial statements to bring the accounting policies used into line with those of the Group.

Unrealised gains on transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interest in the jointly controlled entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Group assesses investments in jointly controlled entities for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication of impairment exists, the carrying amount of the investment is compared with its recoverable amount, being the higher of its fair value less costs to sell and value in use. Where the carrying amount exceeds the recoverable amount, the investment is written down to its recoverable amount.

The Group ceases to use the equity method of accounting on the date from which it no longer has joint control, or significant influence over the joint venture or associate respectively, or when the interest becomes held for sale.

Investments in associates

The Group has investments in associates which are accounted for under the equity method. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture.

Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'Share of joint ventures and associates' result' in the income statement.

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. In general the financial statements of associates are prepared for the same reporting year as the parent Company, using consistent accounting policies. Adjustments are made to bring in line any dissimilar accounting policies that may exist. Where differences arise in the reporting dates the Group adjusts the financial information of the associate for significant transactions in the intervening period.

Significant accounting judgments and estimates

1) Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(i) Treatment of orbital slot licence rights

The Group's operating companies have obtained rights to operate satellites at certain orbital locations and using certain frequency bands. These licences are obtained through application to the relevant national and international regulatory authorities, and are generally made available for a defined period. On the expiry of such agreements, the operating Company will generally be in a position to re-apply for the usage of these positions and frequency rights. Where the Group has obtained such rights through the acquisition of subsidiaries and associates, the rights have been identified as an asset acquired and recorded at the fair value attributed to the asset at the time of the acquisition as a result of purchase accounting procedure. Such assets are deemed to have an indefinite life where the Group has a high probability that it will be able to successfully re-apply for these rights as and when they expire. Hence these assets are not amortised, but rather are subject to regular impairment reviews to confirm that the carrying value in the Group's financial statements is still appropriate. More details are given in Note 14.

(ii) Taxation

The Group operates in numerous tax jurisdictions and management is required to assess tax issues and exposures across its entire operations and to accrue for potential liabilities based on its interpretation of country-specific tax Law and best estimates. In conducting this review management assesses the materiality of the issue and the likelihood, based on experience and specialist advice, as to whether it will result in a liability for the Group. If this is deemed to be the case then a provision is made for the potential taxation charge arising. A corresponding provision of EUR 98.0 million (2012: EUR 113.9 million) is recorded in the Statement of Financial Position as at December 31, 2013 under non-current 'Provisions', for EUR 85.4 million (2012: EUR 97.9 million), and current 'Provisions' for EUR 12.6 million (2012: EUR 16.0 million).

One significant area of management judgment is in the area of transfer pricing. Whilst the Group employs dedicated members of staff to establish and maintain appropriate transfer pricing structures and documentation, judgment still needs to be applied and hence potential tax exposures can be identified. The Group, as part of its overall assessment of liabilities for taxation, reviews in detail the transfer pricing structures in place and makes provisions where this seems appropriate on a case by case basis.

2) **Estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) **Impairment testing for goodwill and other indefinite life intangible assets**

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Establishing the value in use requires the Group to make an estimate of the expected future pre-tax cash flows from the cash-generating unit and also to choose a suitable pre-tax discount rate and terminal growth rate in order to calculate the present value of those cash flows. More details are given in Note 14.

(ii) **Impairment testing for space segment assets**

As described above the Group assesses at each reporting date whether there is any indicator that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the recoverable amount. This requires an estimation of the value in use of the assets to ensure that this exceeds the carrying amount included in the consolidated financial statements. As far as this affects the Group's satellite assets, this estimation of the value in use requires estimations not only concerning the commercial revenues to be generated by each satellite, but also the impact of past in-orbit anomalies and their potential impact on the satellite's ability to provide its expected commercial service.

For one satellite, AMC-16, three solar array circuit failures in 2012 resulted in aggregate impairment charges of EUR 36.7 million being taken in 2012. These solar array failures impact the satellites ability to generate power to operate its transponders and hence its commercialisable capacity. This impairment charge resulted in the carrying value of the satellite being reduced to EUR 39.8 million from EUR 87.9 million at the end of 2012, and this has been further reduced to a book value of EUR 32.8 million at the 2013 year end by regular depreciation charges taken during the year. In arriving at the 2012 impairment charge, management assumed reduced capacity based on its experience of this satellite, and other satellites of the same type. Changes in capacity assumptions used and/or additional circuit failures in the future could further impact the value in use of the satellite.

(iii) **Going concern and valuation of O3b Networks Limited 'O3b Networks'**

The Group assesses at each reporting date whether there is any indicator that the carrying value of its interest in associates may be impaired. This requires an estimation of the value in use of the assets to ensure that this exceeds the carrying amount included in the consolidated financial statements. In this regard an assessment is made of the business assumptions and planning of the associates concerned.

For one associate, O3b Networks, there is a higher degree of uncertainty concerning the carrying value of the investment for the reasons set out in more detail in Note 15.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. Assets acquired and liabilities assumed are recognised at fair value.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or a liability will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Property, plant and equipment

Property, plant and equipment is initially recorded at acquisition or manufacturing cost, which for satellites includes the launcher cost and launch insurance, and is depreciated over the expected useful economic life. Other than in respect of supplier credits for delayed delivery of satellites, which are set off against the base cost of the satellite concerned, the financial impact of changes resulting from revisions to management's estimate of the cost of the property, plant and equipment is taken to income statement of the period concerned.

Costs for the repair and maintenance of these assets are recorded as an expense.

Property, plant and equipment is depreciated using the straight-line method, generally based on the following useful lives:

Buildings	25 years
Space segment assets	10 to 16 years
Ground segment assets	3 to 15 years
Other fixtures, fittings, tools and equipment	3 to 15 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any loss or gain arising on derecognition of the asset is included in the profit and loss account in the year the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Assets in the course of construction

This caption includes satellites which are under construction. Incremental costs directly attributable to the purchase of satellites, including launch costs and other related expenses such as ground equipment and borrowing costs, are capitalised in the statement of financial position.

The cost of satellite construction may include an element of deferred consideration to satellite manufacturers referred to as satellite performance incentives. SES is contractually obligated to make these payments over the lives of the satellites, provided the satellites continue to operate in accordance with contractual specifications. Historically, the satellite manufacturers have earned substantially all of these payments. Therefore, SES accounts for these payments as deferred financing, capitalising the present value of the payments as part of the cost of the satellites and recording a corresponding liability to the satellite manufacturers. Interest expense is recognised on the deferred financing and the liability is accreted upward based on the passage of time and reduced as the payments are made.

Once the asset is subsequently put into service and operates in the manner intended by management, the expenditure is transferred to assets in use and depreciation commences.

Borrowing costs

Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Intangible assets

1) Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised as income in the income statement.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill, from the acquisition date, is allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The carrying value of acquisition goodwill is reviewed for impairment annually, or more frequently if required to establish whether the value is still recoverable. The recoverable amount is defined as the higher of fair value less costs to sell and value in use. Impairment charges are taken as charges to the income statement. Impairment losses relating to goodwill cannot be reversed in future periods. The Group estimates value in use on the basis of the estimated discounted cash flows to be generated by a cash-generating unit which are based upon business plans approved by management. Beyond a seven-year period, cash flows may be estimated on the basis of stable rates of growth or decline.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2) Other intangibles

(i) Orbital rights

Intangible assets, consisting principally of rights of usage of orbital frequencies and acquired transponder service agreements. The Company is authorised by governments to operate satellites at certain orbital locations. Various governments acquire rights to these orbital locations through filings made with the International Telecommunication Union (the 'ITU'), a sub-organisation of the United Nations. The Company will continue to have rights to operate at its orbital locations so long as it maintains its authorisations to do so. Those rights are reviewed at acquisition to establish whether they represent assets with a definite or indefinite life. Those assessed as being definite life assets are amortised on a straight-line basis over their estimated useful life not exceeding 21 years. Indefinite life intangible assets are held at cost in the statement of financial position and are subject to impairment testing in line with the treatment outlined for goodwill above. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

(ii) Software and development costs

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed seven years.

Impairment of other non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the recoverable amount.

The Group's long-lived assets and definite-life intangible assets, including its in-service satellite fleet, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Impairments can arise from complete or partial failure of a satellite as well as other changes in expected discounted future cash flows. Such impairment tests are based on a recoverable value determined using estimated future cash flows and an appropriate discount rate. The estimated cash flows are based on the most recent business plans. If impairment is indicated, the asset value will be written down to its recoverable amount.

Investments and other financial assets

Financial assets in the scope of IAS 39 are classified as one of:

- financial assets at fair value through profit or loss;
- loans and receivables;
- held-to-maturity investments; or
- available-for-sale financial assets.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

All regular purchases and sales of financial assets are recognised on the trade date, that is to say the date that the Group is committed to the purchase or sale of the asset.

The following categories of financial asset as defined in IAS 39 are relevant in the Group's financial statements.

1) **Financial assets at fair value through profit or loss**

   Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated and effective hedging instruments. Gains or losses on investments held for trading are recognised in income.

2) **Loans and receivables**

   Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Impairment of financial assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or Group of financial assets is impaired. A financial asset or a Group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or Group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a Group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For 'loans and receivables', the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

Inventories

Inventories primarily consist of equipment held for re-sale, work-in-progress, related accessories and network equipment spares and are stated at the lower of cost or market value, with cost determined on an average-cost method and market value based on the estimated net realisable value.

Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Provision is made when there is objective evidence that the Group will not be able to collect the debts. The Group evaluates the credit risk of its customers on an ongoing basis, classifying them into three categories: prime, market and sub-prime.

Treasury shares

Treasury shares are mostly used by the Group for the share-based payments plan. Acquired own equity instruments (treasury shares) are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash on hand and in banks and short-term deposits which are held to maturity are carried at fair value. For the purposes of the consolidated statement of cash flow, 'Net Cash' consists of cash and cash equivalents, net of outstanding bank overdrafts.

Revenue recognition

The Company generates its revenues through the commercialisation of its extensive satellite assets and ground network; and through a range of ancillary services.

In the infrastructure operations, revenues are generated primarily from customer agreements for the provision of satellite transponder services. All amounts received from customers under contracts for satellite capacity are recognised on a straight-line basis at the fair value of the consideration received or receivable over the duration of the respective contracts - including any free-of-charge periods which may be included in the contract.

Customer payments received in advance of the provision of service are recorded as deferred income in the statement of financial position, and for significant advance payments, interest is accrued on the amount received at the effective interest rate at the time of receipt.

In the case of backloaded payment plans, the unbilled portion of recognised revenues are disclosed within 'Trade and other receivables', allocated between current and non-current as appropriate.

Other operational income includes fees generated for end-of-life missions on inclined orbit satellites and uplinking charges.

Where satellite transponder services are provided in exchange for dissimilar goods and services, the revenue is measured at the fair value of the goods or services received where these can be reliably measured, otherwise at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents received.

The Group also has a number of long-term construction contracts. For these contracts, revenue is recognised by reference to the stage of completion of the contract where the outcome can be estimated reliably.

Dividends

The Company declares dividends after the financial statements for the year have been approved. Accordingly dividends are recorded in the subsequent year's financial statements.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

Current taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax Laws used to compute the amount are those that are enacted, or substantively enacted, at the reporting date.

Deferred taxes

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax Laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are classified according to the classification of the underlying temporary difference either, as an asset or a liability, or in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Translation of foreign currencies

The consolidated financial statements are presented in euro (EUR), which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using the functional currency.

Transactions in foreign currencies are initially recorded in the functional currency ruling at the date of transaction. The cost of non-monetary assets is translated at the rate applicable at the date of the transaction. All other assets and liabilities are translated at closing rates of exchange. During the year, expenses and income expressed in foreign currencies are recorded at exchange rates which approximate to the rate prevailing on the date they occur or accrue. All exchange differences resulting from the application of these principles are included in the consolidated income statement.

The Group considers that monetary long-term receivables or loans for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the entity's net investment in that foreign operation. The related foreign exchange differences are included in the foreign currency translation reserve within equity. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular foreign operation is reclassified to the income statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

The assets and liabilities of consolidated foreign operations are translated into euro at the year-end exchange rates, while the income and expense items of these foreign operations are translated at the average exchange rate of the year. The related foreign exchange differences are included in the foreign currency translation reserve within equity. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular foreign operation is reclassified to the income statement as part of the gain or loss on disposal.

The U.S. dollar exchange rates used by the Group during the year were as follows:

1 euro =	**Average rate for 2013**	**Closing rate for 2013**	Average rate for 2012	Closing rate for 2012
USD	**1.3259**	**1.3791**	1.2910	1.3194

Basic and diluted earnings per share

The Company's capital structure consists of Class A and Class B shares, entitled to the payment of annual dividends as approved by the shareholders at their annual meetings. Holders of Class B shares participate in earnings and are entitled to 40% of the dividends payable per Class A share. Basic and diluted earnings per share are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of common shares outstanding during the period as adjusted to reflect the economic rights of each class of shares. Diluted earnings per share are also adjusted for the effects of dilutive shares and options.

Derivative financial instruments and hedging

The Group recognises all derivatives as assets and liabilities at fair value in the statement of financial position. Changes in the fair value of derivatives are recorded in the income statement or in accordance with the principles below where hedge accounting is applied. The Group usually uses derivative financial instruments such as foreign currency contracts and interest rate swaps to hedge its risks associated with interest rate and foreign currency fluctuation. On the date a hedging derivative instrument is entered into, the Group designates the derivative as one of the following:

1) a hedge of the fair value of a recognised asset or liability or of an unrecognised firm commitment (fair value hedge);
2) a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognised asset or liability (cash flow hedge); or
3) a hedge of a net investment in a foreign operation.

Hedges which meet the criteria for hedge accounting are accounted for as follows:

1) Fair value hedges

   In relation to fair value hedges (for example interest rate swaps on fixed-rate debt), any gain or loss from remeasuring the hedging instrument at fair value is recognised immediately in the income statement as finance revenue or cost. Any gain or loss on the hedged item attributable to the hedged risk is adjusted against the carrying amount of the hedged item and recognised in the income statement as finance revenue or cost.

2) Cash flow hedges

   In relation to cash flow hedges (forward foreign currency contracts and interest rate swaps on floating-rate debt) – to hedge firm commitments or forecasted transactions, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity as other comprehensive income and the ineffective portion is recognised in the income statement as finance revenue or cost. When the hedged commitment results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses that had previously been recognised in equity are included in the initial measurement of the acquisition cost or carrying amount of the asset or liability.

3) Hedge of a net investment in a foreign operation

   Changes in the fair value of a derivative or non-derivative instrument that is designated as a hedge of a net investment are recorded in the foreign currency translation reserve within equity to the extent that it is deemed to be an effective hedge. The ineffective portion is recognised in the income statement as finance revenue or cost.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, the hedge no longer qualifies for hedge accounting, or the Group revokes the designation. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity is kept in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the period.

The Group formally documents all relationships between hedging instruments and hedged items, as well as its risk-management objective and strategy for undertaking various hedge transactions. This process includes allocating all derivatives that are designated as fair value hedges, cash flow hedges or net investment hedges to specific assets and liabilities on the statement of financial position or to specific firm commitments or forecasted transactions. The Group also formally assesses both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item. If it is determined that a derivative is not highly effective as a hedge, or if a derivative ceases to be a highly effective hedge, the Group will discontinue hedge accounting prospectively. The ineffective portion of hedge is recognised in profit or loss.

Derecognition of financial assets and liabilities

1) Financial assets

A financial asset is derecognised where:

– the right to receive cash flows from the asset have expired;

– the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass- through’ arrangement; or

– the Group has transferred its rights to receive cash flows from the asset and either

    a) has transferred substantially all the risks and rewards of the asset, or
    b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of that asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset continues to be recognised to the extent of the Group’s continuing involvement in it. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of the consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including cash-settled options or similar provision) on the transferred asset, the extent of the Group’s continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group’s continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

2) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

Accounting for pension obligations

The Company and certain subsidiaries operate defined benefit pension plans and/or defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income statement.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Equity-settled share-based payments schemes

Employees (including senior executives) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ('equity-settled transactions'). The cost of equity-settled transactions is measured by reference to the fair value at the date on which they are granted. The fair value is determined by an external valuer using a binomial model, further details are given in Note 22. In valuing equity-settled transactions, no account is taken of any non-market performance conditions, other than conditions linked to the price of the Company's shares, if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting date). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 10).

Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. For arrangements entered into prior to January 1, 2005, the date of inception is deemed to be January 1, 2005 in accordance with the transitional requirements of IFRIC 4.

Finance leases, which transfer to the Group substantially all risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair market value of the leased item or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to expense. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after January 1, 2013, and have not been applied in preparing these consolidated financial statements. The Group is still to assess the effect of the following changes on its consolidated financial statements:

IFRS 9 Financial instruments

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in two phases in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. In addition, final standard on hedging (excluding macro hedging) has been issued in November 2013 which aligns hedge accounting more closely with risk management, and so should result in more 'decision-useful' information to users of financial statements. A final standard is not expected before 2014. The Group is yet to assess IFRS 9's full impact. The Group will also consider the impact of the remaining phases of IFRS 9 when completed by the Board. Application date has not been determined. IFRS 9 has not yet been adopted by the European Union.

IFRS 10 Consolidated financial statements

IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent Company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. This standard becomes effective for annual periods beginning on or after January 1, 2014.

The adoption of this standard is not expected to have an impact on the financial position or performance of the Group.

IFRS 11 Joint arrangements

IFRS 11 focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted. This standard becomes effective for annual periods beginning on or after January 1, 2014.

The adoption of this standard is not expected to have an impact on the financial position or performance of the Group.

IFRS 12 Disclosures of interests in other entities

IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. This standard becomes effective for annual periods beginning on or after January 1, 2014.

The adoption of this standard is not expected to have an impact on the financial position or performance of the Group.

IAS 19 Employee benefits (Revised) - Amendments to IAS 19 (Revised)

This amendment clarifies the application of IAS19, 'Employee Benefits' (2011) – referred to as IAS19 Employee Benefits (revised), to plans that require employees or third parties to contribute towards the cost of benefits. The amendment clarifies that the benefit of employee contributions linked to the length of services is recognised in profit or loss over the employee's working life. Contributions that are not linked to service are reflected in the measurement of the benefit obligation. The amendment does not affect the accounting for voluntary contributions. The Group does not expect this amendment to have a material impact and intends to adopt it for accounting periods beginning after July 1, 2014. This amendment has not yet been adopted by the European Union.

IFRIC 21 Levies

IFRIC 21 sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognised. This standard becomes effective for annual periods beginning on or after January 1, 2014. The Group is not currently subjected to significant levies so the impact on the Group is not material. This amendment has not yet been adopted by the European Union.

As part of its annual improvement project, the IASB slightly amended various standards. The improvements 2012 and 2013 focus on areas of inconsistencies in IFRSs or where clarification of wording was required. The effective date of these amendments is July 1, 2014. The Group does not expect any significant impact of these amendments on its consolidated financial statements. These amendments have not yet been adopted by the European Union.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

Note 3 – Interest in a joint venture

With effect from January 1, 2012, the Company adopted the equity method for the presentation of the results of joint ventures (refer to Note 2).

Solaris Mobile Limited, Ireland

In 2007, SES ASTRA and Eutelsat entered into a joint venture, Solaris Mobile Limited ('Solaris') based in Dublin, to develop the use of S-band frequencies for next-generation entertainment services via satellite. On April 6, 2009, the S-band payload was launched on board Eutelsat's W2A satellite. On May 14, 2009, the European Commission granted one of two 15 MHz blocks of S-band capacity for a European coverage to Solaris, subject to certain conditions, with the second block assigned to Inmarsat. On the same day Eutelsat and SES announced an anomaly in the functioning of the payload. On June 22, 2009, Solaris filed a constructive total loss insurance claim for the full insured value of the payload which was fully impaired on June 30, 2009. The insurance proceeds were collected in full towards the end of 2009.

On December 13, 2013, the Group disposed of its 50% interest in Solaris Mobile Limited and recorded a gain on sale of EUR 12.4 million disclosed under 'Share of joint ventures and associates' result' in the consolidated income statement.

The share of assets, liabilities, income and expenses of the joint venture as at the date of disposal and at December 31, 2012 and for the periods then ended, which are included in the consolidated financial statements, are as follows:

In millions of euros	**2013**	2012
Non-current assets	**2.0**	2.0
Current assets	**1.5**	3.2
Non-current liabilities	**–**	–
Current liabilities	**0.3**	0.3
Revenue	**–**	–
Other income	**–**	0.1
Operating expenses	**(1.6)**	(2.0)
Depreciation and amortisation	**(0.1)**	(0.2)
Finance income, net	**–**	0.1
Net loss	**(1.7)**	(2.0)

Note 4 – Operating segment

The Company believes that it does business in one operating segment, namely the provision of satellite-based data transmission capacity, and ancillary services, to customers around the world.

The Executive Committee, which is the most senior chief operating decision-making committee in the Group's corporate governance structure, reviews the Group's financial reporting and generates those proposals for the allocation of Company resources which are submitted to the Board of Directors. The main sources of financial information used by the Executive Committee in assessing the Group's performance and allocating resources are:

- Analyses of Group revenues including the allocation of revenues between the geographical downlink regions;
- Overall Group profitability development at the operating and non-operating level;
- Internal and external analysis of expected future developments in the markets into which capacity is being delivered and of the commercial landscape applying to those markets.

The increasing level of integration, particularly of the Group's Infrastructure operations, has also impacted the composition of the defined cash generating units for impairment testing purposes from January 1, 2013 (Note 14).

When analysing the performance of the operating segment the comparative prior year figures are reconsolidated using, for all currencies, the exchange rates applying for each month in the current period. These restated prior year figures are noted as being presented at 'constant FX'.

The segment's financial results for 2012 and 2013 are set out below - the comparative 2012 figures have also been adjusted to reflect the disposal of the Group' 75% interest in Glocom (Communications and Images) Limited in November 2013.

In millions of euros	**2013**	Constant FX 2012	Change Favourable + / Adverse
Revenue	**1,862.5**	1,801.6	+3.4%
Operating expenses	**(497.8)**	(473.7)	-5.1%
EBITDA	**1,364.7**	1,327.9	+2.8%
EBITDA margin (%)	**73.3%**	73.6%	-0.3 % pts
Depreciation	**(466.5)**	(505.9)	+7.8%
Amortisation	**(47.0)**	(40.5)	-16.0%
Operating profit	**851.2**	**781.5**	+8.9%

In millions of euros	**2012**	Constant FX 2011	Change Favourable + / Adverse -
Revenue	**1,828.0**	1,801.6	+1.5%
Operating expenses	**(481.4)**	(475.6)	-1.2%
EBITDA	**1,346.6**	1,326.0	+1.6%
EBITDA margin (%)	**73.7%**	73.6%	+0.1 % pts
Depreciation	**(515.6)**	(453.3)	-13.7%
Amortisation	**(40.5)**	(34.9)	-16.0%
Operating profit	**790.5**	837.8	-5.6%

At constant FX, the revenue allocated to the relevant downlink region developed as follows:

In millions of euros	**2013**	2012	Change Favourable + / Adverse -
Europe	**936.4**	923.9	+1.4%
North America	**398.0**	409.7	-2.9%
International	**528.1**	468.0	+12.8%
Total	**1,862.5**	1,801.6	+3.4%

The Group's revenues from external customers analysed between components of the business is as follows: 'Infrastructure' refers to the sale of satellite transponder capacity and directly attributable services, whereas 'Services' refers to the provision of products such as engineering services, retail broadband two-way internet access, and playout and transmission services. Sales between the two, mainly sales of infrastructure capacity to the 'Services' businesses, are eliminated on consolidation.

2013	**Infra-**		**Elim. /**	
In millions of euros	**structure**	**Services**	**unalloc.**	Total
Revenue	1,591.0	432.5	(161.0)	1,862.5

2012	**Infra-**		**Elim. /**	
In millions of euros	**structure**	**Services**	**unalloc.**	Total
Revenue	1,586.4	386.9	(145.3)	1,828.0

The Group's revenues from external customers analysed by country using the customer's billing address is as follows:

In millions of euros	**2013**	2012
Luxembourg (SES country of domicile)	**38.0**	35.2
United States of America	**513.3**	515.7
Germany	**336.6**	350.7
United Kingdom	**297.3**	304.5
France	**98.3**	99.2
Others	**579.0**	522.7
Total	**1,862.5**	1,828.0

No single customer accounted for 10% or more of total revenue in 2013 or 2012.

The Group's non-current assets are located as set out in the following table. Note that satellites are allocated to the country where the legal owner of the asset is incorporated. Similarly orbital slot rights and goodwill balances are allocated to the attributable subsidiary.

In millions of euros	**2013**	2012
Luxembourg (SES country of domicile)	**2,274.7**	2,127.7
United States of America	**2,547.4**	2,785.7
The Netherlands	**1,226.8**	1,187.4
Isle of Man	**961.1**	1,205.7
Sweden	**282.2**	312.5
Others	**311.6**	344.4
Total	**7,603.8**	7,963.4

Note 5 – Operating expenses

The operating expense categories disclosed include the following types of expenditure:

1) Cost of sales (excluding staff costs and depreciation) represents cost categories which generally vary directly with revenue development. Such costs include the rental of third-party satellite capacity, customer support costs, such as uplinking and monitoring, and other cost of sales which include the cost of equipment rental or purchased for integration and resale, largely as part of SES Services offerings.

In millions of euros	**2013**	2012
Rental of third-party satellite capacity	**(59.8)**	(71.1)
Customer support costs	**(18.1)**	(12.4)
Other cost of sales	**(101.7)**	(89.8)
Total cost of sales	**(179.6)**	(173.3)

2) Staff costs in the amount of EUR 185.8 million (2012: EUR 180.7 million) include gross salaries and employer's social security payments, payments into pension schemes for employees, and charges arising under share-based payment schemes.

3) Other operating expenses in the amount of EUR 132.4 million (2012: EUR 127.4 million) are by their nature less variable to revenue development. Such costs include facility costs, in-orbit insurance costs, marketing expenses, general and administrative expenditure, consulting charges, travel-related expenditure and movements on provisions for debtors.

Note 6 – Audit and non-audit fees

For the year ended December 31, the Group has recorded charges – both billed and accrued – from its independent auditor and affiliated companies thereof, as set out below:

In millions of euros	**2013**	2012
Fees for statutory audit of annual and consolidated accounts	**1.5**	1.6
Fees charged for other assurance services	**0.2**	0.2
Fees charged for tax services	**0.6**	0.6
Fees charged for other non-audit services	**0.2**	-
Total audit and non-audit fees	**2.5**	2.4

Note 7 – Finance revenue and costs

In millions of euros	**2013**	2012
Finance revenue		
Interest income	**5.3**	2.0
Net foreign exchange gains	**4.3**	4.5
Total	**9.6**	6.5
Finance costs		
Interest expense on loans and borrowings (net of amounts capitalised)	**(174.6)**	(167.4)
Value adjustments on financial assets	**(8.5)**	(8.7)
Total	**(183.1)**	(176.1)

Note 8 – Income taxes

Taxes on income comprise the taxes paid or owed on income in the individual countries, as well as deferred taxes. Current and deferred taxes can be analysed as follows:

In millions of euros	**2013**	2012
Consolidated income statement		
Current income tax		
Current income tax charge	**(95.2)**	(1.6)
Adjustments in respect of prior periods	**18.9**	6.1
Foreign withholding taxes	**(8.3)**	–
Total current income tax	**(84.6)**	4.5
Deferred income tax		
Relating to origination and reversal of temporary differences	**(8.4)**	25.9
Relating to tax losses brought forward	**6.8**	–
Changes in tax rate	**5.9**	22.7
Adjustment of prior years	**(7.2)**	(10.9)
Total deferred income tax	**(2.9)**	37.7
Income tax income/(expense) per consolidated income statement	**(87.5)**	42.2
Consolidated statement of changes in equity		
Income tax related to items (charged) or credited directly in equity		
Cash flow hedge	**0.5**	(1.9)
Net Investment hedge	**(13.7)**	(2.4)
Retirement benefit obligation	**(1.3)**	(0.9)
Income taxes reported in equity	**(14.5)**	(5.2)

A reconciliation between tax expenses and the profit before tax of the Group multiplied by a theoretical tax rate of 29.97% (2012: 29.55%) which corresponds to the Luxembourg domestic tax rate for the year ended December 31, 2013 is as follows:

In millions of euros	**2013**	2012
Profit before tax from continuing operations	**677.7**	620.9
Multiplied by theoretical tax rate of 29.97% (29.55% for 2012)	**203.1**	183.5
Investment tax credits	**(35.7)**	(46.6)
Tax exempt income	**(11.3)**	(8.1)
Non deductible expenditures	**3.9**	10.0
Taxes related to prior years	**12.4**	(4.8)
Effect of changes in tax rate	**(4.6)**	(22.7)
Revaluation of prior-year deferred taxes	**(6.8)**	1.1
Effect of different local tax rates	**(65.1)**	(78.1)
Group tax provision related to current year	**8.4**	10.0
Reversal of Group tax provision related to prior years	**(22.0)**	(85.7)
Foreign withholding taxes (not creditable)	**8.3**	–
Other	**(3.1)**	(0.8)
Income tax reported in the consolidated income statement	**87.5**	(42.2)

During the year, several intercompany transfers have occurred (transfers of full assets and liabilities) which have triggered the recognition of goodwill in the statutory accounts of the related entities. These transfers have no carrying amount in the consolidated financial statements and did give rise to temporary differences for which no deferred tax assets have been recognised, as of December 31, 2013, as there is no sufficient evidence that future taxable profits will be available to utilise the deferred tax assets.

The accounts related to deferred taxes included in the consolidated financial statements can be analysed as follows:

In millions of euros	**Deferred tax assets 2013**	Deferred tax assets 2012	**Deferred tax liabilities 2013**	Deferred tax liabilities 2012	**Deferred tax in income 2013**	Deferred tax in income 2012
Losses carried forward	**11.8**	68.5	–	–	**(56.7)**	(64.9)
Tax credits	**103.1**	83.5	–	–	**19.6**	50.9
Intangible assets	–	–	**233.6**	254.8	**21.2**	(100.3)
Tangible assets	–	0.5	**403.2**	458.0	**54.3**	141.8
Retirement benefit obligation	**14.7**	12.9	–	–	**1.8**	0.3
Value adjustments on financial asset	–	–	**18.7**	18.6	**(0.1)**	8.0
Receivables	**3.6**	–	–	0.4	**4.0**	15.3
Payables	–	–	–	–	–	0.9
Tax-free reserves	–	–	**3.7**	–	**(3.7)**	–
Other provisions and accruals	**0.4**	1.6	**11.6**	17.3	**4.5**	(6.3)
Foreign exchange impact[1]					**(47.8)**	(8.0)
Total deferred tax as per consolidated income statement	**133.6**	167.0	**670.8**	749.1	**(2.9)**	37.7
Measurement of financial instruments, cash flow hedges and net investment hedges	**1.0**	11.8	**12.1**	9.6	**(13.2)**	(4.3)
Retirement benefit obligations	–	–	**1.3**	–	**(1.3)**	(0.9)
Subtotal	**134.6**	178.8	**684.2**	758.7	**(17.4)**	32.5
Offset of deferred taxes	**(38.9)**	(89.6)	**(38.9)**	(89.6)	–	–
Total	**95.7**	89.2	**645.3**	669.1	**(17.4)**	32.5

[1] A foreign exchange impact arises due to the translation of Group's operations with a different functional currency than Euro.

Deferred tax assets have been offset against deferred tax liabilities where they relate to the same taxation authority and the entity concerned has a legally enforceable right to set off current tax assets against current tax liabilities.

In addition to the tax losses for which the Group recognised deferred tax assets, the Group has tax losses of EUR 1.6 million (2012: EUR 191.3 million) that are available indefinitely for offset against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group and they have arisen in subsidiaries that are not expected to generate taxable profits against which these losses could be offset in the foreseeable future.

No deferred income tax liabilities has been recognised for the withholding tax and other taxes that would be payable on the unremitted earnings of certain subsidiaries. Such amounts are permanently reinvested or not subject to taxation.

Note 9 – Components of other comprehensive income

In millions of euros	**2013**	2012
Cash flow hedges		
Gains (losses) arising during the year:		
On currency forward contracts	**(1.8)**	6.6
On interest rate swaps	**–**	5.2
Reclassification adjustments for (gains)/losses included in the fixed assets	**–**	(0.3)
Total	**(1.8)**	11.5

Note 10 – Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders of each class of shares by the weighted average number of shares outstanding during the year as adjusted to reflect the economic rights of each class of share. Earnings per share calculated on a fully diluted basis is insignificantly different from the basic earnings per share.

For the year 2013, earnings per share of EUR 1.41 per A share (2012: EUR 1.62), and EUR 0.56 per B share (2012: EUR 0.65) have been calculated on the following basis:

In millions of euros	**2013**	2012
Profit attributable to equity holders of the parent	**566.5**	648.8

Weighted average number of shares, net of own shares held, for the purpose of calculating earnings per share:

	2013	2012
Class A shares (in million)	**335.1**	334.1
Class B shares (in million)	**168.8**	167.8
Total	**503.9**	501.9

The weighted average number of shares is based on the capital structure of the Company as described in Note 21.

Note 11 – Dividends paid and proposed

Dividends declared and paid during the year:

In millions of euros	**2013**	2012
Class A dividend (2012: EUR 0.97, 2011: EUR 0.88)	**327.5**	293.0
Class B dividend (2012: EUR 0.39, 2011: EUR 0.35)	**65.5**	58.6
Total	**393.0**	351.6

Dividends proposed for approval at the annual general meeting to be held on April 3, 2014, which are not recognised as a liability as at December 31, 2013:

In millions of euros	**2013**	2012
Class A dividend for 2013: EUR 1.07	**361.2**	326.8
Class B dividend for 2013: EUR 0.43	**72.3**	65.4
Total	**433.5**	392.2

Dividends are paid net of any withholding tax.

Note 12 – Property, plant and equipment

In millions of euros	Land and buildings	Space segment	Ground segment	Other fixtures and fittings, tools and equipment (1)	Total
Movements in 2012 on cost					
As at January 1	**173.0**	**7,554.6**	**355.2**	**133.9**	**8,216.7**
Additions	4.2	90.2	6.7	19.5	120.6
Disposals	–	–	(8.5)	(3.6)	(12.1)
Retirements	–	–	(8.3)	(7.9)	(16.2)
Transfers from assets in course of construction (Note 13)	9.6	738.7	24.1	6.9	779.3
Transfer to another heading	–	–	5.1	–	5.1
Impact of change in accounting policies - Solaris	–	(2.7)	(0.1)	–	(2.8)
Impact of currency translation	(0.6)	(81.5)	(2.3)	(1.2)	(85.6)
As at December 31	**186.2**	**8,299.3**	**371.9**	**147.6**	**9,005.0**
Movements in 2012 on depreciation					
As at January 1	**(102.8)**	**(4,059.3)**	**(270.8)**	**(86.5)**	**(4,519.4)**
Depreciation	(6.3)	(425.6)	(24.2)	(22.8)	(478.9)
Depreciation on disposals	–	–	7.5	3.6	11.1
Depreciation on retirements	–	–	8.3	7.9	16.2
Impairment on AMC-16	–	(36.7)	–	–	(36.7)
Transfer from assets in course of construction (Note 13)	–	(0.5)	(1.2)	(2.9)	(4.6)
Impact of change in accounting policies - Solaris	–	2.7	0.1	–	2.8
Impact of currency translation	0.4	38.5	1.8	0.9	41.6
As at December 31	**(108.7)**	**(4,480.9)**	**(278.5)**	**(99.8)**	**(4,967.9)**
Net book value as at December 31, 2012	**77.5**	**3.818.4**	**93.4**	**47.8**	**4,037.1**

In millions of euros	Land and buildings	Space segment	Ground Segment	Other fixtures and fittings, tools and equipment	Total
Movements in 2013 on cost					
As at January 1	**186.2**	**8,299.3**	**371.9**	**147.6**	**9,005.0**
Additions	1.1	9.7	12.5	7.8	31.1
Disposals	(0.1)	(0.7)	(5.0)	(4.5)	(10.3)
Retirements	(0.4)	(0.5)	(0.1)	(0.3)	(1.3)
Transfers from assets in course of construction (Note 13)	–	266.0	46.0	–	312.0
Transfer to another heading	–	–	–	(30.7)	(30.7)
Impact of currency translation	(1.8)	(245.7)	(13.1)	(2.4)	(263.0)
As at December 31	**185.0**	**8,328.1**	**412.2**	**117.5**	**9,042.8**
Movements in 2013 on depreciation					
As at January 1	**(108.7)**	**(4,480.9)**	**(278.5)**	**(99.8)**	**(4,967.9)**
Depreciation	(6.8)	(422.0)	(31.7)	(6.0)	(466.5)
Depreciation on disposals	0.1	0.7	5.0	1.9	7.7
Depreciation on retirements	0.2	0.5	–	0.3	1.0
Transfer to another heading	–	–	–	9.1	9.1
Impact of currency translation	1.0	111.7	6.7	2.1	121.5
As at December 31	**(114.2)**	**(4,790.0)**	**(298.5)**	**(92.4)**	**(5,295.1)**
Net book value as at December 31, 2013	**70.8**	**3,538.1**	**113.7**	**25.1**	**3,747.7**

(1) In 2012 consolidated financial statements, ‘software costs’ were disclosed under ‘Property, plant and equipment’ for a net amount of EUR 11.6 million. Those have been reclassified to‘Intangible’ assets in 2013. As a consequence, comparative figures have been restated accordingly.

Note 13 – Assets in the course of construction

In millions of euros	Land and Buildings	Space segment	Ground segment	Total
Cost and net book value as at January 1, 2012	**13.9**	**1,243.4**	**43.1**	**1,300.4**
Movements in 2012				
Additions	6.2	487.2	43.7	537.1
Transfers to assets in use (Note 12)	(11.0)	(738.2)	(25.5)	(774.7)
Disposals	–	(1.7)	–	(1.7)
Impact of change in accounting policies- Solaris	–	(0.1)	–	(0.1)
Impact of currency translation	–	(10.0)	(0.7)	(10.7)
Cost and net book value as at December 31, 2012	**9.1**	**980.6**	**60.6**	**1,050.3**

In millions of euros	Land and Buildings	Space segment	Ground segment	Fixtures,tools & Equipment	Total
Cost and net book value as at January 1, 2013	**9.1**	**980.6**	**60.6**	**-**	**1,050.3**
Movements in 2013					
Additions	8.6	317.8	19.2	29.4	375.0
Transfers to assets in use (Note 12)	–	(266.0)	(46.0)	–	(312.0)
Transfer to another heading	–	(2.2)	–	–	(2.2)
Disposals	–	–	(0.2)	(0.2)	(0.4)
Impact of currency translation	–	(9.5)	(1.1)	(0.3)	(10.9)
Cost and net book value as at December 31, 2013	**17.7**	**1,020.7**	**32.5**	**28.9**	**1,099.8**

Borrowing costs of EUR 41.1 million (2012: EUR 57.1 million) arising on financing specifically relating to satellite construction were capitalised during the year and are included in 'Space segment' additions in the above table.

A weighted average capitalisation rate of 4.37% (2012: 4.88%) was used, representing the borrowing Group's average weighted cost of borrowing. Excluding the impact of the loan origination costs the average weighted interest rate was 4.13% (2012: 4.49%).

Note 14 – Intangible assets

In millions of euros	Orbital slot licence rights	Goodwill	Definite life intangibles (2)	Total
Book value as at January 1, 2012	772.3	1,835.5	317.2	2,925.0
Movements in 2012 on cost				
As at January 1	772.3	1,835.5	737.0	3,344.8
Additions	–	–	37.3	37.3
Transfers to another heading	(2.0)	–	(2.4)	(4.4)
Impact of change in accounting policies - Solaris	(1.0)	–	(1.3)	(2.3)
Impact of currency translation	(10.3)	(33.4)	(1.0)	(44.7)
As at December 31	759.0	1,802.1	769.6	3,330.7
Movements in 2012 on amortisation				
As at January 1	–	–	(419.8)	(419.8)
Amortisation	–	–	(40.5)	(40.5)
Transfers to another heading	–	–	4.5	4.5
Impact of change in accounting policies - Solaris	–	–	0.3	0.3
Impact of currency translation	–	–	0.8	0.8
As at December 31	–	–	(454.7)	(454.7)
Book value as at December 31, 2012	759.0	1,802.1	314.9	2,876.0
Movements in 2013 on cost				
As at January 1	**759.0**	**1,802.1**	**769.6**	**3,330.7**
Additions	5.3	**–**	0.6	5.9
Impairment Glocom (1)	**–**	(3.0)	(2.9)	(5.9)
Transfers to another heading	**–**	**–**	30.7	30.7
Impact of currency translation	(30.7)	(81.3)	(5.0)	(117.0)
As at December 31	**733.6**	**1,717.8**	**793.0**	**3,244.4**

Movements in 2013 on amortisation

As at January 1	**–**	**–**	**(454.7)**	**(454.7)**
Amortisation	–	–	(34.2)	(34.2)
Impairment Glocom (1)	–	–	2.2	2.2
Transfers to another heading	–	–	(9.1)	(9.1)
Impact of currency translation	–	–	1.7	1.7
As at December 31	**–**	**–**	**(494.1)**	**(494.1)**
Book value as at December 31, 2013	**733.6**	**1,717.8**	**298.9**	**2,750.3**

(1) Impairment has been recorded under 'Amortisation expense' in the income statement.

(2) In 2012 consolidated financial statements, 'software costs' were disclosed under 'Property, plant and equipment' for a net amount of EUR 11.6 million. Those have been reclassified to 'Intangible assets' in 2013. As a consequence, comparative figures have been restated accordingly.

Indefinite life intangible assets

The indefinite life intangible assets as at December 31, 2013 have a net book value made up as set out per cash-generating unit in the table below.

In millions of euros	**2013**		2012	
	Orbital slot licence rights	**Goodwill**	Orbital slot licence rights	Goodwill
One SES*	**730.8**	**1,682.7**	759.0	1,757.8
SES Platform Services	–	**35.9**	–	33.9
Others	**2.9**	**4.5**	–	10.4
Total	**733.7**	**1,723.1**	759.0	1,802.1

'One SES' is defined below

1) Orbital slot licence rights

Interests in orbital slot licence rights were acquired in the course of the acquisitions of SES WORLD SKIES entities and SES ASTRA AB, as well as through the targeted acquisition of such rights from third parties. The Group believes that it has a high probability of being able to achieve the extension of these rights at no significant cost as the current agreements expire. Hence these assets are not amortised, but rather are held on the statement of financial position at acquisition cost. Impairment procedures are performed at least once a year to assess whether the carrying value is still appropriate.

2) Goodwill

Impairment procedures are performed at least once a year to assess whether the carrying value is still appropriate. The recoverable amount of the goodwill is determined based on a value-in-use calculation (Note 2) using the most recent business plan information approved by senior management which covers a period of up to seven years. This relatively long period for the business plan is derived from the long-term contractual base for the satellite business.

Pre-tax discount rates in 2013 are between 6.20% and 7.60% (2012: 6.70% and 7.50% - comparatives adjusted to a comparable pre-tax basis) and were selected to reflect market interest rates and commercial spreads; the capital structure of businesses in the Group's business sector; and the specific risk profile of the businesses concerned. Terminal growth rates used in the valuations are set at 1% to 2%, which reflect the most recent long-term planning assumptions approved by the Board and can be supported by reference to the trading performance of the companies concerned over a longer period.

Impairment testing of goodwill and intangibles with indefinite lives

Until 2011, the primary segments were 'ASTRA', 'WORLD SKIES' and 'SES S.A. and other participations' and these formed the basis of the Group's segmental reporting (Note 4). Accordingly, SES WORLD SKIES, SES ASTRA AB and ASTRA Platform Services were treated as separate CGUs for goodwill impairment testing purposes.

In the second quarter of 2011, SES announced the implementation of an internal restructuring. Whilst this internal restructuring impacted the segmental reporting of the Group already in 2012, it impacted the composition of the CGUs only from January 1, 2013 due to the following reasons:

- The internal restructuring and integration process initiated in 2011 has reached a level of completeness in 2013 such that its impact on the selection of cash generating units is more profound;
- The ‘OneSES’ companies represent the established SES infrastructure business for which headcount and operating costs are expected to remain broadly stable over the longer term. Decisions in relation to the ‘OneSES’ entities, such as pricing, purchasing, marketing, advertising and human resource decisions are made centrally. The non-’OneSES’ companies are mainly start-up and service businesses which are run through dedicated legal entities and for which decision-making responsibility is more decentralised.
- Beginning 2013, reflecting the above developments, the business plan as well as the Group’s consolidation system was adjusted to reflect the new Group structure. Therefore whilst for December 31, 2012, the CGUs for the impairment testing of goodwill and intangible assets remained the same as in previous periods, to ensure that the goodwill could be tested for impairment in a way consistent with available financial information and avoiding the need for the development of systems specifically to deal with goodwill, from 2013 the ‘OneSES’ basis for identifying CGUs has been applied.

SES WORLD SKIES and SES ASTRA AB are part of the ‘OneSES’ cash generating unit. For the reasons mentioned above, the ‘OneSES’ represents the lowest level at which management is capturing information about the goodwill and other indefinite live assets for internal management reporting purposes as of January 1, 2013. All entities under ‘OneSES’ benefit from the synergies ascribed to each business combination.

SES Platform Services is not one of the ‘OneSES’ companies and generates cash inflows that are largely independent of the cash inflows from the ‘OneSES’ companies. Therefore for goodwill impairment testing purposes this entity is treated separately.

The allocation of goodwill and indefinite life intangible assets to the CGUs for the year ended 2012 has been restated to be consistent with the current year presentation.

The calculations of value in use are most sensitive to:

– movements in the underlying business plan assumptions for the satellites concerned;
– changes in discount rates; and
– the growth rate assumptions used to extrapolate cash flows beyond the business plan period.

▪ **Movements in the underlying business plan assumptions:**

Business plans are drawn up annually and generally provides an assessment of the expected developments for a seven-year period beyond the end of the year when the plan is drawn up. These business plans reflect both the most up-to-date assumptions concerning the CGU’s markets and also developments and trends in the business of the CGU. For the provision of satellite capacity business these will particularly take account of the following factors:

- the expected developments in transponder fill rates, including the impact of the launch of new capacity;
- new products and services to be launched during the business plan period;
- any changes in the expected capital expenditure cycle – due to technical degradation of a satellite or through the identified need for additional capacities; and
- any changes in satellite procurement, or launch, cost assumptions.

▪ **Changes in discount rates:**

Discount rates reflect management’s estimate of the risks specific to each unit. Management uses a pre-tax weighted average cost of capital as the discount rate for each entity. This reflects the market interest rates on ten-year bonds in the market concerned, the capital structure of businesses in the Group’s business sector, and other factors, as necessary, applying specifically to the CGU concerned.

- **Growth rate assumptions used to extrapolate cash flows beyond the business planning period:**
  - Rates are based on the commercial experience relating to the CGUs concerned and the expectations for developments in the markets which they serve.
  - As part of standard impairment testing procedures the Company assesses the impact of changes in the discount rates and growth assumptions on the valuation surplus, or deficit as the case may be. Both discount rates and terminal values are simulated up to 1% below and above the CGU specific rate used in the base valuation. In this way a matrix of valuations is generated which reveals the exposure to impairment charges for each CGU based on movements in the valuation parameters which are within the range of outcomes foreseeable at the valuation date.
  - The most recent testing showed that the CGUs tested would have no impairment even in the least favourable case – a combination of lower terminal growth rates and higher discount rates. For this reason management believes that there is no combination of discount rates and terminal growth rates foreseeable at the valuation date which would result in the carrying value of indefinite intangible assets materially exceeding their recoverable amount. In addition to the changes in terminal growth rates and discount rates, no other reasonably possible change in another key assumption is expected to cause the CGU carrying amounts to exceed their recoverable amount.

Definite life intangible assets

The Group's primary definite life intangible asset is the agreement concluded by SES ASTRA with the Luxembourg government in relation to the usage of the Luxembourg frequencies in the orbital positions of the geostationary arc from 45˚ West to 50˚ East for the period of January 1, 2001 to December 31, 2021. Given the finite nature of this agreement, these usage rights – valued at EUR 550.0 million on acquisition – are being amortised on a straight-line basis over the 21-year term of the agreement.

Note 15 – Investment in associates

1) O3b Networks Limited ('O3b')

On November 16, 2009, SES made an initial investment of USD 75 million (EUR 49.9 million) to acquire 25% of O3b , a company establishing a new Medium Earth Orbit satellite-based backbone for telecommunications operators and internet service providers in emerging markets. In addition to its cash investment, SES agreed to provide in-kind services, including technical and commercial services, to O3b in the pre-service commercialisation period in return for additional shares.

On November 29, 2010, SES announced its participation in a further financing round. This round raised a total of USD 1.2 billion from a Group of investors and banks, securing the financing required to take O3b through to its assumed service launch in the first half of 2013. SES' participation on this round comprised the subscription for additional shares fully paid based on estimates by 2013. In addition SES committed to provide two tranches of loans in a total amount of USD 66 million to O3b in the pre commercialisation period, if required, at fixed rates. In return for making these commitments, which were valued at EUR 30.9 million when granted, SES received additional shares in O3b. In 2013, out of the USD 66 million commitments, USD 16 million has been paid out to O3b, which is recorded under 'Other financial assets' in the statement of financial position.

On October 31, 2011, O3b announced that it had raised an additional USD 139 million to accelerate the procurement of four additional satellites. SES participated in this financing for an amount of USD 34.7 million (EUR 24.5 million) in the form of O3b equity. For this investment, SES received additional shares fully paid by 2013.

On October 2, 2012, SES participated to an additional funding for an amount of USD 10 million (EUR 7.8 million) in exchange for additional fully paid shares in the Company.

In June 2013, O3b launched the initial four satellites of its fleet. Following in-orbit tests on the first four satellites, O3b delayed the launch of the second four satellites to make modifications to its subsequent satellites. For this reason the start of commercial operations has been delayed. Satellites 5 to 8 are expected to be launched in Q2 2014. Funding discussions are underway to secure the commercial launch of O3b including the launch of satellites 9-12 and other long term development activities. Depending on the outcome of these discussions, the carrying value of our investment in O3b might be materially impaired.

At the time of the issuing of the consolidated financial statements SES believes that the financial negotiations will be completed in a timely way to secure the continued operations of O3b and paving the way for the commencement of commercial operations in 2014. The assumptions used in the valuation procedures applied to the impairment testing include additional satellites not all of which have been contractually committed at the reporting date. The valuation procedures applied are based on discounted cashflow modelling techniques applying a discount rate of 11.0% and perpetual growth rate of 2.0%. As a result of the impairment testing, no impairment has been taken by SES on the carrying value of its interest in O3b.

The net carrying value of SES's interest in O3b at the reporting date is EUR 114.8 million.

At December 31, 2013, SES has an equity interest of 46.85% in O3b, compared to 46.88% at the end of 2012.

The carrying value of the equity component of the O3b investment has decreased from EUR 154.5 million in 2012 to EUR 132.8 million in 2013, representing an aggregate equity Investment of EUR 177.9 million, less accumulated recognised losses of EUR 45.1 million. The equity investment includes a fair value of EUR 30.9 million placed on the contingent funding described above.

The share of O3b's assets, liabilities, income and expenses as at December 31, 2013 and 2012 and for the years then ended, which are included in the consolidated financial statements, are as follows:

In millions of euros	**2013**	2012
Non-current assets	**367.7**	315.5
Current assets	**34.8**	34.4
Non-current liabilities	**238.2**	179.2
Current liabilities	**19.9**	5.7
Revenue	**0.2**	–
Operating expenses	**(15.1)**	(9.2)
Depreciation and amortisation	**(9.6)**	(0.2)
Finance expense, net	**(1.1)**	(0.6)
Income tax	**(0.2)**	(0.1)
Net loss	**(25.8)**	(10.1)

As at December 31, 2013 and 2012, O3b has no significant contingent liabilities.

As at December 31, 2013, the Group's share in O3b's capital commitments, which mainly relate to satellites procurement costs, amounts to EUR 41.0 million (2012: EUR 80.0 million).

As at December 31, 2013 and 2012, the Group's share in O3b's operating lease commitments is as follows:

In millions of euros	**2013**	2012
Operating lease commitments		
within one year	**1.8**	0.8
years 2-5	**5.6**	2.4
Thereafter	**0.5**	0.1
Total capital commitments	**7.9**	3.3

2) ND SatCom

On May 31, 2013, the Group disposed of its remaining 24.9% interest in ND SatCom and set off the amount receivable from ND SatCom against the final selling price (see Note 16).

The investment in the Group's interest in its 24.9% shareholding in ND SatCom was initially recorded at EUR 3.4 million. The share of losses taken for the ten-month period from March to December 2011 resulted in the Group's interest being reduced to zero as at December 31, 2011.

The 24.9% share of assets, liabilities, income and expenses of ND SatCom as of and for the year ended December 31, 2012 and the share of income and expenses for the period from January 1, 2013 to May 31, 2013 are as follows:

In millions of euros	**2013**	2012
Non-current assets	**7.4**	7.3
Current assets	**11.8**	14.6
Non-current liabilities	**8.5**	8.3
Current liabilities	**16.0**	18.0
Revenue	**3.6**	14.3
Operating expenses	**(4.4)**	(17.2)
Depreciation and amortisation	**(0.3)**	(0.8)
Finance expense, net	**(0.1)**	(0.6)
Share of associate	**0.1**	0.3
Net loss	**(1.1)**	(4.0)
Net loss attributed to associate	**(3.1)**	(1.9)

On December 31, 2013, like on December 31, 2012, the Group held no other significant investments in associates.

Note 16 – Other financial assets

In millions of euros	**2013**	2012
Receivable from ND SatCom	**–**	10.3
Amounts receivable from associates (see Note 15)	**2.7**	–
Sundry financial assets	**1.2**	0.3
Total other financial assets	**3.9**	10.6

The amount receivable from ND SatCom at December 31, 2012 was the non-current portion of a financing loan in the amount of EUR 27.0 million arising in the framework of the sale of the Group's controlling interest in ND SatCom in February 2011. In 2013, the Group disposed the remaining 24.9% interest in ND SatCom, set off this receivable against the final selling price and recorded a final impairment charge of EUR 7.5 million recorded under 'Finance costs' in the consolidated income statement.

In 2012 consolidated financial statements, sundry financial assets included a loan to our associate Quetzsat S. de R. L. de C.V. (a Mexican company) for an amount of EUR 13.2 million. This loan was eventually contributed to the equity of the company before 2012 and has therefore been reclassified to 'Investments in joint ventures and associates'. The comparatives have been restated accordingly.

Note 17 – Trade and other receivables

In millions of euros	**2013**	2012
Net trade debtors	**355.9**	185.7
Unbilled accrued revenue	**158.0**	115.9
Other receivables	**72.7**	111.1
Total trade and other receivables	**586.6**	412.7

Unbilled accrued revenue represents revenue for use of satellite capacity under long-term contracts but not billed. Billing will occur based on the terms of the contracts. There is current and non-current portion for unbilled accrued revenue. The non-current portion is in the amount of EUR 65.5 million (2012: EUR 70.1 million).

An amount of EUR 9.2 million was expensed in 2013 reflecting an increase in debtor provisions (2012: EUR 0.9 million). This amount is recorded in 'Other operating charges'. As at December 31, 2013, trade receivables with a nominal amount of EUR 19.9 million (2012: EUR 19.0 million) were impaired and fully provided for. Movements in the provision for the impairment of receivables were as follows:

In millions of euros	**2013**	2012
As at January 1	**19.0**	18.8
Increase in debtor provisions for the year	**9.2**	0.9
Utilised	**(10.1)**	(0.6)
Impact of currency translation	**(0.4)**	(0.1)
As at December 31	**17.7**	19.0

Note 18 – Financial instruments

Fair value estimation and hierarchy

The Group uses the following hierarchy levels for determining the fair value of financial instruments by valuation technique:

1) Quoted prices in active markets for identical assets or liabilities (Level 1);
2) Other techniques for which all inputs which have a significant effect on the recorded fair value are observable either directly or indirectly (Level 2);
3) Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data (Level 3).

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's-length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models.

The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

The following table presents the Group's financial assets and liabilities that are measured at fair value at December 31, 2013 and December 31, 2012.

As at December 31, 2013

Assets *(in millions of euros)*	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivatives used for hedging				
- Cross-currency swaps	-	9.5	-	9.5
Total assets	**-**	**9.5**	**-**	**9.5**

As at December 31, 2012

Assets *(in millions of euros)*	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit and loss				
Trading derivatives				
- Foreign exchange contracts	-	4.3	-	4.3
Total assets	**-**	**4.3**	**-**	**4.3**
Liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivatives used for hedging				
- Foreign exchange contracts	-	0.2	-	0.2
- Cross-currency swaps	-	40.2	-	40.2
Total liabilities	**-**	**40.4**	**-**	**40.4**

A change in the Group's credit default rate by +/- 5% would not or only marginally impact profit and loss and as such is not material.

Set out below is an analysis of financial derivatives valuation by category of hedging/trading activities and derivatives.

		December 31, 2013		December 31, 2012
In millions of euros	**Fair value asset**	**Fair value liability**	Fair value asset	Fair value liability
Derivatives held for trading:	**–**	**–**	4.3	–
Currency forwards, futures and swaps	**–**	**–**	4.3	–
Cash flow hedges:	**–**	**–**	–	0.2
Currency forwards, futures and swaps	**–**	**–**	–	0.2
Net investment hedges:	**9.5**	**–**	–	40.2
Cross currency swaps	**9.5**	**–**	–	40.2
Total valuation of financial derivatives	**9.5**	**–**	4.3	40.4
Of which: Non-current	**–**	**–**	–	–
Of which: Current	**9.5**	**–**	4.3	40.4

Fair values

The fair value of the loans and borrowings has been calculated by discounting the expected future cash flows at prevailing interest rates except for the listed Eurobonds for which the quoted market price has been used. The fair value of foreign currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of the interest rate swap contracts is determined by reference to market values for similar instruments.

All loans and borrowings are measured at amortised cost.

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments that are carried in the financial statements.

As at December 31, 2013

In millions of euros	Carried at amortised cost Carrying amount	Fair value	Carried at fair value Carrying amount	Total Balance Sheet
As at December 31, 2013				
Financial assets				
Non-current financial assets:				
Trade and other receivables	65.5	65.5	–	65.5
Loans and receivables	3.9	3.9	–	3.9
Total non-current financial assets	69.4	69.4	–	69.4
Current financial assets:				
Trade and other receivables	586.6	586.6	–	586.6
Derivatives	–	–	9.5	9.5
Cash and cash equivalents	544.2	544.2	–	544.2
Total current financial assets	1130.8	1130.8	9.5	1,141.3
Financial liabilities				
Loans and borrowings:				
At floating rates:				
Syndicated loan 2015*	–	–	–	–
COFACE	429.7	429.7	–	429.7
At fixed rates:				
Eurobond 2014 (EUR 650 million)	649.5	663.3	–	649.5
Eurobond 2018 (EUR 500 million)	493.7	490.9	–	493.7
Eurobond 2020 (EUR 650 million)	645.5	724.8	–	645.5
Eurobond 2021 (EUR 650 million)	644.9	730.9	–	644.9
US Bond 2023 (USD 750 million)	537.6	502.4	–	537.6
US Bond 2043 (USD 250 million)	179.3	167.3	–	179.3
US Private Placement Series B (USD 513 million)	148.8	153.3	–	148.8
US Private Placement Series C (USD 87 million)	63.1	67.6	–	63.1
US Ex-Im	81.9	82.7	–	81.9
German Bond 2032 (EUR 50 million), non-listed	49.8	48.5	–	49.8
Euro Private Placement 2016 (EUR 150 million) issued under EMTN	149.5	161.2	–	149.5
Euro Private Placement 2027 (EUR 140 million) issued under EMTN	139.3	142.0	–	139.3
European Investment Bank (EUR 200 million)	133.3	137.0	–	133.3
Total loans and borrowings:	4,345.9	4,501.6	–	4,345.9
Of which: Non-current	3,542.2	3,668.9	–	3,542.2
Of which: Current	803.7	832.7	–	803.7
Other long term liabilities	59.7	59.7	–	59.7
Trade and other payables	341.4	341.4	–	341.4

* *As at December 31, 2013 no amount has been draw down under this facility. As a consequence, the remaining balance of loan origination cost of the Syndicated loan 2015 has been disclosed under prepaid expenses for an amount of EUR 7.0 million*

As at December 31, 2012

In millions of euros	Carried at amortised cost		Carried at fair value	Total
	Carrying amount	Fair value	Carrying amount	Balance Sheet
As at December 31, 2012				
Financial assets				
Non-current financial assets:				
Trade and other receivables	70.1	70.1	–	70.1
Loans and receivables	10.6	10.6	–	10.6
Total non-current financial assets	80.7	80.7	–	80.7
Current financial assets:				
Trade and other receivables	412.7	412.7	–	412.7
Derivatives	–	–	4.3	4.3
Cash and cash equivalents	240.0	240.0	–	240.0
Total current financial assets	652.7	652.7	4.3	657.0
Financial liabilities				
Interest-bearing loans and borrowings:				
At floating rates:				
Syndicated loan 2015	–	–	–	–
Commercial papers	466.9	466.9	–	466.9
COFACE	374.4	374.4	–	374.4
At fixed rates:				
Eurobond 2014 (EUR 650 million)	647.8	687.0	–	647.8
Eurobond 2020 (EUR 650 million)	644.8	755.9	–	644.8
Eurobond 2021 (EUR 650 million)	644.1	763.2	–	644.1
US Private Placement Series A (USD 400 million)	43.3	45.4	–	43.3
US Private Placement Series B (USD 513 million)	231.5	258.3	–	231.5
US Private Placement Series C (USD 87 million)	65.9	76.7	–	65.9
US Private Placement Series D (GBP 28 million)	5.0	5.1	–	5.0
US Ex-Im	99.0	108.4	–	99.0
German Bond 2032 (EUR 50 million), non-listed	49.8	79.7	–	49.8
Euro Private Placement 2016 (EUR 150 million) issued under EMTN	149.2	169.4	–	149.2
Euro Private Placement 2027 (EUR 140 million) issued under EMTN	139.3	150.8	–	139.3
Eurobond 2013 (EUR 500 million)	500.0	515.0	–	500.0
European Investment Bank (EUR 200 million)	166.7	179.6	–	166.7
Total interest-bearing loans and borrowings:	4,227.7	4,635.8	–	4,227.7
Of which: Non-current	3,068.0	3,447.6	–	3,068.0
Of which: Current	1,159.7	1,188.2	–	1,159.7
Forward currency contracts	–	–	0.2	0.2
Cross currency swaps	–	–	40.2	40.2
Total Derivatives	–	–	40.4	40.4
Of which: Non-current	–	–	–	–
Of which: Current	–	–	40.4	40.4
Other long term liabilities	42.5	42.5	–	42.5
Trade and other payables	410.7	410.7	–	410.7

* *As at December 31, 2012 no amount had been draw down under this facility. As a consequence, the remaining balance of loan origination cost of the Syndicated loan 2015 was disclosed under prepaid expenses for an amount of EUR 11.5 million*

Note 19 – Financial risk management objectives and policies

The Group's financial instruments, other than derivatives, comprise a syndicated loan, Eurobonds, U.S. dollar Bonds (144A), EUR Private Placement, German Bonds, European Investment Bank loan, borrowings under a Private Placement issue, euro-denominated commercial papers, drawings under Coface and Export-Import Bank of the United States ('US Ex-Im') for specified satellites under construction, cash and short-term deposits. The main purpose of these financial instruments is to raise cash to finance the Group's day-to-day operations as well as for other general business purposes. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Group also enters into derivative transactions, principally forward currency contracts, in order to manage exchange rate exposure on the Group's assets, liabilities and finance operations.

The main risks arising from the Group's financial instruments are liquidity risks, foreign currency risks, interest rate risks and credit risks. The general policies are periodically reviewed and approved by the board.

The Group's accounting policies in relation to derivatives and other financial instruments are set out in Note 2.

Liquidity risk

The Group's objective is to efficiently use cash generated so as to maintain short-term debt and bank loans at a low level. In case of liquidity needs, the Group can call on uncommitted loans and a committed syndicated loan. In addition, if deemed appropriate based on prevailing market conditions, the Group can access additional funds through the European Medium-Term Note or commercial paper programmes. The Group's debt maturity profile is tailored to allow the Company and its subsidiaries to cover repayment obligations as they fall due.

The Group operates a centralised treasury function which manages, among others, the liquidity of the Group in order to optimise the funding costs. This is supported by a daily cash pooling mechanism.

Liquidity is monitored on a daily basis through a review of cash balances, the drawn and issued amounts and the availability of additional funding under credit lines, the commercial paper programmes, EMTN Programme, and COFACE (EUR 4,029.9 million as at December 31, 2013, EUR 3,631.8 million as at December 31, 2012, more details in Note 23).

The table below summarises the projected contractual undiscounted cash flows (nominal amount plus interest charges) based on the maturity profile of the Group's interest-bearing loans and borrowings as at December 31, 2013. The interest assumption for all floating debts is based on the interest rate of the last drawing.

In millions of euros	Within 1 year	Between 1 and 5 years	After 5 years	Total
As at December 31, 2013:				
Loans and borrowings	804.6	1,154.6	2,422.9	4,382.1
Future interest commitments	157.6	470.6	496.2	1,124.4
Trade and other payables	341.4	–	–	341.4
Other long term liabilities	–	59.7	–	59.7
Total maturity profile	**1303.6**	**1,684.9**	**2,919.1**	**5,907.6**
As at December 31, 2012:				
Loans and borrowings	1,159.7	1,384.4	1,713.0	4,257.1
Future interest commitments	166.4	393.1	311.8	871.3
Trade and other payables	410.7	–	–	410.7
Derivatives	40.4	–	–	40.4
Other long term liabilities	–	42.5	–	42.5
Total maturity profile	**1,777.2**	**1,820.0**	**2,024.8**	**5,622.0**

Foreign currency risk

The Group's consolidated statement of financial position can be impacted by movements in the U.S. dollar/euro exchange rate as the Group has significant operations whose functional currency is the U.S. dollar. To mitigate this exposure the Group may enter into forward foreign exchange contracts or similar derivatives to hedge the exposure. Currently SES holds cross currency amounting to EUR 400 million and maturing in 2014. This synthetic debt leads to an obligation for SES to deliver at the maturity of the swaps USD 557.8 million (2012: USD 735.0 million) and a right for SES to receive at maturity of the swaps EUR 414.6 million (2012: EUR 517.7 million) including interest.

The Group also has a corresponding exposure in the Income Statement. Approximately 46.1% (2012: 46.4%) of the Group's sales and 40.3% (2012: 42.4%) of the Group's operating expenses are denominated in U.S. dollars. The Group does not enter into any hedging derivatives to cover these currency exposures.

The Group uses predominately forward currency contracts to eliminate or reduce the currency exposure arising from individual capex projects, such as satellite procurements, tailoring the maturities to each milestone payment. The foreign currency risk might be in EUR or USD. The forward contracts are in the same currency as the hedged item and can cover up to 100% of the total value of the contract. It is the Group's policy not to enter into forward contracts until a firm commitment is in place, and to match the terms of the hedge derivatives to those of the hedged item to maximise effectiveness.

1) Cash flow hedges in relation to contracted commitments for capital expenditure

At December 31, 2013 the Group had no forward exchange contract outstanding designated as cash flow hedges.

In 2012 the cash flow hedges were assessed to be highly effective and a net unrealised loss of EUR 0.1 million net of deferred tax EUR 0.1 million relating to the hedging instruments is included in equity. During the year 2012, EUR (0.3) million was removed from equity and included in the initial carrying value of the acquired satellites. As at December 31, 2012, the fair value of the contracts amounted to a liability of EUR 0.2 million.

The USD portfolio was not hedged in 2013 as all U.S. dollar procurements are currently located in entities which have the U.S. dollar as their functional currency.

Set out below are the periods when the cash flows in EUR for the capital expenditure programme are expected to occur.

In millions of euros	Within 1 year	Between 1 and 5 years	After 5 years	Total
As at December 31, 2013:				
Cash outflows for procurement	–	–	–	–
Amount covered by cash flow hedges	–	–	–	–
As at December 31, 2012:				
Cash outflows for procurement	54.5	–	–	54.5
Amount covered by cash flow hedges	52.7	–	–	52.7

2) Hedge of investment in foreign operations

At December 31, 2013 and 2012, certain borrowings denominated in U.S. dollars were designated as hedges of the net investments in SES Americom, SES Holdings (Netherlands) BV and SES Satellite Leasing to hedge the Group's exposure to foreign exchange risk on these investments. Similarly at December 31, 2013 and 2012, cross-currency swaps and additional Group borrowings were designated as hedges of the above net investments.

As at December 31, 2013, the net investment hedges were assessed to be highly effective and a realised loss of EUR 11.8 million net of tax of EUR 5.0 million and a unrealised gain of EUR 6.4 million net of tax of EUR 3.1 million (2012: unrealised loss of EUR 28.2 million and EUR 12.0 million respectively) relating to the cross-currency swaps is included in equity.

The following table demonstrates the hedged portion of USD statement of financial position exposure:

	December 31, 2013	December 31, 2012
USD statement of financial position exposure:		
SES Americom	2,927.4	3,101.9
SES Holdings (NL) BV	1,655.7	1,206.2
SES Satellite Leasing	1,137.0	1,336.9
SES Re International (Bermuda)	90.1	110.7
Total	**5,810.2**	5,755.7
Hedged with:		
Foreign exchange forward contracts	–	–
Cross currency swaps excluding interest	537.6	713.2
Private Placement	292.2	451.9
US Bonds	1,000.0	–
Other external borrowings	116.4	134.3
Total	**1,946.2**	1,299.4
Hedged proportion	**33%**	23%

The following table demonstrates the sensitivity to a +/- 20% change in the U.S. dollar exchange rate on the nominal amount of the Group's U.S. dollar net investment, with all other variables held constant. All value changes are eligible to be recorded in other comprehensive account with no impact on profit and loss.

December 31, 2013	Amount in USD million	Amount in euro at closing rate of 1.3791 EUR million	Amount in euro at rate of 1.6500 EUR million	Amount in euro at rate of 1.1000 EUR million
USD statement of financial position exposure:				
SES Americom	2,927.4	2,122.7	1,774.2	2,661.3
SES Holdings (NL) BV	1,655.7	1,200.6	1,003.5	1,505.2
SES Satellite Leasing	1,137.0	824.5	689.1	1,033.6
SES Re International (Bermuda)	90.1	65.3	54.6	81.9
Total	**5,810.2**	**4,213.1**	**3,521.4**	**5,282.0**
Hedged with:				
Cross currency swaps	537.6	389.8	325.8	488.7
Private Placement	292.2	211.9	177.1	265.6
US Bonds	1,000.0	725.1	606.1	909.1
Other external borrowings	116.4	84.4	70.5	105.8
Total	**1,946.2**	**1,411.2**	**1,179.5**	**1,769.2**
Hedged proportion	**33%**			
Absolute difference without hedging			**(691.7)**	**1,069.0**
Absolute difference with hedging			**(460.0)**	**710.9**

December 31, 2012	Amount in USD million	Amount in euro at closing rate of 1.3194 EUR million	Amount in euro at rate of 1.6000 EUR million	Amount in euro at rate of 1.0400 EUR million
USD statement of financial position exposure:				
SES Americom	3,101.9	2,351.0	1,938.7	2,982.6
SES Holdings (NL) BV	1,206.2	914.2	753.9	1,159.8
SES Satellite Leasing	1,336.9	1,013.3	835.6	1,285.5
SES Re International (Bermuda)	110.7	83.9	69.2	106.4
Total	**5,755.7**	**4,362.4**	**3,597.4**	**5,534.3**
Hedged with:				
Cross currency swaps	713.2	540.5	445.8	685.8
Private Placement	451.9	342.5	282.4	434.5
Other external borrowings	134.3	101.8	83.9	129.1
Total	**1,299.4**	**984.8**	**812.1**	**1,249.4**
Hedged proportion	**23%**			
Absolute difference without hedging			**(765.0)**	**1,171.9**
Absolute difference with hedging			**(592.3)**	**907.3**

Interest rate risk

The Group's exposure to market interest rate risk relates primarily to the Group's debt portion at floating rates. In order to mitigate this risk, the Group is generally seeking to contract as much as possible of its debt outstanding at fixed interest rates, and is carefully monitoring the evolution of market conditions, adjusting the mix between fixed and floating rate debt if necessary. The Group had neither on December 31, 2012 nor on December 31, 2013 interest rate hedges outstanding.

The table below summarises the split of the nominal amount of the Group's debt between fixed and floating rate.

In millions of euros	At fixed rates	At floating rates	Total
Borrowings at December 31, 2013	**3,944.7**	**437.4**	**4,382.1**
Borrowings at December 31, 2012	3,405.9	851.1	4,257.0

During the year 2013 the Group repaid the fixed EUR 500 million Eurobond, another amortisation tranche of EUR 33.3 million of the European Investment Bank funding, two amortisation tranches of the US Ex-Im facility of USD 17.9 million and three tranches of the U.S. Private Placement – USD 159.7 million and GBP 4.0 million (2012: USD 159.7 million and GBP 4.0 million), which all represented fixed rate obligations. Furthermore, during the year 2013 the Group repaid floating rate obligations of EUR 40.0 million French Commercial Paper issuances, EUR 427.0 million European Commercial Paper issuances as well as various Coface amortisation payments in the total amount of EUR 14.0 million. The Group concluded in March 2013 a fixed 144A bond offering of USD 1.0 billion of notes and in October 2013 SES issued a fixed EUR 500 million Eurobond.

The following table demonstrates the sensitivity of the Group's pre-tax income to reasonably possible changes in interest rates affecting the interest charged on the floating rate borrowings. All other variables are held constant.

The Group believes that a reasonably possible development in euro-zone interest rates would be an increase of 50 basis points or a decrease of 25 basis points (2012: increase 75 basis points and no possible decrease).

Euro interest rates *In millions of euros*	Floating rate borrowings	Increase in rates Pre-tax impact	Decrease in rates Pre-tax impact
Borrowings at December 31, 2013	**437.4**	**(2.2)**	**1.1**
Borrowings at December 31, 2012	851.1	(6.4)	–

Credit risk

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Those procedures include the assessment of the creditworthiness of the customer by using sources of quality information such as Dun & Bradstreet reports, audited annual reports, press Articles or rating agencies. Should the customer be a governmental entity, the official debt rating of the respective country will be the key driver in determining the appropriate credit risk category. Following to this credit analysis, the customer is classified into a credit risk category which can be as follows: 'prime' (typically publicly rated and traded customers), 'market' (usually higher growth companies with higher leverage) or 'sub-prime' (customers for which viability is dependent on continued growth with higher leverage). The credit profile is updated at least once a year for all customers with an ongoing contractual relationship with annual revenues over MEUR/MUSD 1 or the equivalent in any other currency.

Receivables which are more than 90 days overdue are provided for at 100% of the receivable amount. Receivable amounts more than 90 days overdue with a credit worthy government or branch thereof are generally not provided for unless conditions warrant. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is historically insignificant. The carrying value of unprovided gross debtors at December 31, 2013 is EUR 373.5 million (2012: EUR 185.7 million). The Group's largest customers are substantial media companies and government agencies and the credit risk associated with these contracts is assessed as low.

Aging of trade debtors *(in millions of euros)*	Neither past due nor impaired	Less than 1 month	Between 1 and 3 months	More than 3 months	Total
2013					
Gross trade debtors	206.1	136.2	10.1	21.2	373.6
Provision	-	(8.8)	-	(8.9)	(17.7)
Net trade debtors	206.1	127.4	10.1	12.3	355.9
2012					
Gross trade debtors	136.0	19.7	20.6	25.0	201.3
Provision		(1.8)	(0.1)	(13.7)	(15.6)
Net trade debtors	136.0	17.9	20.5	11.3	185.7

Financial credit risk

With respect to the credit risk relating to financial assets (cash and cash equivalents, held for trading financial assets, loans receivable and derivative instruments), this exposure relates to the potential default of the counterparty, with the maximum exposure being equal to the carrying amount of these instruments. The counterparty risk from a cash management perspective is reduced by the implementation of several cash pools, accounts and related paying platforms with different counterparties.

To mitigate the counterparty risk, the Group only deals with recognised financial institutions with an appropriate credit rating – generally 'A' and above – and in adherence of a maximum trade limit for each counterparty which has been approved for each type of transactions. All counterparties are financial institutions which are regulated and controlled by the federal financial supervisory authorities of the associated countries. The counterparty risk portfolio is analysed on a quarterly basis. Moreover to reduce this counterparty risk the portfolio is diversified as regards the main counterparties ensuring a well-balanced relation for all categories of products (derivatives as well as deposits).

Capital management

The Group's policy is to attain, and retain, a stable BBB rating with Standard & Poor's and Fitch, and a Baa2 rating with Moody's. This investment grade rating serves to maintain investors, creditors, rating agency and market confidence. Within this framework, the Group manages its capital structure and liquidity in order to reflect changes in economic conditions to keep its cost of debt low, maintain the confidence of debt investors at a high level and to create added value for the shareholder.

Note 20 – Cash and cash equivalents

In millions of euros	**2013**	2012
Cash at bank and in hand	**429.8**	**158.0**
Short-term deposits	**114.4**	**82.0**
Total cash and cash equivalents	**544.2**	**240.0**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. As at December 31, 2013, an amount of EUR 16.0 million (2012: nil) is invested in Money Market Funds which qualify as cash and cash equivalents.

Note 21 – Issued capital and reserves

SES has a subscribed capital of EUR 633 million (2012: EUR 633 million), represented by 337,600,000 class A shares and 168,800,000 class B shares with no par value. The movement between the opening and closing number of shares issued per class of share can be summarised as follows:

	Class A shares	Class B shares	Total shares
As at January 1, 2013	**337,600,000**	**168,800,000**	**506,400,000**
Shares Issued during the year	**–**	**–**	**–**
As at December 31, 2013	**337,600,000**	**168,800,000**	**506,400,000**

On April 5, 2012, the general meeting of shareholders authorised the Board of Directors to issue, within the authorised share capital, 4,614,870 new class A shares and 2,307,435 new class B shares. The new class A shares were entirely paid up in cash for an amount of EUR 81.4 million allocated as EUR 5.8 million to share capital and EUR 75.6 million to share premium. The new class B shares were partly paid up in cash of EUR 5.3 million allocated as EUR 0.9 million to share capital and EUR 4.4 million to share premium. The remainder was paid up by a contribution in kind consisting of 621,788 FDRs. The value of the contribution in kind amounted to EUR 10.9 million allocated as EUR 1.9 million to share capital and EUR 9.0 million to share premium.

Within the framework of SES's share buy-back programme, on June 4, 2012, SES entered into a forward agreement with a financial institution for the repurchase of the above 4,614,870 class A-shares converted into FDRs. The forward agreement is entered into by SES to allow delivery of FDRs upon the exercise of the outstanding stock options issued by SES.

The maturities of the forward agreement were June 25, 2012, July 25, 2012 and December 12, 2012 for the purchase of 600,000 FDRs, 2,000,000 FDRs and 2,014,870 FDRs respectively.

FDRs with respect to Class A shares are listed on the Luxembourg Stock Exchange and on Euronext Paris. They can be traded freely and are convertible into Class A shares at any time at the option of the holder under the conditions applicable in the Company's Articles of association and in accordance with the terms of the FDRs.

All Class B shares are currently held by the State of Luxembourg, or by Luxembourg public institutions. Dividends paid for one share of Class B equal 40% of the dividend for one share of Class A.

A shareholder, or a potential shareholder, who seeks to acquire, directly or indirectly, more than 20%, 33% or 50% of the shares of the Company must inform the chairman of the board of the Company of such intention. The chairman of the board shall forthwith inform the government of the Grand-Duchy of Luxembourg of the envisaged acquisition which may be opposed by the government within three months from such information should the government determine that such acquisition would be against the general public interest. In case of no opposition from the government, the board shall convene an extraordinary meeting of shareholders which may decide at a majority provided for in Article 67-1 of the Law of August 10, 1915, as amended, regarding commercial companies, to authorise the Demanding Party to acquire more than 20%, 33% or 50% of the shares. If the Demanding Party is a shareholder of the Company, it may attend the general meeting and will be included in the count for the quorum but may not take part in the vote.

SES has historically, in agreement with the shareholders, purchased Fiduciary Deposit Receipts in respect of 'A' shares for use in connection with executives' and employees' option schemes as well as for cancellation. At the year-end, the Company held FDRs in connection with the above schemes as set out below. These FDRs are disclosed as treasury shares in the balance sheet and are carried at weighted average cost to the Group as a deduction of equity.

	2013	2012
FDRs held as at December 31	1,678,009	4,080,000
Carrying value of FDRs held (in millions of euros)	29.6	75.4

In accordance with Luxembourg legal requirements, a minimum of 5% of the yearly net profit (statutory) is transferred to a legal reserve from which a distribution is restricted. This requirement is satisfied when the reserve reaches 10% of the issued share capital. As at December 31, 2013 a legal reserve of EUR 63.2 million (2012: EUR 62.4 million) is included within other reserves. Other reserves include a further undistributable amount of EUR 347.5 million (2012: EUR 365.3 million) linked to local tax legislation in Luxembourg (Net worth tax), which may be released and distributable after a period of 5 years of retention.

Note 22 – Share-based payment plans

The Group has four share-based payment plans, the details of which are as follows. In the case of schemes 2, 3 and 4 the relevant strike price is defined as the average of the market price of the underlying shares over a period of 15 trading days before the date of the grant.

1) IPO plan

The IPO plan is an equity-settled scheme which was open to members of staff working for SES ASTRA S.A. at the time of its IPO on the Luxembourg Stock Exchange in 1998. Employees were granted options to acquire shares at a fixed price of EUR 12.64. In 2005, the exercise period of this plan was extended to June 30, 2013. All such options were vested as at December 31, 2005.

	2013	2012
Outstanding options at the end of the year	--	288,240
Weighted average exercise price in euro	--	12.64

2) The Stock Appreciation Rights Plan (STAR Plan)

The STAR Plan, initiated in 2000, is an equity-settled scheme available to non-executive staff of controlled Group subsidiaries, where share options are granted. In January 2011, the STAR Plan was amended and, for all options granted 2011 onwards, a third of the share options vest and can be exercised each year. After being fully vested, the share options have a four-year exercise period.

	2013	2012
Outstanding options at the end of the year	2,393,356	2,353,319
Weighted average exercise price in euro	19.29	17.43

Out of 2,393,356 outstanding options as of December 31, 2013 (2012: 2,353,319), 1,111,316 options are exercisable (2012: 999,579).

Options exercised in 2013 resulted in 518,218 treasury shares (2012: 962,246) being issued at a weighted average price of 16.57 each (2012: 14.39).

On average, the related weighted average share price at the time of exercise was 22.45 (2012:19.57) per share.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2013		2012	
	Average exercise price per share option in euro	**Number of options**	Average exercise price per share option in euro	Number of options
At 1 January	**17.43**	**2,353,319**	16.05	2,679,061
Granted	**23.87**	**630,356**	18.38	769,404
Forfeited	**19.33**	**(45,635)**	17.80	(82,731)
Exercised	**16.57**	**(518,218)**	14.39	(962,246)
Expired	**17.18**	**(15,033)**	15.82	(45,781)
Cancelled	**15.15**	**(11,433)**	18.07	(4,388)
At December 31	**19.29**	**2,393,356**	17.43	2,353,319

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant	Expiry date – 1 June	Exercise price per share options in euro	Share options	
			2013	2012
2013	2020	23.87	**621,304**	–
2012	2019	18.38	**646,687**	739,239
2011	2018	17.84	**479,267**	601,360
2010	2015	18.23	**451,970**	600,537
2009	2014	13.68	**194,128**	284,557
2008	2013	14.62	-	127,626
			2,393,356	2,353,319

3) Executive Incentive Compensation Plan (EICP)

The EICP, initiated in 2002, is available to Group executives. Under the plan, options are granted with an effective date of January 1. One-quarter of the entitlement vests on each anniversary date of the original grant. Once vested, the options can be exercised until the tenth anniversary of the original grant.

	2013	2012
Outstanding options at the end of the year	4,359,026	4,960,235
Weighted average exercise price in euro	17.92	16.40

Out of 4,359,026 outstanding options as of December 31, 2013 (2012: 4,960,235), 2,090,141 options are exercisable (2012: 2,276,554). Options exercised in 2013 resulted in 1,223,392 Treasury shares (2012:1,627,718) being issued at a weighted average price of 15.40 each (2012:14.66).

On average, the related weighted average share price at the time of exercise was 22.45 (2012:19.57) per share.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2013		2012	
	Average exercise price per share option in euro	**Number of options**	Average exercise price per share option in euro	Number of options
At 1 January	**16.38**	**4,960,235**	15.48	5,518,673
Granted	**23.87**	**779,242**	18.38	1,214,438
Forfeited	**18.40**	**(152,485)**	17.61	(88,242)
Exercised	**15.40**	**(1,223,392)**	14.66	(1,627,718)
Expired	**17.39**	**(4,574)**	17.00	(46,697)
Cancelled	**-**	**-**	18.23	(10,219)
At December 31	**17.92**	**4,359,026**	16.40	4,960,235

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant	Expiry date – 1 Jan	Exercise price per share options in euro	Share options	
			2013	2012
2013	2023	23.87	**773,187**	–
2012	2022	18.38	**971,736**	1,189,030
2011	2021	17.84	**818,458**	1,093,551
2010	2020	18.23	**516,068**	734,958
2009	2019	13.68	**349,214**	574,548
2008	2018	14.62	**354,129**	494,037
2007	2017	15.17	**240,775**	366,093
2006	2016	12.93	**236,432**	254,984
2005	2015	10.64	**91,027**	227,534
2004	2014	6.76	**8,000**	25,500
			4,359,026	4,960,235

4) Long-term Incentive programme ('LTI')

The LTI programme, initiated in 2005, is also a programme for executives and senior executives of the Group. Under the scheme, until end of 2008, restricted shares were allocated to executives on July 1 and these vest on the third anniversary of the grant. Senior executives also had the possibility to be allocated performance shares whose granting was dependent on the achievement of defined performance criteria which are a) individual objectives and b) the economic value added (' EVA') target established by the Board from time to time. Where these criteria were met, the shares vested on the third anniversary of the original grant. Since January 1, 2009, both executives and senior executives are granted restricted and performance shares. Since 2011 the LTI vest on June 1.

	2013	2012
Restricted and performance shares outstanding at the end of the year	999,684	1,113,320
Weighted average fair value in euro	16.77	15.18

During 2013, 193,962 restricted shares and 132,524 performance shares have been granted. On the same period, 54,271 restricted shares and 34,286 performance shares have forfeited.

The fair value of equity-settled share options (restricted and performance shares) granted is estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options (restricted and performance shares) were granted. The following table lists the average value of inputs to the model used for the years ended December 31, 2013, and December 31, 2012.

2013	**EICP**	**STARs**	**LTI**
Dividend yield (%)	**6.08%**	**6.08%**	**5.35%**
Expected volatility (%)	**35.22%**	**35.22%**	**25.92%**
Risk-free interest rate (%)	**0.55%**	**0.55%**	**0.20%**
Expected life of options (years)	**9.67**	**7**	**3**
Share price at inception (EUR)	**23.28**	**23.28**	**23.28**

2012	**EICP**	**STARs**	**LTI**
Dividend yield (%)	6.95%	6.95%	6.09%
Expected volatility (%)	36.78%	36.78%	41.37%
Risk-free interest rate (%)	1.16%	1.16%	0.54%
Expected life of options (years)	9.67	7	3
Share price at inception (EUR)	18.71	18.71	18.71

The expected life of options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may or may not necessarily be the actual outcome. The total charge for the period for share-based compensation payments amounted to EUR 11.2 million (2012: EUR 12.0 million).

Note 23 – Interest-bearing loans and borrowings

As at December 31, 2013 and 2012, the Group's interest-bearing loans and borrowings were:

			Carried at amortised cost	
In millions of euros	Effective interest rate	Maturity	**Amounts outstanding 2013**	Amounts outstanding 2012
Non-current				
U.S. Private Placement				
Series B (USD 513 million)	5.83%	September 2015	**74.4**	153.7
Series C (USD 87 million)	5.93%	September 2015	**63.1**	65.9
Euro Private Placement 2016 (EUR 150 million issued under EMTN)	5.05%	August 2016	**149.5**	149.2
European Investment Bank (EUR 200 million)	3.618%	May 2017	**100.0**	133.4
Eurobond 2018 (EUR 500 million)	1.875%	October 2018	**493.7**	–
Eurobond 2020 (EUR 650 million)	4.625%	March 2020	**645.5**	644.8
Eurobond 2014 (EUR 650 million)	4.875%	July 2014	–	647.8
US Ex-Im	3.11%	June 2020	**69.3**	85.4
Eurobond 2021 (EUR 650 million)	4.75%	March 2021	**644.9**	644.1
COFACE	EURIBOR + 1.7%	2022	**395.8**	354.6
US Bond (USD 750 million)	3.60%	April 2023	**537.6**	–
Euro Private Placement 2027 (EUR 140 million issued under EMTN)	4.00%	May 2027	**139.3**	139.3
German bond (EUR 50 million), non-listed	4.00%	November 2032	**49.8**	49.8
US Bond (USD 250 million)	5.30%	April 2043	**179.3**	–
Total non-current			**3,542.2**	3,068.0
Current				
U.S. Private Placement				
Series A (USD 400 million)	5.29%	September 2013	–	43.3
Series B (USD 513 million)	5.83%	September 2014	**74.4**	77.8
Series D (GBP 28 million)	5.63%	September 2013	–	5.0
European Investment Bank (EUR 200 million)	3.618%	May 2014	**33.3**	33.3
Eurobond 2013 (EUR 500 million)	4.375%	October 2013	–	500.0
Commercial paper	0.23%	2013	–	466.9
Eurobond 2014 (EUR 650 million)	4.875%	July 2014	**649.5**	–
COFACE	EURIBOR + 1.7%	2014	**33.9**	19.8
US Ex-Im	3.11%	2014	**12.6**	13.6
Total current			**803.7**	1,159.7

- **U.S. Private Placement**

On September 30, 2003, the Group issued in the U.S. Private Placement market four series of unsecured notes amounting to USD 1,000.0 million and GBP 28.0 million. These notes comprised:

1) Series A USD 400.0 million of 5.29% Senior Notes due September 2013, amortising as of September 2007. The Private Placement Series A was repaid on September 30, 2013.
2) Series B USD 513.0 million of 5.83% Senior Notes due September 2015, amortising as of September 2011.
3) Series C USD 87.0 million of 5.93% Senior Notes due September 2015.
4) Series D GBP 28.0 million of 5.63% Senior Notes due September 2013, amortising as of September 2007. The Private Placement Series D was repaid on September 30, 2013.

On these four series, the Group pays interests semi-annually. SES is committed under the U.S. Private Placement to maintaining covenants requiring certain financial ratios to be upheld within agreed limits in order to provide sufficient security to the lenders. Of these, the covenant which management monitors the most actively is the requirement to maintain the Net Debt / EBITDA ratio at a level of 3.5 or below.

- **European Medium-Term Note Programme ('EMTN')**

  On December 6, 2005, SES put in place a EUR 2,000.0 million EMTN enabling SES, or SES Global Americas Holdings GP, to issue as and when required notes up to a maximum aggregate amount of EUR 2,000.0 million. In May 2007, this programme was increased to an aggregate amount of EUR 4,000.0 million. On October 4, 2013 this programme has been extended for one further year. As of December 31, 2013, SES has issued EUR 2,740.0 million (2012: EUR 2,740.0 million) under the EMTN Programme with maturities ranging from 2014 to 2027.

- **EUR 500.0 million Eurobond (2013) repayment**

  On October 20, 2006, SES issued a EUR 500.0 million bond under the Company's European Medium-Term Note Programme. The bond had a fixed coupon yield of 4.375% and matured on October 21, 2013.

- **EUR 650.0 million Eurobond (2014)**

  On July 9, 2009 (pricing June 30, 2009), SES issued a EUR 650.0 million bond under the Company's European Medium-Term Note Programme. The bond has a 5-year maturity and bears interest at a fixed rate of 4.875%.

- **EUR 150.0 million Private Placement (2016)**

  On July 13, 2009, SES issued a EUR 150.0 million Private Placement under the Company's European Medium-Term Note Programme with Deutsche Bank. The Private Placement has a 7-year maturity, beginning August 5, 2009, and bears interest at a fixed rate of 5.05%.

- **EUR 500.0 million Eurobond (2018) issue**

  On October 16, 2013, SES issued a EUR 500.0 million bond under the Company's European Medium-Term Note Programme. The bond has a 5-year maturity and bears interest at a fixed rate of 1.875%.

- **EUR 650.0 million Eurobond (2020)**

  On March 9, 2010 (pricing March 1, 2010), SES issued a EUR 650.0 million bond under the Company's European Medium-Term Note Programme. The bond has a 10-year maturity and bears interest at a fixed rate of 4.625%.

- **EUR 650.0 million Eurobond (2021)**

  On March 11, 2011 (pricing March 2, 2011), SES issued a EUR 650.0 million bond under the Company's European Medium-Term Note Programme. The bond has a 10-year maturity and bears interest at a fixed rate of 4.75%.

- **EUR 140.0 million Private Placement (2027)**

  Between May and July 2012, SES issued three individual tranches of a total EUR 140.0 million Private Placement under the Company's European Medium-Term Note Programme with ING Bank N.V. The Private Placement has a 15-year maturity, beginning May 31, 2012, and bears interest at a fixed rate of 4.00%.

- **EUR 200.0 million European Investment Bank funding**

  On April 21, 2009, SES signed a financing agreement with the European Investment Bank concerning the investment by the Group in certain satellite investment projects. This facility, bearing interest at a fixed rate of 3.618%, is repayable in six annual instalments between May 2012 and May 2017.

- **German bond issue of EUR 50.0 million**

  On October 29, 2012, the Group signed an agreement to issue EUR 50 million in the German bond ('Schuldschein') market. The German bond bears a fixed interest rate of 4.0% and matures on November 12, 2032.

- **144A Bond USD 750 million (2023) issue**

  On April 4, 2013, SES completed a 144A offering in the US market issuing USD 750 million 10-year bond with a coupon of 3.60% and a final maturity date on April 4, 2023.

- **144A Bond USD 250 million (2043) issue**

  On April 4, 2013, SES completed a 144A offering in the US market issuing USD 250 million 30-year bond with a coupon of 5.30% and a final maturity date on April 4, 2043.

- **Syndicated loan 2015**

  In April 2009, SES signed a syndicated loan facility maturing in 2012 with a consortium of 24 banks. On September 2010, the syndicated loan has been amended and restated. The amended facility, maturing April 2015, is for EUR 1,200.0 million and can be drawn in EUR and USD. The interest rate is based on EURIBOR or U.S. LIBOR, depending on the drawing currency, plus a margin based on the rating of the Company. The current rating of the Company is BBB/Baa2 (Standard & Poor's and Moody's) leading to a margin of 0.95%.

- **EUR 522.9 million COFACE facility**

  On December 16, 2009, SES signed a financing agreement with COFACE (Compagnie Française d' Assurance pour le Commerce Extérieur) in respect of the investment in four geostationary satellites (ASTRA 2E, ASTRA 2F, ASTRA 2G, ASTRA 5B). The facility is divided into five loans. The drawings under the facility are based on invoices from the supplier of the satellites. The first drawing was done on April 23, 2010. Each loan will be repaid in 17 equal semi-annual instalments starting six months after the earlier of the in-orbit date of the satellite being financed by such loan and April 1, 2014 and the estimated final maturity of the facility will be by the end of 2022. The facility bears interest at a floating rate of six month EURIBOR plus a margin of 1.7%.

- **USD 158 million US Ex-Im facility**

  In April 2011, SES signed a financing agreement with Ex-Im Bank (Export-Import Bank of the United States) over USD 158 million for the investment in one geostationary satellite (QuetzSat). At the in-orbit acceptance date of the satellite, the facility was fully drawn with USD 152.2 million which will be repaid in 17 equal semi-annual instalments starting on June 22, 2012. The loan has a final maturity date of June 22, 2020 and bears interest at a fixed rate of 3.11%.

- **French Commercial paper programme**

  On October 25, 2005, SES put in place a EUR 500.0 million 'Programme de Titres de Créances Négociables' in the French market where the Company issued 'Billets de Trésorerie' (commercial paper) in accordance with Articles L.213-1 to L213-4 of the French Monetary and Financial Code and decree n°92.137 of February 13, 1992 and all subsequent regulations. The maximum outstanding amount of 'Billet de Trésorerie' issuable under the programme is EUR 500.0 million or its counter value at the date of issue in any other authorised currency. On May 31, 2013, this programme was extended for one further year. As of December 31, 2013 borrowings of EUR nil million (2012: EUR 40.0 million) were outstanding under this programme. The average rate of the outstanding commercial paper amounts to nil% (2012: 0.13%) for the drawdown period.

- **European Commercial paper programme**

  In July 2012, SES signed the documentation for the inception of a joint EUR 1 billion guaranteed European commercial paper programme of SES S.A. and SES Global Americas Holdings GP. The issuance under the programme represents senior unsecured obligations of the issuer and any issuance under the programme is guaranteed by the non-issuing entity. The programme is rated by Moody's Investors Services and is compliant with the standards set out in the STEP Market Convention. As of December 31, 2013 borrowings of EUR nil million (2012: EUR 427.0 million) were outstanding of which EUR nil million (2012: EUR 267.0 million) issued in the name of SES Global Americas Holding GP and EUR nil million (2012: EUR 160.0 million) in the name of SES S.A. The average rate of the outstanding commercial papers was nil% (2012: 0.24%) for the drawdown period.

Note 24 – Provisions

In millions of euros	Non-current	Current
As at January 1, 2013	**169.8**	**16.0**
Increase in provisions	16.4	–
Decrease in provisions	(42.0)	(16.0)
Transfer from non-current portion	(12.6)	12.6
Impact of currency translation	(2.6)	–
As at December 31, 2013	**129.0**	**12.6**

In millions of euros	Non-current	Current
As at January 1, 2012	**78.9**	–
Increase in provisions	2.0	–
Reclassified from "Income tax liabilities"	97.9	16.0
Decrease in provisions	(8.3)	–
Impact of currency translation	(0.7)	–
As at December 31, 2012	**169.8**	**16.0**

Provisions relate primarily to Group tax provisions, O3B contingent funding (see Note 15), provision for post-retirement benefit schemes and other items arising in the normal course of business.

The Group operates in numerous tax jurisdictions and management is required to assess tax issues and exposures across its entire operations and to accrue for potential liabilities based on its interpretation of country-specific tax Law and best estimates. In conducting this review management assesses the materiality of the issue and the likelihood, based on experience and specialist advice, as to whether it will result in a liability for the Group. If this is deemed to be the case then a provision is made for the potential taxation charge arising. A corresponding provision of EUR 98.0 million (2012: EUR 113.9 million) is recorded in the Statement of Financial Position as at December 31, 2013 under non-current ‘Provisions’, for EUR 85.4 million (2012: EUR 97.9 million), and current ‘Provisions’ for EUR 12.6 million (2012: EUR 16.0 million). The Group tax provision at December 31, 2012 has been reclassified from ‘Income tax liabilities’ to ‘Provisions’ to conform with current year presentation.

In U.S. operations, certain employees benefit from a post-retirement health benefits programme which is externally insured. As at December 31, 2013, accrued premiums of EUR 16.6 million (2012: EUR 11.6 million) are included in this position. Contributions made in 2013 to Group pension schemes totalled EUR 1.6 million (2012: EUR 7.0 million), which are recorded in the income statement under ‘staff costs’.

Note 25 – Deferred income

In millions of euros	Non-current	Current
As at January 1, 2013	**285.4**	**238.2**
Movement on deferred income	(48.1)	144.6
Impact of currency translation	(9.5)	2.9
As at December 31, 2013	**227.8**	**385.6**

In millions of euros	Non-current	Current
As at January 1, 2012	**199.5**	**258.5**
Movement on deferred income	93.7	(20.9)
Impact of currency translation	(7.8)	0.6
As at December 31, 2012	**285.4**	**238.2**

Note 26 – Trade and other payables

In millions of euros	**2013**	2012
Trade creditors	**72.4**	86.1
Payments received in advance	**40.2**	17.2
Interest on loans	**89.1**	81.7
Personnel-related liabilities	**27.1**	22.4
Tax liabilities other than for income tax	**22.4**	25.5
Other liabilities	**90.2**	177.8
Total	**341.4**	410.7

In the framework of receivables securitisation transactions completed in June 2010, in June 2012 and June 2013, the Group received a net cash amount of EUR 50.6 million, EUR 59.5 million and EUR 40.2 million respectively from a financial institution as advance settlement of future receivables arising between 2011 and 2015 under contracts with a specific customer. A corresponding liability of EUR 82.7 million (2012: EUR 80.9 million), representing SES' obligation towards the financial institution to continue to provide services to the customer in accordance with the terms of the customer contract, is recorded in the Statement of Financial Position as at December 31, 2013 under 'Other long-term liabilities', for EUR 41.6 million (2012: EUR 42.5 million), and 'Trade and other payables' for EUR 41.1 million (2012: EUR 38.4 million).

Note 27 – Commitments and contingencies

Capital commitments

The Group had outstanding commitments in respect of contracted capital expenditure totalling EUR 25.2 million at December 31, 2013 (2012: EUR 244.4 million). These commitments largely reflect the purchase and launch of future satellites for the expansion and replacement of the Group satellite system, together with the necessary expansion of the associated ground station and control facilities. In the case of termination by the Group of these contracts, contractual penalty provisions apply.

Operating lease commitments

Future minimum rentals payable under non-cancellable operating leases are as follows as at December 31:

In millions of euros	**2013**	2012
Within one year	**8.4**	11.0
After one year but not more than five years	**10.1**	26.0
More than five years	**4.4**	28.1
Total	**22.9**	65.1

Total operating lease expense was EUR 11.0 million in 2013 (2012: EUR 11.2 million).

Commitments under transponder service agreements

The Group has entered into transponder service agreements for the purchase of satellite capacity from third parties under contracts with a maximum life of eight years. The commitment arising under these agreements as at December 31 is as follows:

In millions of euros	**2013**	2012
Within one year	**8.4**	29.3
After one year but not more than five years	**4.1**	4.3
After more than five years	**1.9**	2.0
Total	**14.5**	35.6

Total operating lease expense for transponder service agreements was EUR 29.3 million in 2013 (2012: EUR 42.3 million).

Other commitments

Under the O3b Networks Limited 2010 financing round, SES entered in 2010 into commitments to provide, if needed in the pre-commercialisation phase, additional shareholder loans to O3b Networks totalling USD 50 million (2012: USD 66 million). See Note 15.

Litigation

There were no significant litigation claims against the Group as of December 31, 2013.

Guarantees

On December 31, 2013, the Group had outstanding bank guarantees for an amount of EUR 19.7 million (2012: EUR 2.6 million) with respect to performance and warranty guarantees for services of satellite operations.

Restrictions on use of cash

At the year-end, there were no restricted cash balances (2012: nil).

Note 28 – Related parties

The state of Luxembourg holds a direct 11.58% voting interest in the Company and two indirect interests, both of 10.88%, through two state owned banks, Banque et Caisse d'Epargne de l'Etat and Société Nationale de Crédit et d'Investissement. These shares constitute the Company's Class B shares, which are described in more detail in Note 21.

The total payments to directors for attendance at board and committee meetings in 2013 amounted to EUR 1.4 million (2012: EUR 1.4 million). These payments are computed on a fixed and variable basis, the variable part being based upon attendance at board and committee meetings.

There were no other significant transactions with related parties.

The key management of the Group, defined as the Group's Executive Committee, received compensation as follows:

In millions of euros	**2013**	2012
Remuneration including bonuses	**5.0**	4.4
Pension benefits	**0.6**	0.6
Share-based payments	**5.0**	2.0
Other benefits	**0.1**	0.0
Total	**10.7**	7.0

Total share-based payment instruments allocated to key management as at December 31, 2013 were 1,521,328 (2012: 1,687,249).

Note 29 – Consolidated subsidiaries, joint ventures and affiliates

The consolidated financial statements include the financial statements of the material subsidiaries, joint ventures and associates listed below:

	Effective interest (%) 2013	Effective interest (%) 2012	Method of consolidation 2013
Held directly by SES:			
SES ASTRA S.A., Luxembourg	**100.00**	100.00	Full
SES GLOBAL-Americas Inc., U.S.A.	**100.00**	100.00	Full
SES GLOBAL Americas Holdings General Partnership, U.S.A.	**100.00**	100.00	Full
SES GLOBAL Africa S.A., Luxembourg	**100.00**	100.00	Full
SES Participations S.A., Luxembourg	**100.00**	100.00	Full
SES Finance S.à r.l., Switzerland	**100.00**	100.00	Full
SES Holdings (Netherlands) B.V., Netherlands	**100.00**	100.00	Full
SES ASTRA Services Europe S.A., Luxembourg	**100.00**	100.00	Full
SES Latin America S.A., Luxembourg	**100.00**	100.00	Full
SES Belgium S.p.r.l, Belgium	**100.00**	100.00	Full
SES Insurance International S.A., Luxembourg	**100.00**	100.00	Full
SES Insurance International Re S.A., Luxembourg	**100.00**	100.00	Full
SES Lux Finance S.à r.l., Luxembourg [1]	**100.00**	100.00	Full
SES NL Finance S.à r.l., Luxembourg [1]	**100.00**	100.00	Full
Held through SES Participations S.A., Luxembourg:			
Ciel Satellite Holdings Inc., Canada	**100.00**	100.00	Full
Ciel Satellite Limited Partnership, Canada	**70.00**	70.00	Full
Northern Americas Satellite Ventures, Inc., Canada	**100.00**	100.00	Full
Held through SES ASTRA Services Europe S.A., Luxembourg:			
Glocom (Communications and Images) Limited (Isle of Man)[2]	**75.00**	75.00	Full
SES ASTRA TechCom S.A., Luxembourg	**100.00**	100.00	Full
SES ASTRA TechCom Belgium S.A., Belgium	**100.00**	100.00	Full
Astralis S.A., Luxembourg[3]	**51.00**	51.00	Full
SES Broadband Services S.A., Luxembourg	**100.00**	100.00	Full
SES Digital Distribution Services AG, Switzerland	**100.00**	100.00	Full
SES Digital Distribution Services S.à r.l., Luxembourg	**100.00**	100.00	Full
Redu Operations Services S.A., Belgium	**48.00**	48.00	Equity
Redu Space Services S.A., Belgium	**52.00**	52.00	Full
HD Plus GmbH, Germany	**100.00**	100.00	Full
SES ASTRA Real Estate (Betzdorf) S.A., Luxembourg	**100.00**	100.00	Full
SES Capital Belgium S.A., Belgium	**100.00**	100.00	Full
ND SatCom GmbH, Germany[2]	**24.90**	24.90	Equity
SES Platform Services GmbH, Germany	**100.00**	100.00	Full
SES Digital Distribution Services GmbH, Germany	**100.00**	100.00	Full
Virtual Planet Group GmbH, Germany	**90.00**	90.00	Full

	Effective interest (%) 2013	Effective interest (%) 2012	Method of consolidation 2013
Held through SES ASTRA S.A.:			
ASTRA Deutschland GmbH, Germany	**100.00**	100.00	Full
ASTRA (U.K.) Ltd, United Kingdom	**100.00**	100.00	Full
ASTRA Iberica S.A., Spain	**100.00**	100.00	Full
ASTRA France S.A., France	**100.00**	100.00	Full
ASTRA (GB) Limited, United Kingdom	**100.00**	100.00	Full
ASTRA Benelux B.V., The Netherlands	**100.00**	100.00	Full
SES ASTRA CEE Sp. z o.o, Poland	**100.00**	100.00	Full
SES ASTRA Italia S.r.l.	**100.00**	100.00	Full
SES ENGINEERING (Luxembourg) S.à r.l., Luxembourg	**100.00**	100.00	Full
New Skies Investments S.à r.l, Luxembourg	**100.00**	100.00	Full
SES ASTRA AB, Sweden	**100.00**	100.00	Full
Sirius Satellite Services SIA, Latvia	**100.00**	100.00	Full
SES SIRIUS Ukraine, Ukraine	**100.00**	100.00	Full
SES ASTRA 1KR S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 1L S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 1M S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 3B S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 5B S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 1N S.à r.l., Luxembourg	**100.00**	100.00	Full
Solaris Mobile Limited, Ireland[2]	**--**	50.00	Equity
SES ASTRA 2E S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 2F S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 2G S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA (Romania) S.à r.l.	**100.00**	100.00	Full
Held through SES Finance S.à r.l.:			
SES Re International (Bermuda) Ltd, Bermuda	**100.00**	100.00	Full
SES Satellite Leasing Ltd, Isle of Man	**100.00**	100.00	Full
Al Maisan Satellite Communications (YahSat) LLC, UAE	**35.00**	35.00	Full
SES Satellites (Bermuda) Ltd, Bermuda	**100.00**	100.00	Full
Held through SES GLOBAL Africa S.A.:			
SES ASTRA Africa (Proprietary) Ltd, South Africa	**100.00**	100.00	Full
ODM (Proprietary) Ltd, South Africa	**15.08**	15.08	Equity
SES Satellites Ghana Ltd	**100.00**	100.00	Full
Held through SES GLOBAL-Americas Inc.:			
SES AMERICOM, Inc., U.S.A.	**100.00**	100.00	Full
SES AMERICOM PAC, Inc., U.S.A.	**100.00**	100.00	Full
SES AMERICOM International Holdings, Inc., U.S.A.	**100.00**	100.00	Full
SES AMERICOM (Brazil) Holdings, LLC, U.S.A.	**100.00**	100.00	Full
SES AMERICOM do Brasil Servicos de Telecomunicacoes, Ltda, Brazil	**100.00**	100.00	Full
AMERICOM Government Services, Inc., U.S.A.	**100.00**	100.00	Full
Sistemas Satelitales de Mexico S. de R.L. de C.V., Mexico	**73.99**	73.99	Equity

	Effective interest (%) 2013	Effective interest (%) 2012	Method of consolidation 2013
Socios Aguila S.de R.L de C.V., Mexico	**49.00**	49.00	Equity
Columbia Communications Corporation, U.S.A.	**100.00**	100.00	Full
SES Satellites International, Inc., U.S.A.	**100.00**	100.00	Full
SES Satellites (Gibraltar) Ltd, Gibraltar	**100.00**	100.00	Full
SES AMERICOM Colorado, Inc., U.S.A.	**100.00**	100.00	Full
AMC-1 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-2 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-3 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-5 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-6 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-8 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-9 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-10 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-11 Holdings LLC, U.S.A.	**100.00**	100.00	Full
SES AMERICOM (Asia 1A) LLC, U.S.A.	**100.00**	100.00	Full
AMERICOM Asia Pacific LLC, U.S.A.	**100.00**	100.00	Full
AMC-12 Holdings LLC, U.S.A.	**100.00**	100.00	Full
SES AMERICOM California, Inc., U.S.A.	**100.00**	100.00	Full
AMC-4 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-7 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-15 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-16 Holdings LLC, U.S.A.	**100.00**	100.00	Full
SES-1 Holdings, LLC, U.S.A.	**100.00**	100.00	Full
QuetzSat Directo, S. de R.L. de C.V., Mexico	**49.00**	49.00	Equity
SES ENGINEERING (U.S.) Inc., U.S.A.	**100.00**	100.00	Full
AOS Inc., U.S.A.	**100.00**	100.00	Full
SES-2 Holdings LLC, U.S.A.	**100.00**	100.0	Full
SES-3 Holdings LLC, U.S.A.	**100.00**	100.0	Full
Held through SES Latin America S.A.:			
QuetzSat S. de R.L. de C.V., Mexico	**73.99**	73.99	Equity
Satellites Globales S. de R.L. de C.V., Mexico	**49.00**	49.00	Equity
SES Satelites Directo Ltda, Brazil	**100.00**	100.00	Full
SES DTH do Brasil Ltda, Brazil	**100.00**	100.00	Full
SES GLOBAL South America Holding S.L., Spain	**100.00**	100.00	Full
Held through SES Holdings (Netherlands) B.V.:			
New Skies Satellites, Inc., U.S.A.	**100.00**	100.00	Full

	Effective Interest (%) 2013	Effective interest (%) 2012	Method of Consolidation 2013
New Skies Satellites Mar B.V., The Netherlands	**100.00**	100.00	Full
New Skies Satellites Ltda, Brazil	**100.00**	100.00	Full
New Skies Networks, Inc., U.S.A.	**100.00**	100.00	Full
New Skies Networks (U.K.) Ltd, U.K.	**100.00**	100.00	Full
SES ENGINEERING (Netherlands) B.V., The Netherlands	**100.00**	100.00	Full
New Skies Asset Holdings, Inc., U.S.A.	**100.00**	100.00	Full
SES NEW SKIES Marketing B.V., The Netherlands	**100.00**	100.00	Full
New Skies Satellites India B.V., The Netherlands	**100.00**	100.00	Full
New Skies Satellites Argentina B.V., The Netherlands	**100.00**	100.00	Full
New Skies Networks Australia B.V., The Netherlands	**100.00**	100.00	Full
New Skies Satellites Australia Pty Ltd, Australia	**100.00**	100.00	Full
New Skies Satellites Licensee B.V., The Netherlands	**100.00**	100.00	Full
NSS Latin America Holdings S.A., Luxembourg[4]	**100.00**	100.00	Full
SES Asia S.A., Luxembourg	**100.00**	100.00	Full
SES Finance Services AG, Switzerland	**100.00**	100.00	Full
O3b Networks Ltd, Jersey Island[5]	**46.85**	46.88	Equity
SES World Skies Singapore Pty Ltd, Singapore	**100.00**	100.00	Full

1 Entity created in 2013.

2 Entity disposed in 2013.

3 Entity merged into SES ASTRA Service Europe in 2013.

4 Entity merged into SES Participations S.A. in 2013.

5 See Note 15.

Note 30 – Subsequent events

On January 30, 2014, the Company and Eutelsat Communications announced that the two companies have concluded a series of agreements including a comprehensive settlement of legal proceedings concerning the right to operate at the 28.5 degrees East orbital position and containing long-term commercial as well as frequency coordination elements.

The first agreement ends the arbitral procedure between Eutelsat and the Company that was initiated in October 2012 under the rules of the International Chamber of Commerce (ICC) in Paris. The dispute concerned a right of use of 500 MHz spectrum at the 28.5 degrees East orbital position. Eutelsat ceased to operate this spectrum on October 3, 2013 and the Company has operated this spectrum since that date. The dispute over this right of use has now been resolved, with the Company continuing to operate its satellites at this location, and Eutelsat independently commercialising part of the capacity of the previously disputed frequencies.

According to the second agreement between both companies, Eutelsat has therefore contracted long-term satellite capacity on the Group satellite fleet at the 28.5 degrees East orbital position. Eutelsat will commercialise over Europe on the SES fleet 125 MHz (eight transponders) of the formerly disputed 500 MHz. Eutelsat will also commercialise on the Group fleet the 250 MHz (12 transponders) which was not the subject of the legal proceedings. The 20 transponders will be operated on three new satellites which SES is deploying at the 28.2/28.5 degrees East neighborhood – ASTRA 2F, ASTRA 2E and ASTRA 2G – of which the first two have been launched and are operational, while the third is planned for a launch later this year.

The third agreement between the two companies addresses technical frequency coordination under the rules of the International Telecommunication Union (ITU). It will allow both parties an optimised use of their respective spectrum at a number of orbital positions over Europe, the Middle East and Africa. It confirms and clarifies in technical terms the geographic coverage and transmission power levels for frequencies at these positions.

In January 2014, the company successfully renewed its EUR 1.2 billion Revolving Credit Facility on favorable terms. Twenty banks participated in the syndicate for the 5-year multicurrency revolving credit facility with two one-year extension options. The margin at the current rating of BBB / Baa2 is 45 bps p.a. (replacing the former syndicated and committed credit line with a margin of 95 bps p.a.).

SES S.A.
Château de Betzdorf
L-6815 Betzdorf

R.C.S. Luxembourg B 81267

Annual accounts as at 31 December 2013

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Audit report

To the Shareholders of
SES S.A.

Report on the annual accounts

We have audited the accompanying annual accounts of SES S.A., which comprise the balance sheet as at 31 December 2013, the profit and loss account for the year then ended and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of SES S.A. as of 31 December 2013, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Directors is consistent with the annual accounts.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 20 February 2014

Gilles Vanderweyen

SES
Société Anonyme

Balance sheet
As at 31 December 2013

Assets		**2013 EUR million**	**2012 EUR million**
Fixed Assets			
Financial assets			
Shares in affiliated undertakings	Note 3	7,404.3	8,344.4
Loans to affiliated undertakings	Note 3	1,269.6	752.0
Loans to undertakings with which the company is linked by virtue of participating interests	Note 3	0.5	27.0
		8,674.4	9,123.4
Current Assets			
Amounts owed by affiliated undertakings becoming due and payable after less than one year	Note 4	2,319.3	2,284.9
Amounts owed by undertakings with which the company is linked by virtue of participating interests becoming due and payable after less than one year		---	17.5
Other debtors becoming due and payable after less than one year		200.5	167.5
Investments			
Own shares or own corporate units	Note 3	22.9	68.7
Cash at bank and in hand		343.9	73.1
		2,886.6	2,611.7
Prepayments		47.6	40.0
Total assets		**11,608.6**	**11,775.1**

The accompanying notes form an integral part of the annual accounts.

SES
Société Anonyme

Balance sheet
As at 31 December 2013

Liabilities		**2013 EUR million**	**2012 EUR million**
Capital and reserves			
Subscribed capital	Note 5	633.0	633.0
Share premium and similar premiums		835.4	835.4
Reserves			
Legal reserve	Note 6	63.3	62.4
Other reserves	Note 7	338.0	333.3
Result for the financial year		388.9	395.8
		2,258.6	2,259.9
Non subordinated debts			
Debenture loans - Non convertible loans	Note 8		
becoming due and payable after less than one year		811.1	1,111.6
becoming due and payable after more than one year		3,002.6	2,544.1
Amounts owed to credit institutions	Note 8		
becoming due and payable after less than one year		80.2	66.7
becoming due and payable after more than one year		574.9	585.8
Trade creditors			
becoming due and payable after less than one year		1.2	0.5
Amounts owed to affiliated undertakings	Note 8		
becoming due and payable after less than one year		1,871.6	4,864.0
becoming due and payable after more than one year		2,956.7	322.1
Tax and social security			
Tax	Note 9	---	0.2
Social security		0.3	0.3
Other creditors			
becoming due and payable after less than one year		51.4	19.9
		9,350.0	9,515.2
Total Liabilities		**11,608.6**	**11,775.1**

Profit and loss account
For the year ended 31 December 2013

Charges		**2013 EUR million**	**2012 EUR million**
Other external charges		27.2	12.3
Staff costs	Note 10		
Wages and salaries		15.2	14.0
Social security costs		1.6	0.5
Value adjustments on formation expenses and on tangible and intangible fixed assets		---	0.1
Other operating charges		2.7	3.4
Value adjustments and fair value adjustments on financial fixed assets		12.5	2.4
Interest payable and similar charges			
concerning affiliated undertakings		72.2	87.7
other interest payable and similar charges	Note 12	214.1	206.3
Tax on profit or loss	Note 9	(79.5)	(63.3)
Profit for the financial year		388.9	395.8
Total Charges		**654.9**	**659.2**
Income			
Other operating income	Note 13	17.7	5.1
Income from financial fixed assets			
derived from affiliated undertakings	Note 14	578.6	567.1
other income from participating interests		---	13.1
Other interests and other financial income			
derived from affiliated undertakings		33.1	36.4
other interest receivable and similar income	Note 15	25.5	37.5
Total Income		**654.9**	**659.2**

SES
Société Anonyme

Statement of changes in shareholders' equity
As at 31 December 2013

	Subscribed capital EUR million	Share premium EUR million	Legal reserve EUR million	Other reserves EUR million	Result for the year EUR million	Total EUR million
Balance, beginning of the year	633.0	835.4	62.4	333.3	395.8	2,259.9
Allocation of result	---	---	0.9	394.9	(395.8)	---
Distribution of dividends	---	---	---	(390.2)	---	(390.2)
Increase in capital	---	---	---	---	---	--
Profit for the financial year	---	---	---	---	388.9	388.9
Balance, end of the year	633.0	835.4	63.3	338.0	388.9	2,258.6

The accompanying notes form an integral part of the annual accounts.

Note 1 – General Information

SES S.A. (hereafter the "Company") was incorporated on 16 March 2001 as a limited liability company (Société Anonyme) under the law of the Grand-Duchy of Luxembourg for an unlimited period of time.

The registered office of the Company is established in Betzdorf, Luxembourg.

The purpose of the Company is to take generally any interest whatsoever in electronic media and to be active, more particularly, in the communications area via satellites and to invest, directly or indirectly, in other companies that are actively involved in the satellite communication industry.

The accounting period of the Company is from 1 January to 31 December.

The Company has a 99.94% interest in a partnership, SES Global Americas Holdings GP, whose accounts are integrated in those of the Company to the level of its share in the partnership.

As from 1 January 2013, the Company has established a branch in Switzerland in order to centralize the cash pooling.

The Company also prepares consolidated financial statements for the Group ("SES"), which are published according to the provisions of the Luxembourg law.

The Company has been listed on the Luxembourg Stock Exchange since 1998 and on Euronext Paris since 2004. Fiduciary Depositary Receipts each in respect of one A share of SES S.A. are listed on the Stock Exchange of Luxembourg and on Euronext Paris under the symbol SESG.

Note 2 – Summary of significant accounting policies

2.1. Basis of preparation

.

The annual accounts are prepared in accordance with the Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Accounting policies and valuation rules are, besides the ones laid down by Law of 19 December 2012, determined and applied by the Board of Directors.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Note 2 – Summary of significant accounting policies (continued)

2.1. Basis of preparation - continued

The figures for the year ended 31 December 2012 have been reclassified to ensure comparability with the figures for the year ended 31 December 2013. Management does not believe that these reclassifications adversely affect the information provided.

A balance of EUR 81.7 million has been reclassified from other creditors to amount owed to affiliated undertakings.

A balance of EUR 78.4 million has been reclassified from other debtors to amount owed to affiliated undertakings.

2.2. Significant accounting policies

The main valuation rules applied by the Company are the following:

2.2.1. Financial assets

Financial assets held by the Company are valued at purchase price. Loans are valued at their nominal value.

In the case of permanent depreciation in value of the financial assets according to the opinion of the Board of Directors, value adjustments are made so that they are valued at the lower figure to be attributed to them at the balance sheet date. In some instances, interdepency of cash flows between the legal entities of SES has been considered to assess the carrying value of the financial assets. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.2.2. Prepayments

Loan origination costs are capitalised and included in prepayments. These costs are amortised over the remaining estimated loan periods based on the Company's financing strategy.

2.2.3. Dividends

Dividends are declared after the accounts for the year have been approved. Accordingly dividends payable are recorded in the subsequent year's accounts. Dividends receivable from affiliated undertakings are recorded as income in the year in which they are approved by the subsidiary.

2.2.4. Convertible profit participating loan

Returns on convertible profit participating loans ("PPL") issued by the Company are calculated based on the cumulative profits of the PPL recipient over the life of the loan. The Company's entitlement to the return is therefore only certain at the date of maturity of the loan. The return is therefore recorded as income on final maturity of the PPL.

2.2.5. Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Note 2 – Summary of significant accounting policies (continued)

2.2.6. Foreign currency translation

The Company maintains its accounting records in Euro ("EUR") and the annual accounts are expressed in this currency.

Transactions expressed in currencies other than Euro are translated into Euro at the exchange rates ruling at the time of the transaction.

With the exception of fixed assets, all assets and liabilities denominated in foreign currencies are converted at the rate of exchange ruling at the balance sheet date. Related realised and unrealised gains and losses are recognised in the profit and loss account.

Fixed assets expressed in currencies other than Euro are translated into Euro at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historical exchange rates. Long term financial liabilities, which are hedged by financial derivatives, were translated at historical rate until 31 December 2012. As from 1 January 2013, the accounting policy has been amended and as a result long term liabilities and related hedging derivatives are translated at closing rate.

2.2.7. Derivative financial instruments

All financial derivatives were maintained off balance sheet until 31 December 2012. As from 1 January 2013, derivatives hedging balance sheet positions in foreign currencies are revaluated at year-end by using the forward rate prevailing at balance sheet date. Unrealized gains resulting from the conversion of derivatives held for trading are not recognised. Unrealised losses resulting from the conversion of these contracts are recognised and recorded in other creditors.

2.2.8. Debts

Debts are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is shown as an asset and is written off over the period of the debt based on a linear method.

Note 3 – Financial assets

a) Shares in affiliated undertakings

	2013 EUR million	2012 EUR million
Cost at beginning of year	8,349.1	8,334.1
Additions	76.5	15.0
Decrease	- 1,016.6	-
Cost at end of year	7,409.0	8,349.1
Value adjustments at beginning of year	- 4.7	- 4.7
Value adjustment of the year	-	-
Value adjustments at end of year	- 4.7	- 4.7
Net book value at end of year	**7,404.3**	**8,344.4**

As at 31 December 2013, the Company holds the following investments:

Participation		**Net Book Value EUR million**
SES Astra S.A., Betzdorf, Luxembourg	100%	1,046.8
SES Global – Americas, Inc., Princeton, United States	99.94%	3,854.8
Astra Broadband Services S.A., Betzdorf, Luxembourg	0.01%	---
SES Astra A.B., Stockholm, Sweden	32.34%	50.1
SES Participations S.A., Betzdorf, Luxembourg	100%	206.8
SES Global Africa S.A., Betzdorf, Luxembourg	100%	406.6
SES Finance S.à r.l., Switzerland	100%	1,502.2
SES Holdings (Netherlands) BV, Netherlands	100%	96.7
SES Astra Services Europe S.A., Betzdorf, Luxembourg	100%	148.8
SES Astra TechCom Belgium S.A.,Belgium	1%	---
SES Latin America S.A., Bedzdorf, Luxembourg	100%	---
SES Belgium Sprl, Belgium	99%	---
SES Insurance International (Luxembourg) S.A., Luxembourg	100%	15.2
SES Insurance International Re (Luxembourg) S.A., Luxembourg	100%	76.3
SES NL Finance S.à.r.l.	100%	---
		7.404.3

Note 3 – Financial assets (continued)

a) Shares in affiliated undertakings (continued)

As at 31 December 2012, the Company holds the following investments:

	Participation	**Net Book Value EUR million**
SES Astra S.A., Betzdorf, Luxembourg	100%	1,046.8
SES Global – Americas, Inc., Princeton, United States	99.94%	3,854.8
Astra Broadband Services S.A., Betzdorf, Luxembourg	0.01%	---
SES Astra A.B., Stockholm, Sweden	32.34%	50.1
SES Participations S.A., Betzdorf, Luxembourg	100%	206.8
SES Global Africa S.A., Betzdorf, Luxembourg	100%	406.6
SES Finance S.à r.l., Switzerland	100%	1,502.2
SES Holdings (Netherlands) BV, Netherlands	100%	1,113.3
SES Astra Services Europe S.A., Betzdorf, Luxembourg	100%	148.8
SES Astra TechCom Belgium S.A.,Belgium	1%	---
SES Latin America S.A., Bedzdorf, Luxembourg	100%	---
SES Belgium Sprl, Belgium	99%	---
SES Insurance International (Luxembourg) S.A., Luxembourg	100%	11.2
SES Insurance International Re (Luxembourg) S.A., Luxembourg	100%	3.8
		8.344,4

In May 2013, SES resolved to increase the share capital in SES Insurance International (Luxembourg) S.A. and SES Insurance International Re (Luxembourg) S.A., for respective amounts of USD 5.3 million (EUR 4 million) and USD 95 million (EUR 72.5 million), without issuing new shares.

In February 2013, SES declared a reduction from the share premium reserve of SES Holdings (Netherlands) BV for an amount of USD 813.2 million (EUR 616.4 million).

In December 2013, SES had undergone a restructuring which resulted in the decrease in the share premium account of SES Holdings (Netherlands) BV for an amount of USD 552 million (EUR 400.2 million).

Article 65 paragraph (1) 2º of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings (the “law”) requires the disclosure of the amount of capital and reserves and profit and loss for the last financial year of each affiliated undertaking. In conformity with Article 67 (3) of the law these details have been omitted as the Company prepares consolidated accounts and these consolidated accounts and the related consolidated management report and auditors' report thereon have been lodged with the Luxembourg Trade Registry.

Note 3 – Financial assets (continued)

b) Loans to affiliated undertakings

Loans to affiliated undertakings of EUR 1,269.6 million mainly consist of:

- EUR 725.4 million (2012: EUR 752.0 million) of Convertible Profit Participating Loans with SES Finance S.à r.l.;

- EUR 500.0 million with SES Holdings (Netherlands) B.V granted on 20 December 2013.

c) Loans to undertakings with which the company is linked by virtue of participating interests

The amount receivable from ND SatCom at 31 December 2012 was the non-current portion of a financing loan in the amount of EUR 27.0 million arising in the framework of the sale of the Group's controlling interest in ND SatCom in February 2011.

In 2013, the Group disposed the remaining 24.9% interest in ND SatCom, set off this loan receivable against the final selling price of EUR 14 million and recorded a final impairment charge of EUR 12.5 million recorded under "Value adjustments and fair value adjustments on financial fixed assets" in the annual accounts.

d) Own shares

Own Fiduciary Deposit Receipts:

All Fiduciary Deposit Receipts ("FDRs") in respect of Class A shares owned by the Company are for use in connection with the Senior Executives, Executives and Employees option schemes operated by the group. These shares are valued at the weighted average cost.

As at 31 December 2013, the Company owned 1,678,009 FDRs (2012: 4,089,040).

Note 4 – Debtors

a) Amounts owed by affiliated undertakings

Amounts owed by affiliated undertakings of EUR 2,319.3 million (2012: EUR 2,284.9 million) consist of in-house bank accounts.

As at 31 December 2013 current accounts represent short-term advances bearing interest at market rates.

Note 5 – Subscribed capital

As at 31 December 2013 the issued and fully paid share capital amounted to EUR 633.0 million, represented by 506,400,000 shares with no par value (337,600,000 Class A ordinary shares and 168,800,000 Class B ordinary shares).

The company has issued two classes of shares: Class A and Class B shares (sometimes referred to as "A-shares" and "B-shares", respectively).

Note 5 – Subscribed capital – continued

Although they constitute separate classes of shares, Class A and Class B shares have the same rights except that the shares of Class B, held by the State of Luxembourg and by two entities wholly-owned by the State of Luxembourg, entitle their holders to only 40% of the dividend, or in case the company is dissolved, to 40% of the net liquidation proceeds paid to shareholders of Class A. Class B shares are not freely traded. Each share, whether of Class A or Class B, is entitled to one vote.

Note 6 – Legal reserve

In accordance with Luxembourg legal requirements, a minimum of 5% of the yearly net profit is transferred to a legal reserve from which distribution is restricted. This requirement is satisfied when the reserve reaches 10% of the issued share capital. This reserve may not be distributed.

Note 7 – Other reserves

In accordance with Paragraph 8a of the 16 October 1934 Law as amended, the Company is entitled to reduce the net worth tax due for the year by an amount which cannot exceed the corporate income tax due for the year. In order to avail of the above the Company must set up a restricted reserve equal to five times the amount of the net worth tax credited. This reserve has to be maintained for a period of five years following the year in which it was created. In case of distribution of the restricted reserve, the tax credit falls due during the year in which it was distributed.

As at 31 December 2013, the restricted portion of “other reserves” in the books of SES S.A. is as follows:

	Reduction in net worth tax EUR million	**Restricted reserve EUR million**
2008	**18.2**	**90.8**
2009	**12.7**	**63.4**
2010	**14.1**	**70.7**
2011	**12.4**	**61.8**

Note 8 – Non subordinated debts

a) Non convertible loans

U.S. Private Placement
On 30 September 2003, SES, through SES GLOBAL-Americas Holdings GP, issued in the U.S. Private Placement market four series of unsecured notes amounting to USD 1,000.0 million and GBP 28.0 million. These notes comprised:

1. Series A USD 400.0 million of 5.29% Senior Notes due September 2013, amortising as of September 2007. The Private Placement Series A has been reimbursed on 30 September 2013.
2. Series B USD 513.0 million of 5.83% Senior Notes due September 2015, amortising as of September 2011.
3. Series C USD 87.0 million of 5.93% Senior Notes due September 2015.
4. Series D GBP 28.0 million of 5.63% Senior Notes due September 2013, amortising as of September 2007. The Private Placement Series D has been reimbursed on 30 September 2013.

On these four series, SES pays interest semi-annually. SES is committed under the U.S. Private Placement to maintaining covenants requiring certain financial ratios to be upheld within agreed limits in order to provide sufficient security to the lenders. These financial ratios are based on the consolidated financial statements of SES S.A..

European Medium-Term Note Programme (EMTN)
On 6 December 2005, SES put in place a EUR 2,000.0 million EMTN enabling SES, or SES GLOBAL-Americas Holdings GP, to issue as and when required notes up to a maximum aggregate amount of EUR 2,000.0 million. In May 2007, this programme was increased to an aggregate amount of EUR 4,000.0 million. On 4 October 2013 this programme has been extended for one further year. As of 31 December 2013, SES has issued EUR 2,740.0 million (2012: EUR 2,740.0 million) under the EMTN Programme with maturities ranging from 2014 to 2027.

EUR 500.0 million Eurobond (2013) repayment
On 20 October 2006, SES issued a EUR 500.0 million bond under the company’s European Medium-Term Note Programme. The bond had a fixed coupon yield of 4.375% and has been repaid on 21 October 2013.

EUR 650.0 million Eurobond (2014)
On 9 July 2009 (pricing 30 June 2009), SES issued a EUR 650.0 million bond under the company’s European Medium-Term Note Programme. The bond has a 5-year maturity and bears interest at a fixed rate of 4.875%.

EUR 150.0 million Private Placement (2016)
On 13 July 2009, SES issued a EUR 150.0 million Private Placement under the Company’s European Medium-Term Note Programme with Deutsche Bank. The Private Placement has a 7-year maturity, beginning 5 August 2009, and bears interest at a fixed rate of 5.05%.

EUR 500.0 million Eurobond (2018) issue
On 16 October 2013, SES issued a EUR 500.0 million bond under the Company’s European Medium-Term Note Programme. The bond has a 5-year maturity and bears interest at a fixed rate of 1.875%.

Note 8 – Non subordinated debts – continued

a) Non convertible loans – continued

EUR 650.0 million Eurobond (2020)
On 9 March 2010 (pricing 1 March 2010), SES issued a EUR 650.0 million bond under the company's European Medium-Term Note Programme. The bond has a 10-year maturity and bears interest at a fixed rate of 4.625%.

EUR 650.0 million Eurobond (2021)
On 11 March 2011 (pricing 2 March 2011), SES issued a EUR 650.0 million bond under the company's European Medium-Term Note Programme. The bond has a 10-year maturity and bears interest at a fixed rate of 4.75%.

EUR 140.0 million Private Placement (2027)
Between May and July 2012, SES issued three individual tranches of a total EUR 140.0 million Private Placement under the company's European Medium-Term Note Programme with ING Bank N.V.. The Private Placement has a 15-year maturity, beginning 31 May 2012, and bears interest at a fixed rate of 4.00%.

144A Bond USD 750 million (2023) issue
On 4 April 2013, SES completed a 144A offering in the US market issuing USD 750 million 10-year bond with a coupon of 3.60% and a final maturity date on 4 April 2023.

144A Bond USD 250 million (2043) issue
On 4 April 2013, SES completed a 144A offering in the US market issuing USD 250 million 30-year bond with a coupon of 5.30% and a final maturity date on 4 April 2043.

German Bond issue of EUR 50.0 million
On 29 October 2012, SES signed an agreement to issue EUR 50 million in the German bond ("Schuldschein") market. The German bond bears a fixed interest rate of 4.0% and matures on 12 November 2032.

French Commercial paper programme
On 25 October 2005, SES put in place a EUR 500.0 million "Programme de Titres de Créances Négociables" in the French market where the Company issued "Billets de Trésorerie" (commercial papers) in accordance with Articles L.213-1 to L.213-4 of the French Monetary and Financial Code and decree n°92.137 of 13 February 1992 and all subsequent regulations. The maximum outstanding amount of "Billets de Trésorerie" issuable under the programme is EUR 500.0 million or its counter value at the date of issue in any other authorised currency. On 31 May 2013, this programme was extended for one further year. As at 31 December 2013 borrowings of EUR nil million (2012: EUR 40.0 million) were outstanding under this programme. The average rate of the outstanding commercial paper amounts to nil% (2012: 0.13%) for the drawdown period.

Note 8 – Non subordinated debts – continued

a) Non convertible loans – continued

European Commercial paper programme
In July 2012, SES signed the documentation for the inception of a joint EUR 1 billion guaranteed European commercial paper programme of SES S.A. and SES Global Americas Holdings GP. The issuance under the programme represents senior unsecured obligations of the issuer and any issuance under the programme is guaranteed by the non-issuing entity. The programme is rated by Moody’s Investors Services and is compliant with the standards set out in the STEP Market Convention. As of 31 December 2013 borrowings of EUR nil million (2012: EUR 427.0 million) were outstanding of which EUR nil million (2012: EUR 267.0 million) issued in the name of SES Global Americas Holding GP and EUR nil million (2012: EUR 160.0 million) in the name of SES S.A. The average rate of the outstanding commercial papers was nil% (2012: 0.24%) for the drawdown period.

The maturity profile of notes, bonds and commercial papers is as follows as at 31 December 2013 and 2012:

	2013 **EUR million**	2012 EUR million
Within one year	**811.1**	1,111.6
Between one to two years	**137.5**	814.9
Between two to five years	**650.0**	239.2
After five years	**2,215.1**	1,490.0
Total after one year	**3,002.6**	2,544.1

b) Amounts owed to credit institutions

As at 31 December 2013 and 2012, the amount owed to credit institutions was as follows:

	2013 **EUR million**	2012 EUR million
Becoming due and payable after more than one year	**574.9**	585.8
European Investment Bank	**100.0**	133.3
COFACE facility	**403.5**	364.3
US Ex-Im	**71.4**	88.2
Becoming due and payable after less than one year	**80.2**	66.7
European Investment Bank	**33.3**	33.3
COFACE facility	**33.9**	19.8
US Ex-Im	**13.0**	13.6

EUR 200.0 million European Investment Bank funding
On 21 April 2009, SES signed a financing agreement with the European Investment Bank concerning the investment by the Group in certain satellite investment projects. This facility, bearing interest at a fixed rate of 3.618% and is repayable in six annual instalments between May 2012 and May 2017.

Note 8 - Non subordinated debts – continued

b) Amounts owed to credit institutions - continued

Syndicated loan 2015
In April 2009, SES signed a syndicated loan facility maturing in 2012 with a consortium of 24 banks. On September 2010, the syndicated loan has been amended and restated. The amended facility, maturing April 2015, is for EUR 1,200.0 million and can be drawn in EUR and USD. The interest rate is based on EURIBOR or U.S. LIBOR, depending on the drawing currency, plus a margin based on the rating of the Company. The current rating of the Company is BBB/Baa2 (Standard & Poor's and Moody's) leading to a margin of 0.95%.

EUR 522.9 million COFACE facility
On 16 December 2009, SES signed a financing agreement with COFACE (Compagnie Française d'Assurance pour le Commerce Extérieur) in respect of the investment in four geostationary satellites (ASTRA 2E, ASTRA 2F, ASTRA 2G, ASTRA 5B). The facility is divided into five loans. The drawings under the facility are based on invoices from the supplier of the satellites. The first drawing was done on 23 April 2010. Each loan will be repaid in 17 equal semi-annual instalments starting six months after the earlier of the in-orbit date of the satellite being financed by such loan and 1 April 2014 and the estimated final maturity of the facility will be by the end of 2022. The facility bears interest at a floating rate of six month EURIBOR plus a margin of 1.7%.

USD 158 million US Ex-Im facility
In April 2011, SES signed a financing agreement with Ex-Im Bank (Export-Import Bank of the United States) over USD 158 million for the investment in one geostationary satellite (QuetzSat). At the in-orbit acceptance date of the satellite, the facility was fully drawn with USD 152.2 million which will be repaid in 17 equal semi-annual installments starting on 22 June 2012. The loan has a final maturity date of 22 June 2020 and bears interest at a fixed rate of 3.11%.

Committed and uncommitted loan facilities
As at 31 December 2013, the Company had no drawn down under uncommitted loan facilities (2012: USD 0 million).

The maturity profile of the amounts drawn is as follows as at 31 December 2013 and 2012:

	2013 EUR million	2012 EUR million
Between one and two years	**100.1**	86.6
Between two and five years	**267.0**	276.3
After five years	**207.8**	222.9
Total	**574.9**	585.8

Note 8 - Non subordinated debts – continued

c) Amounts owed to affiliated undertakings

Amounts owed to affiliated undertakings of EUR 3,276.70 million (2012: EUR 5,026.0 million) include the following:

	2013 EUR million	2012 EUR million
Long-term loans (maturity after 5 years)	**1,261.1**	322.1
Short-term loans	**0.0**	1,293.2
Notes	**1,695.6**	2,016.9
Current accounts	**1,871.6**	1,553.9
	4,828.3	5,186.1

There are no short term loans outstanding as 31 December 2013 as the maturity of these loans has been extended and these loans are now classified as “notes”.

As at 31 December 2013 and 2012 long-term loans include:

- Seven loans bearing interest at a rate of 4.12% with a maturity of April 2021.
- Two loans bearing interest at a rate of one month USD LIBOR plus a margin of 0.50% with a maturity of November 2020.
- One loan with a maturity of December 2022 bearing interest at a rate of 4.00%.
- In addition eight new loans bearing interest at a rate of 2.98% with a maturity of May 2022 have been entered into 2013.
- As at 31 December 2012 long-term loans include seven loans bearing interest at a rate of 4.12% with a maturity of April 2021, two loans bearing interest at a rate of one month USD LIBOR plus a margin of 0.50% with a maturity of November 2020 and eight loans bearing interest at a rate of 2.98% with a maturity of May 2022.

As at 31 December 2013 and 2012 the notes are interest free and are repayable upon demand.

As at 31 December 2013 current accounts represent short-term debts bearing interest at market rates.

Note 9 – Tax on profit or loss

The Company is subject to the tax regulations in Luxembourg, in Switzerland for the Swiss branch and in US for the partnership.

The balance sheet position takes into consideration the tax payable or receivable of the Luxembourg subsidiaries and the related tax charges/income is recharged to the below subsidiaries:

- SES Astra S.A.
- SES Asia S.A.
- SES Astra Broadband Services S.A.
- SES Participations S.A.
- SES Global Africa S.A.
- NSS Latin America Holdings S.A.
- SES Astra 3B S.à r.l.
- SES Astra 1KR S.à r.l.
- SES Astra 1L S.à r.l.
- SES Astra 1M S.à r.l.
- SES Astra TechCom S.A.
- SES Engineering S.à r.l.
- SES Astra 1N S.à r.l.
- SES Astra 5BS.à r.l.
- SES Astra 2E S.à r.l.
- SES Astra 2F S.à r.l.
- SES Astra 2G S.à r.l.
- SES Digital Distribution Services S.à r.l.

Those are part of the Luxembourg fiscal unity, in accordance with Article 164 bis LIR.

Note 10 – Staff costs

As at 31 December 2013, the number of full time equivalent employees was 55 (2012: 55) and the average number of employees in the workforce for 2013 was 58 (2012: 58). Staff costs can be analysed as follows:

	2013 EUR million	2012 EUR million
Wages and salaries	**15.2**	14.0
Social security costs	**1.6**	0.5
Total	**16.8**	14.5

Note 11 – Audit fees

Article 65 paragraph (1) 16º of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings (the “law”) requires the disclosure of the independent auditor fees. In conformity with the law these details have been omitted as the Company prepares consolidated accounts in which this information is disclosed and these consolidated accounts and the related consolidated management report and auditors' report thereon have been lodged with the Luxembourg Trade Registry.

Note 12 – Other interest payable and similar charges

Other interest payable and similar charges include the following:

	2013 **EUR million**	2012 EUR million
Interest charges	**185.4**	189.5
Foreign exchange losses, net	**12.1**	---
Interests on swaps	**0.8**	---
Loan origination costs	**15.8**	16.8
	214.1	206.3

Note 13 – Other operating income

Other operating income mainly consist of group recharge revenues amounting to EUR 17.7 million (2012: EUR 5.1 million) arising from advisory support services rendered to various affiliates.

Note 14 – Income from financial fixed assets

Income from financial fixed assets derived from affiliated undertakings consists of the following:

	2013 **EUR million**	2012 EUR million
Dividends received from affiliated undertakings	**578.6**	567.1
	578.6	567.1

Note 15 – Other interest receivable and other financial income

Other interest receivable and similar income include the following:

	2013 **EUR million**	2012 EUR million
Other financial income	**3.4**	0.2
Foreign exchange gain, net	**22.1**	37.3
	25.5	37.5

Note 16 – Board of Directors' remuneration

At the Annual General Meeting held on 5 April 2013, payments to directors for attendance at Board and Committee meetings were approved. These payments are computed on a fixed and variable basis; the variable payments being based upon attendance at Board and Committee meetings. Total payments arising in 2013 were EUR 1.4 million (2012: EUR 1.4 million).

Note 17 – Off balance sheet commitments

On 31 December 2013, the Company entered into the following derivatives:

External cross currency swaps

Currency sold	Currency bought	Maturity	Unrealised gain/(loss)
USD 537.6 million	EUR 400.0 million	July 2014	EUR 9.5 million

Inter-company forward foreign exchange contracts

Currency sold	Currency bought	Maturity	Unrealised gain/(loss)
EUR 39.8 million	SEK 360.0 million	16 January 2014	EUR 0.8 million

Currency sold	Currency bought	Maturity	Unrealised gain/(loss)
EUR 159.4 million	USD 189.6 million	September 2015	EUR (21.7) million
EUR 86.9 million	USD 102.6 million	September 2014	EUR (12.6) million

Guarantees
On 31 December 2013 the Group had outstanding bank guarantees for an amount of EUR 19.7 million (2012: EUR 2.6 million) with respect to performance and warranty guarantees for services of satellite operations.

Corporate guarantees
In 2013, SES has given several corporate guarantees to satellite providers for the provision of communications spacecraft and related equipment contracted by fully-owned subsidiaries of the Group for EUR 49.3 million (2012: EUR 244.4 million).

Assemblée Générale Annuelle de SES
Jeudi 3 avril 2014 à 10 heures 30

Projet de résolution se rapportant au point 7 de l'ordre du jour

Le Conseil d'administration propose à l'Assemblée d'approuver les comptes annuels et les comptes consolidés comme indiqués sous le point 6 de l'ordre du jour "Rapport du réviseur d'entreprises".

* * *

Draft resolution related to point 7 of the agenda

The Board of Directors proposes to the Meeting to approve the annual accounts and the consolidated annual accounts as shown under agenda item 6 "Presentation of the audit report".

Assemblée Générale Annuelle de SES
Jeudi 3 avril 2014 à 10 heures 30

Projet de résolution se rapportant au point 8 de l'ordre du jour

Le Conseil d'administration propose à l'Assemblée d'approuver l'affectation du résultat net de l'exercice 2013 conformément aux indications figurant dans le tableau ci-joint, intitulé "Allocation of 2013 Profits", points 1 à 5.

* * *

Draft resolution related to point 8 of the agenda

The Board of Directors proposes to the Meeting to approve the allocation of the 2013 profits according to the indications of the enclosed table entitled "Allocation of 2013 Profits", items 1 to 5.

* * *

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Annual General Meeting - April 3, 2014

Allocation of 2013 Profits

				EUR
1	2013 statutory net income of SES S.A. (unconsolidated) available for dividend			388.847.085.84
2	Statutory release from Legal Reserve [1]			-128.924.02
	Available for distribution after transfer from Legal Reserve			388.718.161.82
3	Payment of a dividend under Article 31:	Shares	Dividend	
	Ordinary A shares	337.600.000	1.070	-361.232.000.00
	Ordinary B shares	168.800.000	0.428	-72.246.400.00
	Total			-433.478.400.00
4	Transfer to / from "Other Reserves"			44.760.238.18
5	Undistributed 2013 profits			0.00

[1] In accordance with Luxembourg legal requirements, a minimum of 5% of the yearly net profit is transferred to a legal reserve from which distribution is restricted. This requirement is satisfied when the reserve reaches 10% of the issued share capital.

Situation des comptes de reserves / situation of the reserve accounts

		EUR
A	Movement on "Other Reserves" *('Free Reserves')*	
	"Other Reserves" before proposed transfer	338.116.018.00
	Transfer to / from 'Other reserves'	-44.760.238.18
	"Other Reserves" after proposed transfer	293.355.779.82

Shareholders are specifically asked to note and confirm that, in accordance §8a of the Vermögensteuergesetz ("VStG"), an amount of - nil - (2012: nil [NWT provision built in SES ASTRA]) representing the 2013 Net Worth Tax reserve, has been transferred to a non-distributable reserve within "Other reserves"

B	Movement on "Result Brought Forward" / "Other Reserves"	
	"Result Brought Forward" before proposed transfer	0.00
	Transfer to / from "Other Reserves"	0.00
	"Result Brought Forward" after proposed transfer	0.00
	"Other Reserves" after proposed transfer	293.355.779.82
C	2013 Consolidated net income available for the shareholders of SES S.A.	0.00
D	Movement on "Legal Reserve"	
	"Legal Reserves" before proposed transfer	63.171.075.98
	Transfer to / from "Legal reserves"	128.924.02
	"Legal Reserves" after proposed transfer - 10% of Subscribed Capital	63.300.000.00
	Note: Subscribed Capital of SES S.A. is	633.000.000.00

Assemblée Générale Annuelle de SES
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Projet de résolution se rapportant au point 9 de l'ordre du jour

Le Conseil d'administration propose d'approuver la situation des comptes de réserves conformément aux indications figurant dans le tableau intitulé "Allocation of 2013 Profits", points A à D comme indiqué sous le point 8 de l'ordre du jour.

* * *

Draft resolution related to point 9 of the agenda

The Board proposes to the Meeting to approve the situation of the reserve accounts according to the indications on the table entitled "Allocation of 2013 Profits", items A to D as shown under agenda item 8.

Assemblée Générale Annuelle de SES
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Projet de résolution se rapportant au point 10 de l'ordre du jour

Conformément à l'article 27 des statuts, le Conseil d'administration propose à l'Assemblée de donner décharge aux administrateurs.

* * *

Draft resolution related to point 10 of the agenda

According to article 27 of the Articles of Incorporation, the Board of Directors proposes to the Meeting to give discharge to the members of the Board.

Assemblée Générale Annuelle de SES
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Projet de résolution se rapportant au point 11 de l'ordre du jour

Conformément à l'article 27 des statuts, le Conseil d'administration propose à l'Assemblée de donner décharge au réviseur d'entreprises.

* * *

Draft resolution related to point 11 of the agenda

According to article 27 of the Articles of Incorporation, the Board of Directors proposes to the Meeting to give discharge to the auditor.

Assemblée Générale Annuelle de SES
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Projet de résolution se rapportant au point 12 de l'ordre du jour

Election statutaire du réviseur d'entreprises pour l'année 2014 et fixation de sa rémunération.

Le Conseil propose de réélire PricewaterhouseCoopers comme réviseur d'entreprises pour l'année 2014.

Le Comité d'Audit et des Risques a approuvé le budget des frais et honoraires pour le réviseur d'entreprises.

* * *

Draft resolution related to point 12 of the agenda

Appointment of the auditor for the year 2014 and determination of its remuneration.

The Board proposes to re-appoint PricewaterhouseCoopers as external auditors for the year 2014.

The Audit and Risk Committee has approved the budget for the external auditor's fees.

Assemblée Générale Annuelle de SES
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Projet de résolution se rapportant au point 13 de l’ordre du jour

Résolution permettant à la Société l’acquisition de ses propres FDRs et/ou actions A et B

L'assemblée générale des actionnaires autorise le Conseil d'administration, avec faculté de délégation au Comité Exécutif, à acquérir un nombre maximal de 5.000.000 actions de la catégorie A, et/ou un maximum de 2.500.000 actions de la catégorie B émises par la Société en respectant les conditions fixées par la loi du 10 août 1915, telle que modifiée, concernant les sociétés commerciales ("LSC") relatives au rachat d'actions propres par une société anonyme ou à en faire acquérir par d'autres sociétés du groupe telles que visées par l'article 49bis LSC. L’autorisation de rachat d’actions de la catégorie A couvre également le rachat de FDRs émis par la BCEE sur base d’actions de la catégorie A de la Société.

Les actions de la catégorie A et/ou les *FDRs* pourront être acquis soit par des achats en bourse, soit en bloc, soit de gré à gré au prix du marché en vigueur à ce moment là ou à un prix inférieur. Les actions de la catégorie B pourront être acquises de gré à gré à un prix équivalent à 40% du prix du marché en vigueur des FDRs.

Les *FDRs* acquis par la Société pourront ou ne pourront pas être ultérieurement convertis en actions de la catégorie A et pourront être conservés ou cédés ou annulés ou utilisés à toutes autres fins utiles que le Conseil d'administration estime recommandables pour la Société. Les actions de la catégorie A acquises par la Société pourront ou ne pourront pas être ultérieurement converties en *FDRs* et pourront être conservées ou cédées ou annulées ou utilisées à toutes autres fins utiles que le Conseil d'administration estime recommandables pour la Société. Les actions acquises de la catégorie B pourront être annulées, conservées, cédées ou utilisées à toutes autres fins utiles que le Conseil d'administration estime recommandables pour la Société. Toute annulation d’actions est sujette à une résolution des actionnaires de la Société dans une réunion de l’Assemblée Générale Extraordinaire à convoquer par le Conseil d’administration.

L'autorisation est valable (a) pour une période de dix-huit mois à compter de la date de la présente résolution ou (b) jusqu'à la date de son renouvellement ou de son extension par l'assemblée générale des actionnaires si la date d’expiration de cette période est postérieure.

La Société respectera les restrictions prévues par la LSC concernant le rachat d'actions propres.

La contre-valeur d'acquisition des actions de la catégorie A, et/ou des *FDRs* ne pourra pas être inférieure à 15 EUR ni supérieure à 35 EUR par action de la catégorie A, et/ou par *FDR*. La contre-valeur d'acquisition des actions de la catégorie B ne pourra pas être inférieure à 6 EUR ni supérieure à 14 EUR par action de la catégorie B.

La Société pourra décider d'acquérir uniquement des titres d'une ou de deux des catégories d'actions, mais devra respecter le principe de l'égalité de traitement des actionnaires à l'intérieur de chacune de ces catégories d'actions.

Tous pouvoirs sont conférés au Conseil d'administration, avec faculté de délégation au Comité Exécutif, en vue d'assurer l'exécution de la présente autorisation.

* * *

Draft resolution related to point 13 of the agenda

Resolution on Company acquiring FDRs and/or own A- and B-shares

The General Meeting of Shareholders authorizes the Board of Directors, with full power of delegation to the Executive Committee, to purchase a maximum of 5,000,000 A-, and/or a maximum of 2,500,000 B-shares issued by the Company in accordance with the conditions set forth by the law of August 10, 1915, as amended, on commercial companies (the "Companies' Act") regarding the repurchase of own shares by a *société anonyme*, or to have them purchased by other companies of the Group according to the definition of article 49bis of the Companies' Act. The A-shares and/or the FDRs shall be purchased either on the stock-exchange, or by block trade or by mutual agreement at the then current market price or lower. The B-shares shall be purchased by mutual agreement for a price equivalent to 40% of the then current market price of FDRs. The authorization to repurchase A-shares also covers the repurchase of FDRs issued by BCEE with respect to A-shares of the Company.

The FDRs repurchased by the Company may or may not be converted into A-shares and, as the case may be, be kept or sold or cancelled or used for such legitimate purposes as the Board deems advisable. The A-shares repurchased by the Company may or may not be converted into FDRs and, as the case may be, be kept or sold or cancelled or used for such legitimate purposes as the Board deems advisable. The B-shares repurchased by the Company shall be subsequently cancelled, kept, sold or used for such legitimate purposes as the Board deems advisable. Any cancellation of shares shall be subject to approval by the shareholders of the Company taken in an Extraordinary General Meeting of Shareholders to be convened by the Board.

The authorization is valid for the longer of (a) a period of eighteen months from the date of this resolution or (b) the duration of such further period beyond those eighteen months for which it is renewed or extended by the General Meeting of Shareholders.

The Company shall respect the restrictions imposed by the Companies' Act regarding the repurchase of own shares.

The purchase price of the A-shares and/or FDRs shall not be lower than EUR 15 or higher than EUR 35 per FDR or A-share. The purchase price of the B-shares shall not be lower than EUR 6 or higher than EUR 14 per B-share.

The Company may decide to purchase only shares of one or two of the existing categories, but will need to conform with the principle of equal treatment of shareholders within each category of these shares.

All powers are granted to the Board of Directors, with full power of delegation to the Executive Committee, to execute the present authorization.

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Election de six administrateurs pour trois ans
Projet de résolution se rapportant au point 14 de l'ordre du jour

Le Conseil d'Administration propose à l'Assemblée d'élire les administrateurs suivants pour trois ans :

Election of six Directors for a three year term:
Draft resolution related to point 14 of the agenda

The Board of Directors proposes to the Meeting that the following candidates should be elected as directors for a three year term:

Liste de candidats représentant les actionnaires de la catégorie A

List of candidates representing shareholders of category A

Mr Marc Beuls, Administrateur, Waetterluggastrasse, Chalet Tannenwinkel, CH - 7050 Arosa, Suisse

Mr Marcus Bicknell, Administrateur, New Media Foundry Ltd, Homefarm Orchard, Threehousholds, Chalfont Saint Giles, Buckinghamshire HP8 4LP, United Kingdom

Mme Bridget Cosgrave, Présidente et Fondatrice de Every European Digital Sp. z o.o., Avenue Hamoir 7, B - 1180 Bruxelles, Belgique

Mr Ramu Potarazu, Président et Directeur Général, Binary Fountain, 13601 Mount Prospect Drive, Rockville, Maryland 20850, Etats-Unis

Liste de candidats représentant les actionnaires de la catégorie B

List of candidates representing shareholders of category B

Mr René Steichen, Avocat, 36, rue Clairefontaine, L-9220 Diekirch

Mr Jean-Paul Zens, Premier Conseiller de Gouvernement, Service des Médias et des Communications, 5, rue Large, L – 1917 Luxembourg

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Short biographies of the Board candidates

Marc Beuls

Born September 15, 1956, Mr Beuls became a director on April 7, 2011. He is the former President and CEO of Millicom International Cellular S.A., a position he held from 1998 to 2009. Prior to joining Millicom in 1992 as Senior Vice President in charge of finance and treasury, Mr Beuls worked for Generale Bank in Belgium, specialising in project and trade financing in emerging markets. Mr Beuls graduated from the Limburg Business School, currently UHasselt, holding a degree in economics with a major in finance. Mr Beuls is a member of the Audit and Risk Committee of SES.

Mr Beuls is a Belgian national. He is an independent director.

Marcus Bicknell

Born February 28, 1948, Mr Bicknell became a director on May 6, 2005. Mr Bicknell is a director of New Media Foundry Ltd, and Langstaff-Ellis Ltd, two non-listed companies in the United Kingdom, and is a member of the Development Board of the Royal Academy of Dramatic Art. From 1986 to 1990 he was Commercial Director of Société Européenne des Satellites. Mr Bicknell holds an MA Honours Degree in physical anthropology from Cambridge University. Mr Bicknell is a member of the Remuneration Committee and of the Nomination Committee of SES.

Mr Bicknell is a British national. He is an independent director.

Bridget Cosgrave

Born July 1, 1961, Ms Cosgrave became a director on April 3, 2008. She is President and Founder of Every European Digital Sp. z o.o., a company to develop technology agnostic broadband infrastructure opportunities, currently focused on Poland. From 2009 until 2011, Ms Cosgrave served as Director General of Digitaleurope. Ms Cosgrave was with Belgacom S.A. from 2001 to 2007 as a member of the Executive Committee. Her roles there included Executive Vice President of the Enterprise division, Chairman, President & founding CEO of BICS, a joint venture with Swisscom and MTN and Board Member of Belgacom Mobile (Proximus) and Telindus Group. Ms Cosgrave holds an MBA from London Business School and a BA (Hons) in Economics & History from Queen's University in Canada. Ms Cosgrave is a member of the Audit and Risk Committee of SES.

Ms Cosgrave is a dual Irish and Canadian national. She is an independent director.

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Ramu Potarazu

Born August 10,1961. Mr Potarazu became a director on February 20, 2014. He is the CEO of Binary Fountain. He is the Founder and former CEO of Vubiquity. Prior to founding Vubiquity, Mr Potarazu spent 15 years in various positions at Intelsat (1991-2006) .He became Intelsat's Vice President of Operations and CIO in 1996 and its Vice President, Commercial Restructuring in 2000. In 2001 Mr Potarazu became President of Intelsat Global Service Corporation and from 2002 to 2006 he was President and Chief Operating Officer of Intelsat Ltd. Prior to joining Intelsat, Mr Potarazu held several engineering jobs. Mr Potarazu graduated with a BS in Computer Science and in Mathematics from the Oklahoma Christian University. He also holds an MSc in Electrical Engineering from the John Hopkins University and was a member of the Stanford Executive Program.

Mr Potarazu is a US National. He is an independent Director.

René Steichen

Born November 27, 1942, Mr Steichen became a director on June 1, 1995. He was elected Chairman on April 15, 1996. Prior to that time, he was a member of the Luxembourg government (1984–1993) and a member of the European Commission (1993–1995). He is currently an attorney at law in Luxembourg. He is also a member of the Board of Directors of SES ASTRA and Chairman of the Board of Luxconnect S.A. Mr Steichen studied law and political science in Aix-en-Provence and Paris. He holds a doctorate in law and also earned the final degree in economics and finance from the Institut d'Etudes Politiques of Paris. Mr Steichen is the Chairman of the Board as well as of the company's Nomination and Remuneration Committees.

Mr Steichen is a Luxembourg national. He is not an independent director because he represents an important shareholder.

Jean-Paul Zens

Born January 8, 1953, Mr Zens became a director on May 7, 2002, and was elected Vice Chairman on the same date. Mr Zens is also a member of the Board of Directors of SES ASTRA and of Entreprise des Postes et Télécommunications, Luxembourg. He is currently Director of the Media and Communications department of the Ministry of State in Luxembourg. He holds a law degree and a degree in psychology and communications sciences from the University of Strasbourg. Mr Zens is a member of the Nomination Committee of SES.

Mr Zens is a Luxembourg national. He is not an independent director because he represents an important shareholder.

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Rémunération des membres du Conseil d'administration
Projet de résolution se rapportant au point 15

Le Conseil d'Administration propose de fixer la rémunération des membres du Conseil comme suit:

Pour chaque assistance à une séance du Conseil d'Administration ou d'un des comités que le Conseil instituera, les administrateurs recevront une indemnité de 1.600 EUR. Cette indemnité est la même pour les Vice-Présidents et le Président.

Un administrateur qui participera par téléphone à une séance du Conseil d'Administration ou d'un comité que le Conseil instituera touchera une indemnité de 800 EUR pour cette séance.

Un administrateur qui participera à plus d'une séance d'un comité le même jour, ne touchera une indemnité que pour une séance.

Chaque membre du Conseil d'Administration aura droit à une indemnité fixe de 40.000 EUR par an, indépendamment du nombre de présences aux séances. Cette indemnité est de 48.000 EUR par an pour les Vice-Présidents et de 100.000 EUR par an pour le Président.

Un administrateur, autre que le Président du Conseil d'Administration, qui sera Président d'un comité instauré par le Conseil touchera une indemnité supplémentaire de 8.000 EUR par an.

Tous les montants contenus dans la présente résolution s'entendent net de retenue à la source luxembourgeoise sur la rémunération des administrateurs.

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Remuneration of the Board of Directors:
Draft resolution related to point 15 of the agenda

The Board of Directors proposes to the Meeting to determine the remuneration of the Directors as follows:

For the attendance at a meeting of the Board of Directors or of a committee set up by the Board, the Directors shall receive a remuneration of 1,600 EUR. This remuneration is the same for the Vice-Chairmen and the Chairman.

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A Director participating by telephone at a meeting of the Board or of a committee set up by the Board, shall receive a remuneration of 800 EUR for that meeting.

A Director participating in more than one committee meeting on the same day shall receive the remuneration for one meeting only.

Each Director shall receive a remuneration of 40,000 EUR per year, regardless of the number of attendances at meetings. The Vice-Chairmen shall receive 48,000 EUR per year and the Chairman of the Board shall receive 100,000 EUR per year.

A Director, other than the Chairman of the Board of Directors, chairing one of the committees set up by the Board shall receive an additional remuneration of 8,000 EUR per year.

All the amounts contained in the present resolution will be net of any Luxembourgish withholding tax on directors fees.