



(incorporated as a société anonyme under the laws of Luxembourg)

€750,000,000 Deeply Subordinated Fixed Rate Resettable Securities

guaranteed on a subordinated basis by

SES Global Americas Holdings GP

(established as a general partnership under the laws of the State of Delaware)

Issue Price: 99.666 per cent.

The €750,000,000 Deeply Subordinated Fixed Rate Resettable Securities (the **Securities**) will be issued by SES S.A. (**SES** or the **Issuer**) on 10 June 2016 (the **Issue Date**) and, subject to “*Terms and Conditions of the Securities – Substitution of Guarantor and termination of Guarantee*”, unconditionally and irrevocably guaranteed on a subordinated basis by SES Global Americas Holdings GP (the **Guarantor** and the **Guarantee** respectively).

The Securities are being offered in connection with the acquisition of O3b Networks Limited (**O3b**) by SES. The structure of the acquisition is more particularly described under “*The Acquisition*”. The offering of the Securities is not conditional on closing of the acquisition and there can be no assurance that the acquisition will complete on the terms described herein or at all, see “*Risk Factors – Risks relating to O3b and the Acquisition*”. Furthermore, if the Issuer has confirmed in writing to the Fiscal Agent (as defined in the “*Terms and Conditions of the Securities*” (the **Conditions**)) on or before 2 January 2017 that it, or any of its subsidiaries through which such acquisition is intended to be effected, no longer intends and is no longer legally committed to pursue the acquisition O3b then it may, subject to the provisions of the Conditions, redeem all, but not some only, of the Securities at any time at 101 per cent. of their principal amount, together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest (as defined in the Conditions), all as more particularly described in “*Terms and Conditions of the Securities—Redemption—Redemption for Acquisition Event*”.

The Securities will bear interest on their principal amount from (and including) the Issue Date to (but excluding) 2 January 2022 (the **First Reset Date**) at a rate of 4.625 per cent. per annum, payable annually in arrear on 2 January in each year, except that the first payment of interest, to be made on 2 January 2017, will be in respect of the period from (and including) the Issue Date to (but excluding) 2 January 2017 and will amount to €26.031 per €1,000 in principal amount of the Securities. Thereafter, unless previously redeemed, the Securities will bear interest from (and including) the First Reset Date to (but excluding) 2 January 2027 at a rate per annum which shall be 4.664 per cent. above the 5 year Swap Rate (as defined in the Conditions) for the Reset Period (as defined in the Conditions), payable annually in arrear on 2 January in each year. From (and including) 2 January 2027 to (but excluding) 2 January 2042 the Securities will bear interest at a rate per annum which shall be 4.914 per cent. above the 5 year Swap Rate for the Reset Period payable annually in arrear on 2 January in each year. From (and including) 2 January 2042, the Securities will bear interest at a rate per annum which shall be 5.664 per cent. above the 5 year Swap Rate for the relevant Reset Period payable annually in arrear on 2 January in each year, all as more particularly described in “*Terms and Conditions of the Securities—Interest Payments*”.

If the Issuer does not elect to redeem the Securities in accordance with Condition 9(g) thereof following the occurrence of a Change of Control Event (as defined in the Conditions), the then prevailing interest rate per annum (and each subsequent interest rate per annum otherwise determined in accordance with the Conditions) shall be increased by 5 per cent. per annum with effect from (and including) the date on which the Change of Control Event occurred, see “*Terms and Conditions of the Securities—Interest Payments—Step-up after Change of Control Event*”.

The Issuer may, at its discretion, elect to defer all or part of any payment of interest on the Securities as more particularly described in “*Terms and Conditions of the Securities—Optional Interest Deferral*”. Any amount so deferred, together with further interest accrued thereon (at the interest rate per annum prevailing from time to time), shall constitute Arrears of Interest (as defined in the Conditions). The Issuer may pay outstanding Arrears of Interest, in whole but not in part, at any time in accordance with the Conditions. Notwithstanding this, the Issuer shall pay any outstanding Arrears of Interest, in whole but not in part, on the first occurring Mandatory Settlement Date (as defined in the Conditions) following the Interest Payment Date on which a Deferred Interest Payment (as defined in the Conditions) arose, all as more particularly described in “*Terms and Conditions of the Securities—Optional Interest Deferral—Mandatory Settlement*”.

The Securities will be perpetual securities in respect of which there is no fixed redemption date, but shall be redeemable (at the option of the Issuer) in whole but not in part on any Call Date (as defined in the Conditions), at the principal amount of Securities, together with any accrued and unpaid interest up to (but excluding) such date and any outstanding Arrears of Interest. In addition, upon the occurrence of an Accounting Event, a Capital Event, a Change of Control Event, a Substantial Repurchase Event, a Tax Deduction Event, a Withholding Tax Event or an Acquisition Event (each such term as defined in the Conditions), the Securities shall be redeemable (at the option of the Issuer) in whole but not in part at the prices set out, and as more particularly described, in “*Terms and Conditions of the Securities—Redemption*”.

The Issuer may, upon the occurrence of an Accounting Event, a Capital Event, a Tax Deduction Event or a Withholding Tax Event, at any time, without the consent of the holders of the Securities, either (i) substitute all, but not some only, of the Securities for, or (ii) vary the terms of the Securities with the effect that they remain or become, as the case may be, Qualifying Securities, in each case in accordance with Condition 10 thereof and subject to the receipt by the Fiscal Agent of the certificate of the directors of the Issuer and any relevant opinions referred to in Condition 11 thereof.

Subject to certain preconditions which are set out in “*Terms and Conditions of the Securities – Substitution of Issuer*”, the Issuer may at any time substitute for itself as the principal debtor under the Securities, the Guarantor or any other member of the Group or a successor in

business of the Issuer. Further, the Deed of Guarantee (as defined in the Conditions) contains provisions which (i) allow the Guarantor at any time to substitute itself for another entity in the Group or a successor in business of the Guarantor; and (ii) for so long as SES Global Americas Holdings GP remains Guarantor, permit a termination of the Guarantee where (I) an order is made by any competent court or effective resolution passed for the winding up or dissolution of SES Global Americas Holdings GP and (II) such winding up or dissolution is for the purposes of or pursuant to an amalgamation, reorganisation or restructuring while solvent and pursuant to which SES S.A. assumes all of the assets, liabilities and obligations of SES Global Americas Holdings GP, with any such termination pursuant to (ii) above becoming effective upon the relevant winding up or dissolution taking effect. The Guarantor may only elect to effect any such substitution or termination if certain preconditions set out in “*Terms and Conditions of the Securities – Substitution of Guarantor and termination of Guarantee*” are satisfied.

The Securities will be unsecured securities of the Issuer and will constitute subordinated obligations of the Issuer, all as more particularly described in “*Terms and Conditions of the Securities—Status*” and “*Terms and Conditions of the Securities—Subordination*”. The payment obligations under the Guarantee will constitute subordinated obligations of the Guarantor, all as more particularly described in “*Terms and Conditions of the Securities—Status of the Guarantee*” and “*Terms and Conditions of the Securities—Subordination of the Guarantee*”.

Payments in respect of the Securities and under the Guarantee shall be made free and clear of, and without withholding or deduction for, or on account of, taxes of Luxembourg or the United States, unless such withholding or deduction is required by law. In the event that any such withholding or deduction is made, additional amounts may be payable by the Issuer or the Guarantor, subject to certain exceptions as are more fully described in “*Terms and Conditions of the Securities—Taxation*”.

Application has been made to the *Commission de Surveillance du Secteur Financier* (the *CSSF*) in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities, for the approval of this Prospectus for the purposes of Article 5.3 of Directive 2003/71/EC, as amended (the *Prospectus Directive*). Application has also been made to the Luxembourg Stock Exchange for the Securities to be admitted to the official list of the Luxembourg Stock Exchange (the *Official List*) and to be admitted to trading on the Luxembourg Stock Exchange’s regulated market (the *Market*). References in this Prospectus to the Securities being “listed” (and all related references) shall mean that the Securities have been admitted to the Official List and admitted to trading on the Market. The Market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments. By approving this Prospectus, the CSSF gives no undertaking as to the economic and financial soundness of the transaction or the solvency of the Issuer in line with the provisions of article 7 (7) of the Luxembourg Law on prospectuses for securities.

The Securities will initially be issued in registered form and represented upon issue by a registered global certificate which will be registered in the name of a nominee for a common depositary on behalf of Euroclear Bank SA/NV (*Euroclear*) and Clearstream Banking, *société anonyme (Clearstream, Luxembourg)* on or about the Issue Date. Securities in definitive form will be issued only in limited circumstances (as described in “*The Global Certificate*”).

The Securities are expected to be rated BB+ by Standard & Poor’s Credit Market Services France SAS (*Standard & Poor’s*) and Ba1 by Moody’s Investors Service Ltd. (*Moody’s*) (each, a *Rating Agency*). Each of Standard & Poor’s and Moody’s is established in the European Union (the *EU*) and is registered under Regulation (EC) No. 1060/2009 (as amended) of the European Parliament and of the Council of 16 September 2009 on credit rating agencies. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Investing in the Securities involves a high degree of risk. Prospective investors should have regard to the factors described under the section headed “*Risk Factors*” in this Prospectus.

Sole Global Co-ordinator and Structuring Agent to the Issuer and the Guarantor and Joint Bookrunner

J.P. Morgan

Lead Joint Bookrunners

BNP PARIBAS

Société Générale Corporate & Investment Banking

Other Joint Bookrunners

HSBC

ING

Morgan Stanley

The date of this Prospectus is 8 June 2016

This Prospectus comprises a prospectus for the purposes of Directive 2003/71/EC as amended (the **Prospectus Directive**) and for the purpose of giving information with regard to the Issuer, the Guarantor, the Issuer and its subsidiaries taken as a whole (the **Group**) and the Securities which, according to the particular nature of the Issuer, the Guarantor and the Securities, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the Guarantor. The Issuer and the Guarantor accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer and the Guarantor (each of which has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference (see “*Documents Incorporated by Reference*”).

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor or the Bookrunners (as defined in “*Subscription and Sale*” below) to subscribe or purchase, any of the Securities. The distribution of this Prospectus and the offering of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Guarantor and the Bookrunners to inform themselves about and to observe any such restrictions.

For a description of further restrictions on offers and sales of the Securities and distribution of this Prospectus, see “*Subscription and Sale*” below.

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer, the Guarantor or the Bookrunners. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of either the Issuer or the Guarantor since the date hereof or that there has been no adverse change in the financial position of either the Issuer or the Guarantor since the date hereof or that the information contained in it or any other information supplied in connection with the Securities is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

To the greatest extent permitted by law, the Bookrunners accept no responsibility whatsoever for the contents of this Prospectus or for any other statement made or purported to be made by a Bookrunner or on its behalf in connection with the Issuer, the Guarantor or the issue and offering of the Securities. Each Bookrunner accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement.

The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) and are subject to U.S. tax law requirements. Subject to certain exceptions, the Securities may not be offered, sold or delivered within the United States or to U.S. persons.

The Securities may not be a suitable investment for all investors. Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;

- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities;
- (d) understand thoroughly the terms of the Securities and be familiar with the behaviour of the relevant financial markets and of any financial variable which might have an impact on the return on the Securities; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Securities are complex financial instruments and such instruments may be purchased by potential investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Securities unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the potential investor's overall investment portfolio.

Prospective investors should also consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of the Securities.

The credit ratings assigned to the Securities may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Securities. A credit rating is not a recommendation to buy, sell or hold Securities and may be revised or withdrawn by the rating agency at any time. A credit rating is not a statement as to the likelihood of deferral of interest on the Securities. Holders have a greater risk of deferral of interest payments than persons holding other securities with similar credit ratings but no, or more limited, interest deferral provisions. In addition, each of the Rating Agencies, or any other rating agency may change its methodologies for rating securities with features similar to the Securities in the future. This may include the relationship between ratings assigned to an issuer's senior securities and ratings assigned to securities with features similar to the Securities, sometimes called notching. If the Rating Agencies were to change their practices for rating such securities in the future and the ratings of the Securities were to be subsequently lowered, this may have a negative impact on the trading price of the Securities.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Securities are legal investments for it, (2) the Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any of the Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

The following cautionary statements identify important factors that could cause the Group's actual results to differ materially from those projected in the forward-looking statements made in this Prospectus. Any statements about the Group's expectations, beliefs, plans, strategies, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as "will likely result," "are expected to," "will continue," "believe," "anticipated," "estimated," "intends," "expects," "plans," "seek," "projection" and "outlook". These statements involve estimates, assumptions and uncertainties, which could cause actual results to differ materially from those expressed in them. Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this Prospectus. Important factors that could cause these differences include, but are not limited to: general economic and business conditions; industry trends; competition; launch delays or failures; satellite anomalies, damage, failures or destruction; risks relating to insurance; exposure to key customers; inability to renew existing contracts successfully; changes in technology; changes in government and

other regulation; changes in political and economic stability; currency fluctuations and other risks, including those described in “*Risk Factors*” beginning on page 2 of this Prospectus.

Because the risk factors referred to in this Prospectus could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made in this Prospectus by the Group or on the Group’s behalf, investors should not place undue reliance on any of these forward-looking statements.

Furthermore, any forward-looking statement speaks only as of the date on which it is made, and the Group undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. New risk factors will emerge in the future, and it is not possible for the Group to predict such factors. In addition, the Group cannot assess the impact of each factor on the Group’s business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those described in any forward-looking statements.

In connection with the issue of the Securities, J.P. Morgan Securities plc (the *Stabilising Manager*) (or any person acting on behalf of the *Stabilising Manager*) may over-allot the Securities or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. However, there is no assurance that the *Stabilising Manager* (or any person acting on behalf of the *Stabilising Manager*) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Securities is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Securities and 60 days after the date of the allotment of the Securities. Any stabilisation action or over-allotment must be conducted by the *Stabilising Manager* (or any person acting on behalf of the *Stabilising Manager*) in accordance with all applicable laws and rules.

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RISK FACTORS

Any investment in the Securities involves a high degree of risk. Prospective investors should carefully consider, in light of their own financial circumstances and investment objectives, the following risks before making an investment decision with respect to the Securities. If any of the following risks actually occur, they could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects and the market value of the Securities may be adversely affected.

The risks discussed below are those that the Issuer and the Guarantor believe are material, but these risks and uncertainties may not be the only risks that the Issuer, the Guarantor and the Group face. Additional risks that are not known to the Issuer, the Guarantor or the Group at this time, or that are currently believed to be immaterial, could also have a material adverse effect on the Issuer's and/or the Guarantor's and/or the Group's business, financial condition, results of operations, future prospects and the value of the Securities. The order in which the following risks are presented is not intended to be an indication of the probability of their occurrence or the magnitude of their potential effects.

*For the purposes of the Risk Factors, references to **SES** and to the **Group** are to SES and its subsidiaries.*

Risks Relating to the Group's Business

The Group may experience a launch delay or failure or other satellite damage or destruction during launch, which could lead to a total or partial loss of the satellite.

Including predecessor companies, since 1988 the Group has launched more than 50 satellites, three of which resulted in launch failures and some of which experienced launch delays. SES is planning to launch six satellites between the date of this Prospectus and the end of 2017, each of which is subject to the risk of launch delay or failure. Launches may be delayed for a variety of reasons including the late availability of the satellite for shipment to the launch site, the late availability of the launch service or last-minute technical problems arising on the satellite, the co-passenger satellite or the launcher. Launch failures can occur due to a number of factors, including technical failure of the launch vehicle and/or human error.

A launch delay or failure could result in significant delays in the deployment of satellites because of the need to secure another launch opportunity and, in the case of failure, to construct a replacement satellite, which involves significant replacement cost (which may or may not be covered by insurance) and may take two years or longer. Moreover, while it may be possible in some cases to transfer the launch to another launch service provider, the limited number of launch service providers and the process of scheduling a replacement launch may involve further delay and limit SES's options. Failures or delays could also potentially cause the loss of frequency rights at certain orbital positions, reduced satellite lifetime in the case of an incorrect orbit injection, reduced functionality of the satellite, total loss of a mission and, to the extent that there are no other satellites that can be readily redeployed to carry the traffic that had been contracted for the satellite that was lost, delays in the onset of projected revenue streams or loss of revenue.

In addition, since satellite capacity agreements signed ahead of launch generally include provisions allowing a customer to terminate the agreement if the launch fails or delays or failures are not remedied before an agreed date, any launch failure or delay could cause the Group to lose customers to competing satellite operators. Even where launch failures or delays are remedied, such failures or delays could damage the Group's reputation. Satellite launch and in-orbit insurance policies generally do not compensate for lost revenue due to the loss of customers to competitors because of interruption to services or for consequential losses resulting from any launch delay or failure.

The occurrence of launch failures and launch delays could therefore have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's satellites may experience in-orbit destruction, damage or other failures or degradations in performance that could impair the satellites' commercial performance.

Due to the nature of the environment in which they operate, satellites are subject to significant operational risks while in orbit. One or more of the Group's satellites may suffer an in-orbit failure ranging from a partial impairment of commercial capabilities to a total loss of the asset. Satellite malfunctions, commonly referred to as anomalies, can occur as a result of:

- the satellite manufacturer's error, including an undetected design, manufacturing or assembly defect, or the use of a new technology that proves to be faulty;
- problems with the satellite's power systems, including circuit failures or other array degradation causing reductions in the power output of the solar arrays on the satellites;
- problems with the satellite's control systems; or
- general failures, including premature component failure.

Certain of the Group's satellites have experienced and may in the future experience anomalies or failures, which could lead to:

- a degradation in commercial performance;
- a reduction in transmission capacity;
- a reduction in the satellite's operational life;
- outages;
- a reduction in the quantity of operating transponders; or
- the total loss of a satellite,

any of which could result in lost revenue until a replacement satellite is launched as well as increased expenses to replace the satellite. In addition, to the extent that the Group has multiple satellites with similar designs, problems experienced with one satellite may be experienced with other satellites. For further information about the health of the Group's satellites, please see "*Satellite Fleet - Satellite Health*" below.

In the event of a failure, the Group may not be able to continue to provide service to its customers from the same orbital position or at all, which could harm the Group's reputation and adversely affect its ability to retain existing customers or attract new customers. The Group has an in-orbit backup strategy at certain key orbital positions where customers of an impaired satellite can be transferred to another satellite in the Group's fleet. In addition, the Group has in place a restoration agreement with another satellite operator pursuant to which customers on an impaired satellite may possibly be transferred to another satellite in that operator's fleet in order to protect continuity of service. However, there is no guarantee that these mitigations will be effective, especially in the event of the failure of several satellites.

The occurrence of any of the risks above could have a material adverse effect on the Group's business, financial condition and results of operations.

The actual lives of the Group's satellites may be shorter than their estimated design lives.

The expected design life of a satellite is typically 15 years. The value of a satellite is normally depreciated on a straight-line basis over this period. 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 its design life. Depreciation may be

accelerated as well as the lifetime revenue generated reduced, leading to a reduction in the return on investment for the asset.

The Group relies on a limited number of launch providers to launch its satellites.

There are a limited number of commercial launch providers. Historically, SES has been reliant on two key launch providers, Arianespace S.A. (*Arianespace*) and International Launch Services (*ILS*). The Group currently also has a number of agreements with Space Exploration Technologies (*SpaceX*) for satellite launches. Relying on a limited number of launch providers exposes the Group to certain risks. For example, dependency on a small number of launch providers may reduce SES's negotiating power in relation to the fees it pays for satellite launches. In addition, the Group may experience significant delays in launching new satellites in the event of a prolonged unavailability of a launch provider. The unavailability of a launch provider could cause a global shortage in launch service capacity, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is primarily dependent on a small number of satellite manufacturers and secondary suppliers.

SES is primarily dependent on six major satellite manufacturers for the construction of its satellites and a small number of suppliers of key components of communications satellites (referred to as secondary suppliers). Dependency on a small number of satellite manufacturers and secondary suppliers may reduce the Group's negotiating power and access to advanced technologies, which may only be available from certain suppliers. This dependence may also result in a higher concentration of risk. SES may experience significant delays in procuring new satellites in the event of prolonged problems, operational difficulties or financial difficulties 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. SES may experience significant delays in acquiring and launching new satellites in the event of prolonged problems at one of its secondary suppliers.

The occurrence of the defects or delays described above could have a material adverse effect on the Group's business, financial condition and results of operations.

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, as well as third party liability insurance for its satellites. SES also maintains in-orbit insurance for its satellites that have book value. 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 by the insured causing the loss or failure of satellites; and
- terrorism.

Furthermore these insurance policies do not provide compensation for business interruption, loss of market share, reputational damage, 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 and the in-orbit insurance only covers losses in excess of the potentially high risk retention level or deductible selected by SES. SES self-insures up to the retention level or deductible. In addition, the Group's third party liability insurance (which covers losses arising from third party bodily injury and property damage caused by, among others, launch failures and satellite collisions) is subject to a single limit of €500 million of coverage for any one occurrence.

The Group's insurance policies do not cover loss of revenue. Furthermore, SES will not be fully reimbursed if the cost of a replacement satellite exceeds the sum insured. As a result of such exclusions and compensation and risk level arrangements, SES could be exposed to significant losses under any of the circumstances specified above or if it has inaccurately estimated the appropriate risk retention level.

The Group's insurance policies may also exclude from coverage failures arising from pre-existing defects, such as defects in solar array and battery anomalies on some existing satellites. For example, defects in the solar arrays are currently excluded for the AMC-16 satellite and subject to technical deductibles on certain other satellites.

In addition, SES addition will not be reimbursed other than for a major event because minor incidents relating to defects fall within SES's insurance policy deductibles. Losses arising from any of the factors above could result in material increases in costs or reductions in expected revenue and profits, either of which could have a material adverse effect on the Group's business, financial condition and results of operations.

A portion of the Group's in-orbit insurance policies are maintained through self-insurance.

SES has adopted a policy of limited self-insurance for in-orbit insurance. Insurance is provided by two wholly-owned subsidiaries that re-insure part of the risk with external insurance companies, which reduces the amount of insurance premiums paid to such insurance companies, but leaves the Group with exposure in the event of loss. Although SES self-insures only a chosen aggregate deductible as well as amounts above a certain aggregate limit of insurance, and external insurance policies cover losses in excess of the aggregate deductible up to the limit of insurance, the Group retains significant risk both below and above those thresholds.

If any event occurs that is covered by the in-orbit self-insurance deductible, it would not be compensated by an outside insurer and thus there could be a material increase in the Group's costs, which would decrease profits and could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may not be able to obtain adequate insurance or the desired level of coverage, and insurance premiums may increase.

Satellite insurance is a cyclical market and the price, terms and availability of satellite insurance has fluctuated in recent years. The amount of capacity currently available in the market is adequate to cover SES's satellite programmes. However, events outside the Group'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, which would increase the Group's costs and have an adverse effect on its business, financial condition and results of operations.

The Group may not be successful in renewing its existing satellite capacity agreements, or in renewing them on terms that are similar to their current terms.

The Group's satellite capacity contracts vary in length depending on the type of customer. Contracts with broadcasters are generally long-term, with typical durations of ten years (and up to 15 years in certain cases) for

customers in North America and Europe, and between five and ten years for customers in developing markets. Contracts with commercial enterprises are typically three to five years in length, and contracts with governmental customers are typically one year. If SES is unsuccessful in obtaining the renewal of its satellite capacity agreements when they come up for renewal or is unable to obtain commercial terms similar to those currently reflected in its agreements, such as due to budget cuts affecting governmental or other customers, revenue could be adversely affected for some time.

The inability to renew satellite capacity agreements on terms as favourable as existing agreements could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group has several large customers, the loss of any of which could materially reduce the Group's revenue and materially adversely affect the Group's business.

The Group generates its revenue primarily from service agreements to provide satellite transponder capacity to its customers. Certain customers have major or significant contracts with the Group. The Group's five largest commercial customers represented 27.9 per cent of the Group's revenue in 2015, and revenue generated by the U.S. government (and customers serving the U.S. government) represented approximately 10 per cent of the Group's revenue in 2015. However, the Group's customer base is subject to constant change. Some of the Group's major customers could decide not to renew their contracts, seek to renew them on terms that are less favourable to the Group or, where a contract contains an early-termination right (which typically requires significant payment to be made by the customer), to terminate a contract. Moreover, because of the typically long-term nature of satellite capacity contracts and the costs to customers of switching providers, if a customer decides not to renew an agreement (for example, as the result of developing or increasing relationships with other operators or moving to other telecommunications solutions), it may be a number of years before the Group has the opportunity to win back or replace the business. Also, 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 customer cannot be replaced, SES's revenue may be impacted negatively.

In addition, key customers may go bankrupt or combine with other customers in mergers and acquisitions. Consolidation in the industries in which the Group's customers operate may increase their bargaining power and leverage when negotiating agreements with the Group, leading to pressure on pricing. Budget cuts may also be imposed on SES's governmental customers.

The loss of large customers or the reduction in demand for services from customers for any of the reasons above could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is exposed to general customer counterparty risk.

The Group is exposed to risks associated with the financial condition of its customers and their ability to fulfil their contractual obligations. If any customer experiences financial difficulties or fails to fulfil its contractual commitments to the Group, the Group may incur costs enforcing its contractual rights and may incur significant losses. The Group has a number of customer contracts where the customer's payments to the Group are scheduled towards the end of the contractual term but the revenue are recognised in the Group's accounts on a linear basis under IFRS accounting standards. As a result, if a customer experiences financial difficulties or fails to fulfil its contractual commitments to the Group, the Group may not only fail to receive the revenue due from the customer but may also have to record a loss to offset the revenue already recognised in its financial statements.

The level of customer credit risk faced by the Group may increase as it grows revenue in developing markets because credit risk tends to be higher in these markets (compared to the markets of Europe and North America). Any failure of the Group's customers to fulfil their contractual commitments to the Group could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's operations and systems are subject to external threats, including sabotage, terrorist attacks and natural disasters.

As a satellite operator, SES is subject to a number of risks that could impair its operations and systems, including sabotage, terrorist acts, piracy, attack by anti-satellite devices, jamming, unintentional interference and natural disasters.

The risks of terrorist attacks are beyond SES's control and such an attack could cause substantial damage to the Group's network. In addition, natural disasters could damage or destroy the Group's earth stations, resulting in a disruption or termination of service to its customers. Although the Group takes measures to prevent the effects of such natural disasters, such as using technology to safeguard antennas and to protect earth stations during natural disasters such as a hurricane, there is no guarantee that the measures will be effective.

Such occurrences are generally excluded from the Group's insurance coverage. For further information, see "—*Satellites may be subject to damage or loss from events that might not be covered by insurance policies*" above.

The occurrence of any of these risks may lead to a temporary or permanent interruption in service and/or result in a loss of customers, reputational damage or reduced revenue, any of which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group relies on information systems, satellite control and operations networks and other technology, and a disruption or failure of such systems, networks or technology as a result of unauthorised access, misappropriation of data or other malfeasance may disrupt the Group's business.

Because information systems, satellite control and operations networks and other technologies are critical to the Group's operating activities, disruptions or shutdowns caused by events such as computer hacking, malware, dissemination of computer viruses, worms and other destructive or disruptive software and other malicious activity or forms of cyberattack pose significant risks. Due to the fast-moving pace of technological advancements, the high sophistication of certain attackers and an increasingly hostile cyberattack environment, it may be difficult to detect, determine the scope of, contain and remediate every such event. Any such event could have an adverse impact on the Group's operations, including service disruption or malfunctions, loss of customers, non-compliance with legal and regulatory requirements, inadvertent violations of data protection, export control and other relevant laws, damage to the Group's reputation or result in damage to the Group's properties, equipment and data. Such an event also could result in large expenditures necessary to repair or replace such networks or information systems or to protect them from similar events in the future. Third parties may also experience errors or disruptions that could adversely impact the Group's business operations and over which the Group has limited control.

SES has been the target of cyberattacks in the past. While the impact of such attacks has not been significant to date, there can be no assurance that any future attacks would not have a material effect on the Group's business. Any inability to prevent the occurrence of cyberattacks could result in a disruption to services, malfunctions and/or inadvertent violations of data protection and other relevant laws and regulations. In addition, commercial satellite companies have been the victims of a number of attempts to intentionally jam broadcasts from their satellites. Such attempts could lead to disruptions in service, which could have a material effect on revenue and/or cause reputational damage.

In addition, the Group's operating activities could be subject to risks caused by misappropriation, misuse, leakage, falsification and accidental release or loss of information maintained in the Group's information technology systems and networks, including customer, personnel and vendor data. The Group could be exposed to significant costs, fines and penalties if such risks were to materialise, and such events could damage the Group's reputation and credibility and have a negative impact on its revenue.

The occurrence of any such events or security breaches could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's international operations are subject to a number of risks that could negatively affect future operating results or subject the Group to criminal and civil enforcement actions.

SES conducts business around the world. International business is subject to a variety of risks, including:

- lack of developed legal systems to enforce contractual rights;
- greater risk of uncollectible accounts and longer collection cycles;
- foreign currency exchange volatility;
- inflation;
- increased risk of fraud and political corruption;
- uncertain and changing tax rules, regulations and rates;
- logistical and communication challenges; and
- general economic, political and financial conditions in foreign markets.

In addition, SES 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. SES has procedures, policies and controls in place that are designed to detect and prevent instances of non-compliance with such requirements. There have nonetheless been a few instances when SES has identified activities that may have constituted violations of applicable requirements. For example, in November 2013, SES submitted a voluntary self-disclosure report to OFAC (for more information see "*Regulation—The United States—U.S. Export Controls and Sanctions Regulations*"). In such circumstances, SES has taken prompt action to investigate and remediate such activities and to adjust its controls to prevent such occurrences in the future. Any failure by SES to obtain or maintain required authorisations or failure to comply with sanctions, export control and anti-bribery laws and regulations may render it impossible for SES to provide satellite capacity and related services to certain countries that are subject to sanctions, to purchase satellites and equipment from certain vendors (including U.S. manufacturers and suppliers), restrict its ability to conduct business with U.S. government entities, expose the Group to significant fines and other penalties and/or cause reputational damage. Additionally the failure of the Group's vendors or suppliers to obtain the necessary export authorisations could affect SES's ability to acquire, launch or operate satellites.

International risks and violations of international regulations may negatively affect future operations or subject the Group to criminal or civil enforcement actions. Although the Group has policies and procedures to monitor legal and regulatory compliance, there can be no guarantee that such policies and procedures will prevent all violations of applicable regulations. Moreover, there can be no guarantee that the Group's employees or agents will not violate these requirements or will not engage in activities that result in the Group's direct or indirect violation of such applicable regulations.

See "*Risks Relating to Regulation—The Group is subject to export control laws including those of the United States, which may preclude exporting satellites for launch, satellite-related hardware, technology, data and services or preclude sourcing these items in the United States*" below for further information.

In particular regarding the 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 the Board of Directors and executive management in directly supervising the

maintenance of an internal control system and imposing an internal audit structure. Internal control and internal audit may not be properly implemented due to such restrictions.

The occurrence of any of the risks above could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks Relating to the Group's Strategic Development

The Group is exposed to risks inherent in doing business in developing markets.

The Group's development strategy involves targeting new geographical areas and developing markets, such as in Latin America and Asia and potentially developing joint ventures or partnerships with local telecommunications, media and financial businesses in such markets in order to improve market access for its services.

Expansion into these regions may not be successful, and even if successful, SES is exposed to the inherent risks of doing business in those regions, such as instability arising from political or economic factors or differences in legal and regulatory regimes. See "*—Risks Relating to the Group's Business—The Group's international operations are subject to a number of risks that could negatively affect future operating results or subject the Group to criminal and civil enforcement actions*" above. Such instability could cause difficulties in the Group's ability to operate, increase costs or lead to an unexpected reduction in the demand for the Group's services. In addition, in some developing markets, customers may be less financially secure and run a higher risk of insolvency than in more developed markets. The failure of a customer to make payments for the Group's services or honour its agreements would lead to a reduction in the Group's revenue.

The occurrence of any of the risks above could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is subject to general risks associated with its strategic investments.

The Group has a number of strategic investments that it does not control and may enter into similar arrangements in the future. As a result, the Group is dependent in part on the cooperation of other investors and partners in protecting and realising the full potential of certain investments. The Group may not be able to prevent strategic partners from taking actions that are contrary to the Group's business interests or objectives or are inconsistent with the Group's views of what is the best strategy for the investment. In certain circumstances, it may become necessary for the Group to invest further funds or fulfil its contractual obligations, or the Group may be restricted from realising the value of its investment.

Any of these risks could have a material adverse effect on the Group's business, financial condition and results of operations.

For more information about the Group's strategic investments, see "Business—Strategic Investments".

Forward looking information included in this Prospectus may differ materially from actual results and investors should not place undue reliance on it.

The forward looking information set forth in this Prospectus regarding SES, RR Media and O3b represents SES's current view of such information and is based on assumptions including, but not limited to, issues not arising concerning satellite health; satellite launches occurring when anticipated; no changes to prevailing global macroeconomic and political conditions (in particular where SES, RR Media or O3b has significant levels of operation); no deterioration in the financial condition or solvency of SES, RR Media or O3b's key customers; no change in market conditions within the satellite industry, including in relation to customer demand or competitive environment; no change in currency exchange rates between the euro and the currencies in which the Group operates (including, most significantly, the U.S. dollar); no changes in inflation, interest or tax rate

assumptions in SES, RR Media or O3b's principal markets compared with SES's budgeted estimates; no adverse event impacting SES, RR Media or O3b's financial performance; no changes in legislation or regulatory requirements, including accounting principles or materiality thresholds; the conclusion of negotiations for new and renewed capacity agreements in line with SES's expectations; and no material issues arising in respect of SES, RR Media or O3b's contracts. While the forward looking information contained in this Prospectus are based on the assumptions that it currently believes are appropriate, it is inevitable that there is a degree of uncertainty relating to any forward looking revenue, performance and trend information. Such information should therefore be read in this context and construed accordingly.

The assumptions on which forward looking information is based are inherently subject to significant business, operational, economic, market and other risks, many of which are outside of SES's control. Accordingly, such assumptions may change, potentially materially, or the expected effects of these assumptions may not materialise at all. In addition, unanticipated events may adversely affect the actual results that SES achieves in future periods whether or not its assumptions relating to the forward looking information for future periods otherwise prove to be correct. As a result, its actual results may vary materially from the forward looking information included in this document, and investors should not place undue reliance upon it.

The Group may not be able to retain and/or attract personnel who are critical to the Group's business.

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. Although SES operates retention programmes, succession planning and development plans, there can be no assurance that SES would be successful in hiring and training suitable replacements without undue costs or delays. If SES is unable to retain key employees or attract new highly qualified employees, it could have a material adverse effect on the Group's business, financial condition and results of operations.

Pursuing external growth opportunities may not yield the expected benefits.

As part of its strategy, the Group regularly evaluates opportunities to make strategic acquisitions or to increase its stake in ventures in which it currently has an interest. Such growth opportunities may not yield the expected benefits due to a number of factors, some of which are not entirely within the Group's control, such as associated costs, regulatory approvals, antitrust reviews, diversion of management time and challenges posed by integration operations. In addition, the Group may fail to obtain, in a timely manner, the necessary financing on satisfactory terms to allow the transaction to proceed. Acquisitions also may adversely affect the Group's financial ratios as a result of related financing incurred or the performance of the acquired business following the acquisition. The Group may incur significant costs arising from its efforts to pursue strategic acquisitions which exceed the returns realised. Failure to pursue or complete strategic growth opportunities may prevent the Group from growing the business, which could in turn result in a material adverse effect on the Group's business, financial condition and results of operations.

See also "*Risks relating to O3b and the Acquisition*".

Risks Relating to the Satellite Communications Market

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

The Group is subject to a number of risks relating to competition. The Group's main competitors are the other major international satellite operators, Intelsat S.A., Eutelsat S.A. and Telesat Holdings Inc. In addition, the Group faces competition from satellite operators with satellites in Low Earth Orbit and Medium Earth Orbit. The Group also faces significant and increasing competition in different regions around the world from an increasing number of national and regional satellite operators and vertically integrated very small aperture terminal (VSAT) providers and may face competition from new market entrants in the future.

The development of national satellite programmes may hinder the Group's ability to compete in those countries on normal economic terms. The new capacity (which may be significant) may also negatively impact the transponder supply/demand dynamics in those markets and result in lower transponder pricing than elsewhere. The implementation of national satellite systems may also increase the risk that market access for foreign satellite operators will be restricted. In addition, some national operators enjoy advantages in their domestic markets, such as tax and regulatory advantages or government funding, that are not available to SES. These or other competitive advantages could result in a reduction in the Group's business in such regions. In addition, the significant competition between satellite operators both regionally and internationally could lead to oversupply, greater pressure on prices or a reduction in the demand for the Group's services, which could negatively impact its profits or revenue.

SES also faces competition from other forms of communications technology, such as providers of mobile satellite communications services as well as terrestrial and wireless networks, including cable, fibre optic, digital subscriber line (*DSL*), radio relay broadcasting, very-high-frequency/ultra-high-frequency transmission, worldwide interoperability for microwave access (*WiMAX*) and long-term evolution (*LTE*). Any increase in the technical effectiveness or geographic spread of these competing operators and technologies could result in a reduction in demand for the Group's satellite capacity and could make it more difficult for the Group to retain or develop its customer portfolio. Some terrestrial and wireless operators may receive state aid and subsidies not available to SES, which could give them a competitive advantage over the Group.

The occurrence of any of the risks above could result in a demand reduction for SES's satellite capacity and could have a material adverse effect on the Group's business, financial condition and results of operations.

Changes in technology or the satellite communications market could make the Group's satellite telecommunications system obsolete or subject to lower or reduced demand.

Although, on the whole, the fixed satellite services market has experienced growth over the past years, in the future the market may not grow or it may shrink. Technological innovations that serve as alternatives to satellites could render satellite technology obsolete or less cost-effective, and consumer viewing preferences may shift in a way that makes other technologies better suited to delivering the broadcast content that currently accounts for most of the demand for the Group's satellite capacity. The use of new technology to improve signal compression rates or changes in consumer preferences (such as increased demand for new forms of video distribution, in particular non-linear or linear content provision via broadband technologies by existing Pay TV providers or "over-the-top" by new entrants, or increased consumption via devices not fed directly or indirectly via satellite), or future trends in viewing not yet anticipated, could lead to a reduction in demand for the Group's satellite capacity. Existing technologies, such as fibre optic cable, are currently competing with satellite technology and expanding their geographic reach and may experience innovations that make them more effective competition for satellites. See "*The telecommunications market is highly competitive and SES faces competition from satellite, terrestrial and wireless networks*" above.

Similarly, demand for the current generation and future generations of high definition television (*HDTV*) which the Group expects to be a major driver of demand for satellite capacity in future periods, may fail to reach the levels the Group currently expects, which could lead to lower than expected demand for the Group's capacity.

If the Group cannot quickly and efficiently adapt to these changes, its satellites could become obsolete or less competitive, leading to an inability to retain existing customers or attract new customers, a reduction in demand for its services, and a negative impact on revenue.

Any of these risks could have a material adverse effect on the Group's business, financial condition and results of operations.

SES is subject to risks from legal and arbitration proceedings.

Disputes in relation to SES's business arise from time to time and can result in legal or arbitration proceedings. There can be no assurance that the Group will not become involved in legal or arbitration disputes involving material claims for damages or other payments. The outcome of these and any other proceedings cannot be predicted. In the event of a negative outcome in respect of any material legal or arbitration proceeding, whether based on a judgment or a settlement agreement, SES could be required to make payments that could have a material adverse effect on the Group's business, financial condition and results of operations. In addition, the costs related to litigation and arbitration proceedings may be significant.

Risks Relating to Regulation

The telecommunications industry is highly regulated. As a result, SES is subject to a number of risks, as described below. For more information on the regulation of the satellite industry and associated risks, see "Regulation".

If the Group or its customers fail to obtain and maintain required regulatory approvals, the Group may not be able to operate its existing satellites or maintain or expand its operations.

The Group must obtain and maintain approvals from authorities to operate or offer satellite capacity or services which often involves significant time and expense. For example, the Group must obtain authorisation or landing rights (i.e., permission to offer services or capacity) in certain countries to permit the Group's satellites to transmit or receive signals to, from or within these countries. The failure to obtain or maintain the necessary authorisations to operate satellites or to obtain the requisite landing rights or approvals to provide services in certain countries could lead to loss of revenue. In addition, licensing authorities may revoke rights to use frequencies at an orbital location if that orbital location is left vacant beyond the period permitted by such regulator. If the Group cannot obtain, is delayed in obtaining or does not maintain in good standing, the required regulatory approvals or loses authorisations as a result of changes to regulations or other government actions, it may not be able to provide existing or future services to customers or expand to new customers or into new services.

In addition, customers are responsible for obtaining certain regulatory approvals 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. The Group could lose revenue if customers fail to comply with such approvals, if regulations are changed and customers are unable to satisfy the terms of any new regulations or if necessary approvals are not granted on a timely basis or at all, in any jurisdictions in which customers wish to operate or provide services or if applicable restrictions in those jurisdictions become unduly burdensome.

The occurrence of any of the risks above could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's business is subject to extensive regulation and is sensitive to regulatory changes in each of the countries in which it provides services.

The operation of the Group's business is and will continue to be subject to the laws and regulations of the governmental authorities of the countries where the Group operates or uses radio spectrum and/or offers satellite services or capacity, and also to the frequency coordination process of the International Telecommunication Union (ITU). Regulation and legislation is extensive and outside the Group'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 operations of the Group's existing satellites are also regulated by, among others, the U.S. Federal Communications Commission (FCC); the Institut Luxembourgeois de Régulation of the Grand Duchy of

Luxembourg; the Radiocommunications Agency of the Netherlands; the Gibraltar Regulatory Authority; Innovation, Science and Economic Development Canada (*Industry Canada*); the National Telecommunications Agency of Brazil; the Federal Telecommunications Institute of Mexico and the Swedish Post and Telecom Authority. Although the Issuer believes that the Group is in compliance with regulatory requirements in the countries in which it operates, there can be no assurance that the Group will maintain the authorisations necessary to operate its existing satellites or obtain required authorisations in the future, which would affect future prospects.

In addition, the Group may in the future become subject to regulations of which it is not presently aware. If the Group fails to comply with all applicable laws and regulations, it could lose revenue from services provided to the countries covered by those laws and regulations and subject the Group to criminal or civil penalties.

Failure to obtain or maintain the required authorisations described above could have a material adverse effect on the Group's business, financial condition and results of operations.

The ITU may not allocate orbital slots and associated frequencies to permit the Group to maintain or augment its satellite system.

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 spectrum for particular uses, and the allocation to particular national administrations of orbital locations and associated frequency spectrum. SES can only access spectrum through ITU filings made by national administrations.

Orbital slots in the geostationary arc and associated frequencies are a limited resource. The ITU and national regulators may reallocate spectrum from satellite to terrestrial uses. National administrations are increasingly charging for access to spectrum by way of fees and auctions. In addition, national administrations may revoke SES's rights to use spectrum, even when SES has an established business at a particular orbital location. The most recent World Radiocommunication Conference 2015 did not reallocate significant amounts of spectrum from satellite to terrestrial uses. However, it has set for study the use of various spectrum bands that could be allocated to terrestrial mobile at the next such conference in 2019 and whose use by terrestrial mobile would be inconsistent with satellite use. In addition, certain national administrations are studying the alleged spectrum needs of terrestrial mobile and considering the reallocation of spectrum used by satellites, which they can do independently of ITU radio regulations so long as they avoid international interference.

Any reallocation of spectrum from satellite to terrestrial uses or fees by national administrations may have a significant adverse effect on the Group's business, financial condition and results of operations.

The Group's ability to use a satellite at a given orbital location for its proposed service or coverage area may be adversely affected by coordination issues.

Like other satellite operators, SES is required to record, through relevant national administrations, frequencies and orbital locations used by its satellites with the ITU and to coordinate the operation of its satellites with the satellite networks filed with the ITU through other national administrations so as to prevent or reduce harmful interference between its satellites and the satellites of other operators. It may not always be possible to achieve successful coordination, which may affect the planned operation by SES of its satellites. In certain cases, SES might also be required to coordinate any replacement satellite that has performance characteristics which differ from those of the satellite that it replaces.

As a result of such coordination, SES may be required to modify the proposed satellite coverage areas or satellite design or transmission plans in order to eliminate or minimise harmful interference with other satellites or ground-based facilities. Those modifications may mean that use of a particular orbital position is 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 the Group's satellite network to generate revenue due to the operational restrictions that the country may impose. Such operational restrictions include not allowing transponders to be operated at the maximum power over the intended area, requiring receiving or transmitting earth stations to use a minimum antenna size or using steerable coverage to avoid a specific geographical area.

Similarly, if and to the extent that ITU regulations or other contractual or regulatory constraints fail to prevent competing satellite operators from operating their satellites in a manner that causes harmful interference with existing or future satellites operated by the Group, the performance of the Group's satellites in the affected areas could be adversely affected.

Coordination issues with other satellite operators arise from time to time, and the Group may not always be able to resolve such issues quickly, or at all, which could lead to reputational harm, loss of customers, deterioration of the Group's relationships with other operators, degradation of signal quality resulting from interference from satellites of other operators, operating or design restrictions that make the Group's services in a particular region less competitive or non-economic or limit the ability to fully utilise the capabilities of a particular satellite, and, to the extent an issue is not resolved in the Group's favour, potential loss of rights. Such issues also expose the Group to the risk of litigation, such as the recently settled dispute with Eutelsat (for more information see note 31 to the 2015 Financial Statements).

In addition, certain of the Group's frequency assignments are governed by specific national regulations. If any country decides to exercise its rights under these regulations, or if these specific regimes are amended, the Group could be forced to change or discontinue the use of its frequency assignments, which could have a significant negative impact on its ability to operate its satellites.

Any of the factors above could have a material adverse effect on the Group's business, financial condition and results of operations.

If the Group does not occupy unused orbital locations by specified deadlines, or does not maintain satellites in the orbital locations the Group currently uses, those orbital locations may become available for use by other satellite companies.

Orbital locations or frequency bands that SES uses or is planning to use may become available for other satellite operators to use if SES does not:

- occupy unused orbital locations by specified deadlines;
- maintain satellites in their orbital locations; and/or
- operate in all the frequency bands that have been filed at the ITU and for which a licence has been received.

SES has access to orbital locations that have been filed at the ITU through various national administrations. For each filing, the ITU and the national regulators impose conditions that must be met in order to secure use of the spectrum and SES must determine, based on those conditions, which frequencies it will bring into use and on what schedule. Operational issues like satellite launch failure, launch delay or in-orbit failure can 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, the Group's large fleet permits the relocation of in-orbit satellites in order to meet the regulatory conditions in most of the cases. However, there is no guarantee that SES will always be able to prevent this risk and the loss of an orbital location could have a material adverse effect on SES's business, financial condition and results of operations.

The Group is subject to export control laws including those of the United States, which may preclude exporting satellites for launch, satellite-related hardware, technology, data and services or preclude sourcing these items in the United States.

The Group must comply with applicable export control laws and regulations including applicable U.S. export control laws in connection with any information, data, products or materials that it provides to, or receives from, foreign companies relating to communications satellites, launch vehicles and associated equipment and data related to each. The Group's U.S. operations may not be able to maintain normal international business activities and the Group's non-U.S. operations may not be able to source satellites, satellite related hardware, data, technology and services in the United States if:

- export licences or approvals cannot be, or are not, obtained or are obtained but later withdrawn due to breach of or changes in policy;
- export licences or approvals are not obtained in a timely fashion;
- export licences or approvals do not permit transfer of some or all items requested;
- launches are not permitted in the locations that SES prefers; or
- the requisite licence, when granted, contains conditions or restrictions that pose significant commercial or technical issues.

Such occurrences could impede construction and delay the launch of any future satellites, negatively impacting current or future revenue, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Risks Relating to O3b and the Acquisition

As a satellite operator, O3b is subject to substantially similar risks to SES as described in "*—Risks Relating to the Group's Business*", "*—Risks Relating to the Group's Strategic Development*", "*—Risks Relating to the Satellite Communications Market*" and "*—Risks Relating to Regulation*". Certain additional risks specific to O3b and the Acquisition are described below.

O3b may not meet targets set out in its business plan or otherwise perform as anticipated.

O3b is a start-up company providing high-speed satellite broadband connectivity across the developing world via a new kind of satellite system that uses multiple satellites in a Medium Earth Orbit (***MEO***) (which is lower than the geostationary orbit (***GEO***) used by FSS operators). O3b has a substantial contract backlog which requires a constellation of twelve satellites to fulfil the first phase of O3b's business plan. In June 2013, O3b launched the first group of four satellites for the constellation. Following in-orbit tests on the first four satellites, O3b delayed the launch of the second four satellites to make modifications to them.

O3b's first four satellites experienced payload anomalies which caused the satellites to be declared a constructive total loss for insurance purposes. Currently, three of the four satellites have been removed from operations, and are classified as back-up satellites. The fourth satellite was less affected by the anomaly and is currently part of the operational O3b constellation.

The second group of four satellites was launched in July 2014. As at the date of this Prospectus this second group of four satellites were operating nominally. With eight satellites in orbit, O3b started full commercial operations on 1 September 2014. The third group of four satellites was successfully launched on 18 December 2014. As at the date of this Prospectus this third group of four satellites was operating nominally. The fourth group and fifth group of four satellites have been ordered in July 2015 and are due to be launched in 2018 and 2020.

There can be no assurance that the future satellite launches will not face launch delays or that the satellite constellation will not experience in-orbit failures or anomalies. There can also be no assurance that O3b will meet the targets set out in its business plan or perform as otherwise anticipated. For more information regarding the risks relating to O3b's business plan, see "*Risks Relating to the Group's Strategic Development—Forward looking information included in this Prospectus may differ materially from actual results and investors should not place undue reliance on it*". Any of these factors could impact the value of the Group's current and, post the Acquisition, intended investment in O3b thereby having negative consequences for the Group's business, financial condition and results of operations.

The 50.5 per cent Acquisition will take SES's ownership in O3b to above 50 per cent on a fully diluted basis, meaning that SES will take control of O3b and the financial results of O3b will be fully consolidated within those of the Group.

The Group currently accounts for O3b's results under the equity method and, in accordance with its accounting principles, assesses the carrying value of its investment in O3b for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. Since the 50.5 per cent Acquisition will increase the Group's ownership interest in O3b, on a fully diluted basis, to over 50 per cent, it will trigger certain changes in corporate governance arrangements of O3b which will result in SES having control over O3b. From the point of SES assuming such control, O3b's financial information will be fully consolidated in the financial reporting of the Group. In 2015, O3b incurred a loss of \$317.0 million and as of 31 December 2015 had a net debt position of \$1.2 billion. These matters could have an adverse impact on the Group's overall performance, financial condition and financial ratios such as the net debt to EBITDA ratio and there can be no assurance that these matters will not have a negative impact on the Group's credit rating and financial covenant ratios under its financing arrangements.

Completion of the 50.5 per cent Acquisition will trigger certain exit rights for the remaining minority shareholders in O3b, which could result in an obligation by the Issuer to buy out the remaining shareholders.

On signing the 50.5 per cent Acquisition agreement, SES and the other equity investors in O3b entered into, amongst others, an investor rights agreement, a voting agreement and an agreement relating to transfer restrictions and rights of first refusal (the **Arrangements**). By virtue of the Arrangements, when the Group obtains control of O3b through the 50.5 per cent Acquisition, if SES does not provide O3b's minority shareholders with an exit by means of an initial public offering (**IPO**), or if SES does not exercise the Call Option, prior to 1 October 2017, those minority shareholders will have the right to sell their equity interests by means of a put option (the **Put Option**) to the Group at a pre-determined value. In such circumstances the Group may need to obtain funds to meet this obligation. There can be no assurance that such funding would be available on acceptable terms or at all at such time. Depending on the nature and the amount of the financing, this could further adversely affect the Group's credit rating and financial covenant ratios.

The Group may not be able to realise anticipated benefits of the Acquisition, or the Group may not be successful in integrating the business operations of O3b in the manner or within the timeframe currently anticipated.

The Acquisition and integration process involve certain risks and uncertainties, and there can be no assurance that the Group will be able to integrate the O3b business operations in the manner or within the timeframe anticipated. Risks and challenges relating to the integration of the business operations of O3b include, but are not limited to, the following:

- the placement of considerable demands on the Group's resources to manage the integration process, including requiring significant amounts of management time;

- the creation and development of consolidated corporate, financial, control and administrative functions, including cash management, internal and other financing, hedging of market risks, insurance, financial control and reporting, information technology, communications, compliance and other administrative functions;
- the implementation of an adjusted business and organisational model;
- the process of coordinating sourcing in order to eliminate overlapping procurement operations;
- the retention of management and/or other key employees of O3b after the Acquisition;
- the coordination of research and development, marketing and other support functions; and
- the mitigation of contingent and actual liabilities of the Group taken as a whole following the Acquisition.

Due to such specific risks and challenges, there can be no assurance that the Group's ability to achieve effective integration of O3b will not be limited or delayed, which could have a material adverse effect on the financial condition and results of operations of the Group.

The Group does not currently control O3b and will not have the ability to do so until completion of the 50.5 per cent Acquisition.

The Group does not currently control O3b and will not have the ability to do so until completion of the 50.5 per cent Acquisition. There can therefore be no assurance that during the interim period O3b would be operated in the same way SES would operate it.

The value of the shares in O3b acquired pursuant to the terms of the Acquisition may be less than the consideration paid by SES.

Prior to completion of the Acquisition, SES has limited rights to terminate the Acquisition. Accordingly, in the event that there is an adverse event affecting the value of O3b or the value of the O3b business declines prior to completion of the Acquisition, the value of the shares in O3b purchased by the Group pursuant to the terms of the Acquisition may be less than the consideration agreed to be paid by SES and, accordingly, the net assets of the Group could be reduced. There can be no assurance that SES would be able to renegotiate the consideration paid for the relevant shares in such circumstances and SES may therefore pay an amount in excess to market value for the relevant shares, which could have an adverse effect on the business and financial condition of the Group.

Completion of the 50.5 per cent Acquisition is subject to certain conditions precedent, primarily regulatory approvals.

Completion of the 50.5 per cent Acquisition is subject to satisfaction (or waiver, where applicable) of certain conditions, including regulatory and anti-trust approvals and non-objection. These regulatory approvals relate to increasing the Group's stake in O3b to a controlling interest. Outstanding approvals include: FCC approval of transfer of licence, Hart-Scott-Rodino (U.S. anti-competition body) and approval(s) required by the Utilities Regulation and Competition Authority of the Bahamas for the transfer of control of for the transfer of control of Bahamas licences with respect to VSAT antennas on Bahamas-registered vessels served by O3b (the ***Bahamas Licences***). There can be no assurance that these regulatory approvals will be granted on a timely basis or at all. In the event the required regulatory approvals are not granted on or before 4 January 2017, the 50.5 per cent Acquisition (and therefore the 100 per cent Acquisition) could not complete. In the unlikely event that this were to happen, the Issuer would then need to assess the most appropriate use for the proceeds from the Capital Raise in such circumstances.

The 50.5 per cent Acquisition is also subject to a “total constellation failure” having not occurred prior to receipt of the above regulatory approvals, defined generally to mean the failure of more than three of the currently insured satellites of O3b, where such failure cannot be cured by the launch of any of the eight satellites currently under construction or other satellites of O3b in orbit at signing.

For more information on the regulatory approvals required see “*The Acquisition—Regulatory approvals for the 50.5 per cent Acquisition and other conditions*”.

There can be no assurance that governmental agencies will not seek to impose new or more stringent conditions on the Group in connection with granting regulatory or anti-trust approvals in relation to the 50.5 per cent Acquisition.

Relevant governmental agencies may impose conditions on completion of the Acquisition or require changes to the terms of the Acquisition and conditions of approvals that are granted may impose additional requirements, limitations or costs on the business of the Group. There can be no assurance that these conditions or undertakings will not materially limit the revenue of the Group, increase the costs of the Group, reduce the ability of the Group to achieve cost synergies or lead to the abandonment of the Acquisition.

The costs relating to the Acquisition may exceed the Group’s expectations.

The Group expects to incur costs in relation to the Acquisition, including integration and post-Acquisition costs. The actual costs of the integration process may exceed those estimated and there may be further additional and unforeseen expenses incurred in connection with the Acquisition, including, but not limited to, unforeseen tax consequences. In addition, the Group will incur legal, accounting and transaction fees and other costs relating to the Acquisition, some of which will be payable whether or not the Acquisition completes.

Risks Relating to Finance

Each of the Issuer and the Guarantor is a holding entity.

The Issuer and the Guarantor are holding entities, and each of them conducts substantially all of its operations through subsidiaries. As a result, the right to receive payments under the Securities and the Guarantee, in addition to being subordinated to the Senior Obligations (as defined in the Conditions) of the Issuer and the Guarantor, will be structurally subordinated to the liabilities of the Issuer’s subsidiaries other than the Guarantor. The ability of the Issuer and the Guarantor to meet their respective financial obligations is dependent upon the availability of cash flows from their domestic and foreign subsidiaries and affiliated companies through dividends, intercompany advances, management fees and other payments.

The Securities are obligations of the Issuer and are guaranteed exclusively by the Guarantor. The other subsidiaries of the Issuer and the Guarantor are separate and distinct legal entities and have no obligation to pay any amount due on the Securities or the Guarantee or to provide the Issuer or the Guarantor with funds for their respective payment obligations thereunder. As holding entities, the rights of the Issuer and the Guarantor to receive any assets of any of their subsidiaries upon liquidation or reorganisation, and therefore the right of the creditors of the Issuer and the Guarantor to participate in those assets, will be structurally subordinated to those claims (including trade payables) of those subsidiaries’ creditors. The Securities and the Guarantee do not restrict the ability of those subsidiaries to incur additional indebtedness or other liabilities. Even if the Issuer or the Guarantor were a creditor of any of its subsidiaries, its rights as a creditor would be subordinate to any security interest in the assets of its subsidiaries and any indebtedness of its subsidiaries might be senior to its rights as a creditor

Failure to generate cash flow or access other capital resources could force the Group to reduce its operations or default on debt service obligations.

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, forgo investments in joint ventures, sell assets, obtain additional equity capital or refinance or restructure its debt. Any such action could have a material adverse effect on the Group's business, financial condition and results of operations.

Negative changes in SES's debt rating may have a material adverse effect on the Group's financial condition.

A change in the SES's debt rating could affect the cost and terms of its debt as well as its ability to raise finance. SES currently has and seeks to retain a BBB rating with Standard and Poor's Ratings Services (S&P's) and a Baa2 rating with Moody's Investors Service (Moody's). Among other things, increases in financial leverage ratios beyond the thresholds recommended by the rating agencies could result in a downgrade. If SES's credit rating were to be downgraded, it would 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.

S&P's and Moody's are established in the European Union and are registered under the CRA Regulation. S&P's and Moody's also appear on the latest available update (as of December 2015) of the European Securities and Markets Authority's list of credit rating agencies currently available on its website (<https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>).

The Group'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 subject to tax liabilities on its business operations in multiple tax 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, which could lead to retroactive tax claims.

Although SES has implemented a tax risks mitigation charter based (among other things) on a framework of tax opinions for the financially material tax positions taken by SES, transfer pricing documentation for the important intra-Group transactions of SES and a transfer pricing policy and procedures for accurate tax compliance in all taxing jurisdictions, there is no guarantee that the charter will be effective. If the Group becomes subject to a significant amount of unanticipated tax liabilities or has its transfer pricing arrangements successfully challenged, it could have a material adverse effect on the Group's effective tax rate, business, financial condition and results of operations.

The Group is exposed to liquidity, currency and foreign exchange, interest rate and counterparty risks.

The Group is exposed to risks in relation to liquidity, foreign exchange rates, interest rates and counterparties. For further details, see note 19 to the 2015 Financial Statements.

Failure to adequately manage these risks could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is exposed to risks associated with macroeconomic conditions in the global economy, both in developing markets and developed markets.

An economic slowdown in the countries where the Group operates may have a negative effect on the Group's performance if potential customers face difficulties funding their business plans, which could in turn delay the onset of new revenue. This situation could be further affected by measures concerning the currencies adopted in the countries where the Group operates, as well as by political instability and governments' inability to take timely action to deal with the crisis. All this could, in turn, result in decreased profitability, with significant negative consequences for the Group's business, financial condition and results of operations.

The Group is exposed to asset impairment risk.

SES's non-current intangible and tangible assets are valued at historic cost less accumulated amortisation or depreciation (where relevant), and accumulated impairment charges. The resulting net book values are subject to confirmation each year through impairment testing procedures, where net book values are compared to the value-in-use of the asset, which represents the present value of the future cash flows expected to be derived from the asset. Where future assumptions for a specific asset, as set out in the Group's business plan, become less favourable, or, for example, the discount rates applied to the future cash flows increase, this may result in the need for material asset impairment charges.

The Issuer also tests for impairment on the carrying value of shares, or groups of shares, in affiliated undertakings using procedures similar to those outlined above. If the carrying value of the relevant investment, or group of investments, is not substantiated by the value-in-use computed, and any shortfall is assessed as being of an other than temporary nature, this could result in an impairment charge being taken to the income statement of the Issuer's annual accounts in the period concerned.

Risks related to the Securities generally

The Securities will be perpetual securities.

The Securities will be perpetual securities in respect of which there is no fixed redemption date by which the Issuer would be under the obligation to redeem the Securities. See "*Terms and Conditions of the Securities—Redemption*". Therefore, prospective investors should be aware that they may be required to bear financial risks of an investment in the Securities for an indefinite period of time and may not recover their investment in the foreseeable future.

The Securities will be subject to optional redemption by the Issuer including upon the occurrence of certain events.

The Securities will be redeemable, at the option of the Issuer, in whole but not in part on any Call Date at their principal amount together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest.

In addition, upon the occurrence of an Accounting Event, a Capital Event, a Change of Control Event, a Tax Deduction Event, a Substantial Repurchase Event, an Acquisition Event or a Withholding Tax Event (each as defined in the Conditions and as more fully described in Condition 9 of the Securities), the Issuer shall have the option to redeem, in whole but not in part, the Securities at the prices set out therein, in each case together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. In the case of a Change of Control Event, in the event that the Issuer does not elect to redeem the Securities, the then prevailing Interest Rate (as defined in the Conditions), and each subsequent Interest Rate

otherwise determined in accordance with Condition 7 of the Securities, on the Securities shall be increased by 5 per cent. per annum with effect from (and including) the date on which the Change of Control Event occurred.

During any period when the Issuer may elect to redeem the Securities, the market value of the Securities generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem the Securities when its cost of borrowing is lower than the interest payable on them. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest payable on the Securities being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

There is no redemption at the option of holders of the Securities.

The interest rate on the Securities will reset on the First Reset Date and on every Reset Date thereafter, which can be expected to affect the interest payment on the Securities and the market value of the Securities.

Although the Securities will earn interest at a fixed rate until (but excluding) the First Reset Date, the current market interest rate on the capital markets (the ***market interest rate***) typically changes on a daily basis. Since the initial fixed rate of interest for the Securities will be reset on the First Reset Date (as set out in the Conditions), and on each subsequent Reset Date, the interest payment on the Securities will also change. Holders of the Securities (the ***Holder***s) should be aware that movements in these market interest rates can adversely affect the price of the Securities and can lead to losses for the Holders if they sell the Securities.

Holder are exposed to the risk of fluctuating interest rate levels and uncertain interest income as the reset rates could affect the market value of an investment in the Securities.

The Issuer has the right to defer interest payments on the Securities.

The Issuer may, at its discretion, elect to defer all or part of any payment of interest on the Securities which is otherwise scheduled to be paid on an Interest Payment Date. See “*Terms and Conditions of the Securities—Optional Interest Deferral*”. Only upon the occurrence of a Compulsory Arrears of Interest Settlement Event, in the event of a redemption of the Securities pursuant to Condition 9 or in the event of a winding up of the Issuer or the Guarantor in a manner falling within Condition 14 will the Issuer or the Guarantor, as the case may be, be obliged to pay any such Arrears of Interest to Holders.

Any such deferral of interest payment shall not constitute an Enforcement Event or a default for any purpose unless such payment is required in accordance with Condition 8(b) of the Securities. Although the Issuer intends to pay all outstanding Arrears of Interest (if any) in respect of the Securities on the fifth anniversary of the Interest Payment Date on which the Deferred Interest Payment first arose, this is only a current intention, not an obligation of the Issuer. Therefore, there can be no assurance that deferred interest will be satisfied within such five year period.

Any deferral of interest payments is likely to have an adverse effect on the market price of the Securities. In addition, as a result of the interest deferral provision of the Securities, the market price of the Securities may be more volatile than the market prices of other debt securities on which original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in the Issuer’s financial condition.

Integral multiples of less than the specified denomination.

The denominations of the Securities are €100,000 and integral multiples of €1,000 in excess thereof. Therefore, it is possible that the Securities may be traded in amounts in excess of €100,000 that are not integral

multiples of €100,000. In such a case, a Holder who as a result of trading such amounts, holds a principal amount of less than €100,000 in its account with the relevant clearing system, will not receive a Certificate in respect of such holding (should Certificates be printed) and would need to purchase a principal amount of Securities such that it holds an amount equal to one or more denominations. If Certificates are issued, Holders should be aware that Certificates representing Securities which have a denomination that is not an integral multiple of €100,000 may be illiquid and difficult to trade.

The Issuer's obligations under the Securities and the Guarantor's obligations under the Guarantee will be, in each case, subordinated.

The Issuer's obligations under the Securities and the Guarantor's obligations under the Guarantee will be, in each case, unsecured and subordinated. In the event of:

- (a) an order being made, or an effective resolution being passed, for the winding-up of the Issuer or, as the case may be, the Guarantor (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, restructuring, reconstruction, merger, conversion or amalgamation of the Issuer or, as the case may be, the Guarantor or the substitution in place of the Issuer of a New Issuer in accordance with Condition 18 or, in the case of the Guarantor, substitution or termination in accordance with Condition 19, the terms of which reorganisation, restructuring, reconstruction, merger, conversion, amalgamation or substitution or termination (x) are authorised or permitted in accordance with the provisions of the Conditions or have previously been approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) and (y) do not provide that the Securities shall thereby become redeemable or repayable in accordance with the Conditions);
- (b) an administrator or receiver of the Issuer or, as the case may be, the Guarantor being appointed and such administrator or receiver giving notice that it intends to declare and distribute a dividend or distribution (in the case of the Guarantor, such distribution being in respect of the partnership interests of the Guarantor or, after a substitution pursuant to Condition 19, any other ownership interests); or
- (c) any analogous event relating to the Issuer or, as the case may be, the Guarantor to those described in (a) and (b) above under any insolvency, bankruptcy or similar law applicable to the Issuer or, as the case may be, the Guarantor,

the claims of the Holders will rank (i) junior to the claims of holders of all Senior Obligations of the Issuer or the Guarantor, as the case may be, (ii) *pari passu* with the claims of holders of all Parity Obligations of the Issuer or the Guarantor, as the case may be, and (iii) senior to the claims of, in the case of the Issuer, holders of any class of share capital of the Issuer and any other obligations of the Issuer, issued directly or indirectly by it, which rank, or are expressed to rank, *pari passu* with any such class of share capital, or, in the case of the Guarantor, holders of any class of partnership interest (whether common or preferred) of the Guarantor and any other obligations of the Guarantor, issued directly or indirectly by it, which rank, or are expressed to rank, *pari passu* with any such class of partnership interest. See "*Terms and Conditions of the Securities—Status*", "*Terms and Conditions of the Securities—Subordination*", "*Terms and Conditions of the Securities—Status of the Guarantee*" and "*Terms and Conditions of the Securities—Subordination of the Guarantee*".

By virtue of such subordination, payments to a Holder will, in the events described in the Conditions, only be made after all obligations of the Issuer or, as the case may be, the Guarantor resulting from higher ranking claims have been satisfied. A Holder may, therefore, recover less than the holders of unsubordinated or other prior ranking subordinated liabilities of the Issuer or, as the case may be, the Guarantor. Furthermore, the Conditions will not limit the amount of the liabilities ranking senior to, or *pari passu* with, the Securities or the Guarantee which may be incurred or assumed by the Issuer or the Guarantor respectively from time to time, whether before or after the Issue Date. The incurrence of any such other liabilities may reduce the amount (if any) recoverable by Holders on a winding-up or administration of the Issuer or, as the case may be, the

Guarantor and/or may increase the likelihood of a deferral of interest payments under the Securities. Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with, the Securities or any amount owed to it by the Guarantor in respect of, or arising under or in connection with, the Guarantee, and each Holder shall, by virtue of his holding of any Security, be deemed to have waived all such rights of set-off, compensation or retention.

Although subordinated debt securities, such as the Securities, may pay a higher rate of interest than comparable debt securities which are not subordinated, there is a real risk that an investor in subordinated securities such as the Securities will lose all or some of his investment should the Issuer become insolvent.

The Guarantor may be replaced by another entity in the Group or the Guarantee may be terminated.

The Deed of Guarantee contains provisions which (i) allow the Guarantor at any time to substitute itself for another entity in the Group or a successor in business of the Guarantor; and (ii) for so long as SES Global Americas Holdings GP remains Guarantor, permit a termination of the Guarantee where (I) an order is made by any competent court or effective resolution passed for the winding up or dissolution of SES Global Americas Holdings GP and (II) such winding up or dissolution is for the purposes of or pursuant to an amalgamation, reorganisation or restructuring while solvent and pursuant to which SES S.A. assumes all of the assets, liabilities and obligations of SES Global Americas Holdings GP, with any such termination pursuant to (ii) above becoming effective upon the relevant winding up or dissolution taking effect. The Guarantor may only elect to effect any such substitution or termination if (i) no Enforcement Event has occurred and is continuing, (ii) each Rating Agency confirms that upon such substitution or termination becoming effective the Securities will either have the same credit rating as immediately prior to such substitution or termination or the credit rating will not be adversely affected, (iii) each Rating Agency confirms that upon such substitution or termination becoming effective the Securities will either still be eligible for the same, or a higher amount of, "equity credit" (or such other nomenclature that the Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) as is attributed to the Securities on the date immediately prior to such substitution or termination or such eligibility or attribution will not be adversely affected and (iv) two Authorised Signatories of the Issuer or two Authorised Signatories of the Guarantor certify to the Fiscal Agent that, following consultation with an independent investment bank of international repute, an independent financial adviser with appropriate expertise or independent counsel of recognised standing, the Issuer or, as the case may be, the Guarantor has concluded that such substitution or termination (i) will not result in the Issuer having an entitlement, as at the date such substitution or termination becomes effective, to redeem the Securities as a result of a Special Event and (ii) in the case of a substitution only, will not result in the terms of the Securities and the Guarantee (taken together) immediately following such substitution being materially less favourable to holders than the terms of the Securities and the Guarantee (taken together) immediately prior to such substitution. However, notwithstanding each of these conditions being satisfied prior to any such substitution or termination, there can be no guarantee that any such substitution or termination will not have an adverse effect on the price of the Securities and subsequently lead to losses for the Holders if they sell the Securities.

Limited Remedies.

The Conditions will provide that the Securities will be perpetual securities and there is, therefore, no obligation on the Issuer to repay principal on any given date. In addition, payments of interest on the Securities may be deferred in accordance with Condition 8(a) of the Securities and interest will not therefore be due other than in the limited circumstances described in Condition 8(b) of the Securities.

The only enforcement event in the Conditions is if a default is made by the Issuer and the Guarantor for a period of 14 days or more in the payment of principal or 21 days or more in the payment of interest, in each case in

respect of the Securities and which is due. Upon such a payment default, the sole remedy available to Holders for the recovery of amounts owing in respect of any payment of principal or interest on the Securities will be the institution of proceedings to enforce such payment.

Therefore, it will only be possible for the Holders to enforce claims for payment of principal or interest in respect of the Securities when the same are due.

In addition the claims of holders of all Senior Obligations will first have to be satisfied in any winding-up or administration proceedings before the Holders may expect to obtain any recovery in respect of their Securities or, as the case may be, under the Guarantee, and prior thereto Holders will have only limited ability to influence the conduct of such winding-up or administration proceedings. See “ – *The Issuer’s obligations under the Securities and the Guarantor’s obligations under the Guarantee will be, in each case, subordinated*”.

Modification, Waiver and Substitution.

The Conditions will contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions will permit defined majorities of holders of the Securities to bind all Holders, including those Holders who did not attend and vote at the relevant meetings and Holders who voted in a manner contrary to the majority.

The Conditions and the Fiscal Agency Agreement will also provide that the Fiscal Agent and the Issuer may agree, without the consent of Holders, to (i) any modification (except such modifications in respect of which an increased quorum is required in accordance with the provisions of the Fiscal Agency Agreement) of the Fiscal Agency Agreement which is not prejudicial to the interests of the Holders or (ii) any modification of the Securities or the Fiscal Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

The Issuer may also at any time, without the consent of the Holders, substitute for itself as the principal debtor under the Securities, the Guarantor or any other member of the Group upon the fulfilment of certain preconditions set out under Condition 18. Notwithstanding each of these preconditions being satisfied prior to any such substitution, there can be no guarantee that any such substitution will not have an adverse effect on the price of the Securities and subsequently lead to losses for the Holders if they sell the Securities.

Variation or substitution of the Securities without Holder consent.

Subject as provided in Condition 10 and Condition 11, the Issuer may, in its sole discretion and without the consent or approval of the Holders, elect to substitute the Securities for, or vary the terms of the Securities with the effect that they become or remain, Qualifying Securities at any time following the occurrence of an Accounting Event, a Capital Event, a Tax Deduction Event or a Withholding Tax Event. Whilst Qualifying Securities are required to have terms which are not materially less favourable to Holders (as a class) than the terms of the Securities and the Guarantee taken together, there can be no assurance that the Qualifying Securities will not have a significant adverse impact on the price of, and /or market for, the Securities or the circumstances of individual Holders.

Further, prior to the making of any such modification or taking any action as aforementioned in this risk factor or in the risk factor “*Modification, Waiver and Substitution*” above, or prior to any substitution, termination or variation in a manner contemplated in Conditions 10, 18 or 19, the Issuer, the Guarantor and the Fiscal Agent shall not be obliged to have regard to the tax position of individual holders of the Securities or to the tax consequences of any such modification, substitution, termination, variation or other action for individual holders of the Securities. No holder of Securities shall be entitled to claim, whether from the Fiscal Agent, the Issuer, the Guarantor, a New Issuer or any other person, any indemnification or payment in respect of any tax consequence of any such modification, substitution, termination, variation or other action upon individual holders of the Securities.

Change of law.

The Securities will be governed by English law and, in respect of Conditions 3(a) and 6(a) of the Securities only, Luxembourg law and Delaware law respectively. No assurance can be given as to the impact of any possible judicial decision or change to English law, Luxembourg law or Delaware law or any administrative practice thereof after the Issue Date.

The Global Certificate is held by or on behalf of Euroclear and Clearstream, Luxembourg and investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

The Global Certificate will be registered in the name of a nominee for Euroclear and Clearstream, Luxembourg (the ***Relevant Nominee***). Except in the circumstances described in the Global Certificate, investors will not be entitled to receive Certificates. Euroclear and Clearstream, Luxembourg will maintain records of the interests in the Global Certificate. While the Securities are represented by the Global Certificate, investors will be able to trade their interests only through Euroclear or Clearstream, Luxembourg.

While Securities are represented by the Global Certificate, the Issuer will discharge its payment obligations under such Securities by making payments to (or for the order of) the Relevant Nominee for distribution to their account holders. A holder of an interest in a Global Certificate must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, interests in the Global Certificate.

Holders of interests in the Global Certificate will not have a direct right to vote in respect of the Securities. Instead, Holders will be permitted to act only to the extent that they are enabled to do so by Euroclear or Clearstream, Luxembourg.

Provisions which provide for interest to be payable on interest may be unenforceable as a matter of Luxembourg law

The Securities contain provisions which provide that any Deferred Interest Payment (as defined in the Conditions) (or part thereof) shall itself bear interest. If it came to any proceeding before a Luxembourg court any provision relating to the payment of interest on interest may not be enforceable pursuant to Article 1154 of the Luxembourg Civil Code. There exists no published case law in Luxembourg in relation to the recognition of provisions pursuant to which a party agrees to pay to the other party an interest on interest. If a Luxembourg court had to analyse the validity and enforceability of such provisions, it may likely consider the position taken by the French *Cour de Cassation* and Belgian, French and Luxembourg legal scholars according to which Article 1154 of the Civil Code is not of international public policy and, therefore, provisions relating to the payment of interest on interest provided for in a foreign law document, such as the Conditions, are not affected by Article 1154 of the Civil Code. There can, however, be no guarantee that a Luxembourg court would take this approach.

Risks related to the market generally

The secondary market generally.

Although application will be made to admit the Securities to trading on the Market, the Securities may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been prepared to meet the investment requirements of limited categories of investors. These types of securities generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of the Securities.

Exchange rate risks and exchange controls.

The Issuer will repay principal of and pay interest on the Securities in euro. This presents certain risks relating to currency or currency unit conversions if an investor's financial activities are denominated principally in a currency or a currency unit (the ***Investor's Currency***) other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of euro, or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to euro, would decrease (1) the Investor's Currency equivalent yield on the Securities, (2) the Investor's Currency equivalent value of the principal payable on the Securities and (3) the Investor's Currency equivalent market value of the Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks.

Investment in the Securities involves the risk that subsequent changes in market interest rates may adversely affect the value of the Securities. Fluctuations in interest rates can affect the market values of, and corresponding levels of capital gains or losses on, fixed rate securities. During periods of rising interest rates, the prices of fixed rate securities, such as the Securities, tend to fall and gains are reduced or losses incurred upon their sale. Therefore, investment in the Securities involves the risk that changes in market interest rates may adversely affect the value of the Securities.

The Interest rate reset may result in a decline of yield.

As the Securities feature a fixed interest rate that will be reset during the term of the Securities, Holders are exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the yield of such securities in advance.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Prospectus and have been filed with the CSSF shall be incorporated by reference in, and form part of, this Prospectus:

- (a) the SES Annual Report for the year ended 31 December 2013 set out in the English version including the 2013 Financial Statements and the information set out at the following pages in particular:

Balance Sheet	Page 61
Income Statement	Page 59
Comprehensive Income Statement	Page 60
Changes in Equity Statement	Page 63
Cash Flow Statements	Page 62
Notes to the Annual Accounts	Page 64 to 106
Independent Auditor's Report	Page 58
List of subsidiaries included in the consolidation scope	Pages 103 to 106
Related party transaction	Page 103

- (b) the SES Annual Report for the year ended 31 December 2014 set out in the English version including the 2014 Financial Statements and the information set out at the following pages in particular:

Balance Sheet	Page 77
Income Statement	Page 75
Comprehensive Income Statement	Page 76
Changes in Equity Statement	Page 79
Cash Flow Statements	Page 78
Notes to the Annual Accounts	Page 80 to 124
Independent Auditor's Report	Page 74
List of subsidiaries included in the consolidation scope	Pages 121 to 124
Related party transaction	Page 119

- (c) the SES Annual Report for the year ended 31 December 2015 set out in the English version including the 2015 Financial Statements and the information set out at the following pages in particular:

Balance Sheet	Page 69
Income Statement	Page 67
Comprehensive Income Statement	Page 68
Changes in Equity Statement	Page 71
Cash Flow Statements	Page 70
Notes to the Annual Accounts	Page 72 to 116
Independent Auditor's Report	Page 66
List of subsidiaries included in the consolidation scope	Pages 114 to 116
Related party transaction	Page 113

- (d) the Guarantor’s consolidated financial statements for the financial year ended 31 December 2014 drawn up in accordance with IFRS and the information set out at the following pages in particular:

Independent auditor’s report	Pages 3-4
Consolidated income statement	Page 5
Consolidated statement of comprehensive income	Page 6
Consolidated statement of financial position	Page 7
Consolidated statement of cash flows	Page 8
Consolidated statement of changes in shareholders’ equity	Page 9
Notes to the consolidated financial statements	Pages 10-50

- (e) the Guarantor’s consolidated financial statements for the financial year ended 31 December 2015 drawn up in accordance with IFRS and the information set out at the following pages in particular:

Independent auditor’s report	Pages 3-4
Consolidated income statement	Page 5
Consolidated statement of comprehensive income	Page 6
Consolidated statement of financial position	Page 7
Consolidated statement of cash flows	Page 8
Consolidated statement of changes in shareholders’ equity	Page 9
Notes to the consolidated financial statements	Pages 10-49

- (f) pages 239 to 249 of the prospectus dated 27 May 2016 relating to the Capital Raise, which contain the unaudited interim condensed consolidated financial statements of the Group as of and for the three months ended 31 March 2016 drawn up in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union, together with the review report of the auditors thereon; and

- (g) the articles of association of the Issuer (in French and English).

Copies of documents incorporated by reference in this Prospectus can be obtained, without charge, during normal business hours from the registered office of SES at Château de Betzdorf, L-6815 Betzdorf, and from the specified offices of the Fiscal Agent for the time being in Luxembourg. This Prospectus and each document incorporated by reference will also be published on the Luxembourg Stock Exchange’s website (www.bourse.lu).

Any information not listed in the above cross-reference tables but included in the documents incorporated by reference is given for information purposes only and is not required by the relevant schedules of Commission Regulation (EC) No 809/2004, as amended. Any document itself incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

OVERVIEW

The following overview refers to certain provisions of the “*Terms and Conditions of the Securities*”, and is qualified by the more detailed information contained elsewhere in this Prospectus. Capitalised terms used herein have the meaning given to them in “*Terms and Conditions of the Securities*”.

Issuer	SES S.A.
Guarantor	SES Global Americas Holdings GP
Issue Size	€750,000,000
Issue Date	10 June 2016
Issue Price	99.666 per cent.
Interest	<p>The Securities will bear interest on their principal amount from (and including) the Issue Date to (but excluding) the First Reset Date at a rate of 4.625 per cent. per annum, payable annually in arrear on 2 January in each year, except that the first payment of interest, to be made on 2 January 2017, will be in respect of the period from (and including) the Issue Date to (but excluding) 2 January 2017 and will amount to €26.031 per €1,000 in principal amount of the Securities. Thereafter, unless previously redeemed, the Securities will bear interest from (and including) the First Reset Date to (but excluding) 2 January 2027 at a rate per annum which shall be 4.664 per cent. above the 5 year Swap Rate (as defined in the Conditions) for the Reset Period (as defined in the Conditions), payable annually in arrear on 2 January in each year. From (and including) 2 January 2027 to (but excluding) 2 January 2042 the Securities will bear interest at a rate per annum which shall be 4.914 per cent. above the 5 year Swap Rate for the Reset Period payable annually in arrear on 2 January in each year. From (and including) 2 January 2042, the Securities will bear interest at a rate per annum which shall be 5.664 per cent. above the 5 year Swap Rate for the Reset Period payable annually in arrear on 2 January in each year, all as more particularly described in “<i>Terms and Conditions of the Securities—Interest Payments</i>”. See also “<i>Change of Control</i>”.</p>

Optional Interest Deferral

The Issuer may, at its discretion, elect to defer all or part of any Interest Payment (a *Deferred Interest Payment*) which is otherwise scheduled to be paid on an Interest Payment Date by giving a Deferral Notice of such election to the Holders, the Fiscal Agent, the Registrar and the Paying Agents. Subject as described in “*Mandatory Settlement*”, if the Issuer elects not to make all or part of any Interest Payment on an Interest Payment Date, then it will not have any obligation to pay such interest on the relevant Interest Payment Date and any such non-payment of interest will not constitute an Enforcement Event or any other breach of its obligations under the Securities or for any other purpose.

Arrears of Interest may be satisfied at the option of the Issuer in whole but not in part at any time (the *Optional Deferred Interest Settlement Date*) following delivery of a notice to such effect given by the Issuer to the Holders, the Fiscal Agent, the Registrar and the Paying Agents informing them of its election to so satisfy such Arrears of Interest (or part thereof) and specifying the Optional Deferred Interest Settlement Date.

Any Deferred Interest Payment (or part thereof) shall itself bear interest (such further interest together with the Deferred Interest Payment, being *Arrears of Interest*), at the Interest Rate prevailing from time to time, from (and including) the date on which (but for such deferral) the Deferred Interest Payment would otherwise have been due to be made to (but excluding) the Optional Deferred Interest Settlement Date or, as appropriate, such other date on which such Deferred Interest Payment is paid in accordance with Condition 8(b), in each case such further interest being compounded on each Interest Payment Date. Non-payment of Arrears of Interest shall not constitute a default by the Issuer under the Securities or for any other purpose, unless such payment is required in accordance with Condition 8(b) of the Securities.

Status of the Securities

The Securities constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves.

Subordination of the Securities

In the event of: (a) an order being made, or an effective resolution being passed, for the winding-up of the Issuer (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, restructuring, reconstruction, merger, conversion, amalgamation or the substitution in place of the Issuer of a New Issuer in accordance with Condition 18, the terms of which reorganisation, restructuring, reconstruction, merger, conversion, amalgamation or substitution (x) are authorised or permitted in accordance with the provisions of the Conditions or have previously been approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) and (y) do not provide that the Securities shall thereby become redeemable or repayable in accordance with the Conditions); (b) an administrator or receiver of the Issuer being appointed and such administrator or

receiver giving notice that it intends to declare and distribute a dividend or distribution; or (c) any analogous event relating to the Issuer to those described in (a) and (b) above under any insolvency, bankruptcy or similar law applicable to the Issuer, the rights and claims of the Holders against the Issuer in respect of or arising under the Securities will rank (i) junior to the claims of all holders of Senior Obligations of the Issuer, (ii) *pari passu* with the claims of holders of all Parity Obligations of the Issuer and (iii) senior to the claims of holders of all Junior Obligations of the Issuer. See “*Risk Factors—Risks related to the Securities generally—Limited Remedies*”.

Status of the Guarantee

The payment obligations under the Guarantee constitute direct, unsecured and subordinated obligations of the Guarantor and rank *pari passu* and without any preference among themselves.

Subordination of the Guarantee

In the event of: (a) an order being made, or an effective resolution being passed, for the winding-up of the Guarantor (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, restructuring, reconstruction, merger, conversion, amalgamation or a substitution in accordance with Condition 19, the terms of which reorganisation, restructuring, reconstruction, merger, conversion, amalgamation or substitution (x) are authorised or permitted in accordance with the provisions of the Conditions or have previously been approved by an Extraordinary Resolution (as defined in the Fiscal Agency Agreement) and (y) do not provide that the Securities shall thereby become redeemable or repayable in accordance with the Conditions); (b) an administrator or receiver of the Guarantor being appointed and such administrator or receiver giving notice that it intends to declare and distribute a dividend or distribution in respect of the partnership interests (or, after a substitution pursuant to Condition 19, any other ownership interests) of the Guarantor; or (c) any analogous event relating to the Guarantor to those described in (a) and (b) above under any insolvency, bankruptcy or similar law applicable to the Guarantor, the rights and claims of Holders against the Guarantor in respect of or arising under the Guarantee will rank (i) junior to the claims of the holders of all Senior Obligations of the Guarantor, (ii) *pari passu* with the claims of the holders of all Parity Obligations of the Guarantor and (iii) senior to the claims of the holders of all Junior Obligations of the Guarantor. See “*Risk Factors—Risks related to the Securities generally—Limited Remedies*”.

Mandatory Settlement

Notwithstanding the provisions of “*Optional Interest Deferral*”, the Issuer shall pay any outstanding Arrears of Interest, in whole but not in part, on the first occurring Mandatory Settlement Date following the Interest Payment Date on which a Deferred Interest Payment first arose.

If a Mandatory Settlement Date does not occur prior to the calendar day which is the fifth anniversary of the Interest Payment Date on which the Deferred Interest Payment first arose, it is the intention, though not an obligation, of the Issuer to pay all outstanding Arrears

of Interest (in whole, but not in part) on the next following Interest Payment Date.

No fixed maturity

The Securities will be perpetual securities in respect of which there is no fixed redemption date.

Optional Redemption

The Issuer may redeem all, but not some only of the Securities on any Call Date, at their principal amount together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest.

Special Event Redemption

If a Special Event has occurred and is continuing, then the Issuer may redeem at any time all, but not some only, of the Securities at:

- (i) in the case of a Capital Event, Tax Deduction Event or Accounting Event where the relevant date fixed for redemption falls prior to the First Reset Date, 101 per cent. of their principal amount;
- (ii) in the case of a Capital Event, Tax Deduction Event or Accounting Event where the relevant date fixed for redemption falls on or after the First Reset Date, their principal amount;
- (iii) in the case of an Acquisition Event where such redemption occurs at any time, 101 per cent. of their principal amount;
- (iv) in the case of a Substantial Repurchase Event or a Withholding Tax Event where any such redemption occurs at any time, their principal amount; or
- (v) in the case of a Change of Control Event where any such redemption occurs at any time, at 101 per cent. of their principal amount,

in each case together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest.

Change of Control

If a Change of Control Event has occurred and is continuing, the Issuer may elect to redeem all, but not some only, of the Securities at any time at 101 per cent. of their principal amount together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest.

If the Issuer does not elect to redeem the Securities following the occurrence of a Change of Control Event, the then prevailing Interest Rate, and each subsequent Interest Rate, on the Securities shall be increased by 5 per cent. per annum with effect from (and including) the date on which the Change of Control Event occurred. See “*Terms and Conditions of the Securities—Interest Payments—Step-up after Change of Control Event*”.

Acquisition Event

If an Acquisition Event has occurred and is continuing, the Issuer may elect to redeem all, but not some only, of the Securities at any time at

101 per cent. of their principal amount together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest.

The Issuer may, at its sole discretion and at any time prior to 2 January 2017, give notice (which notice shall be irrevocable) to the Holders, in accordance with Condition 21, and to the Fiscal Agent and the Registrar that it has elected to irrevocably waive its right to redeem the Securities in the event of an Acquisition Event.

Substitution or Variation

If an Accounting Event, a Capital Event, a Tax Deduction Event or a Withholding Tax Event has occurred and is continuing, without the consent of Holders the Issuer may either (i) substitute all, but not some only, of the Securities for, or (ii) vary the terms of the Securities with the effect that they remain or become, as the case may be, Qualifying Securities, in each case in accordance with Condition 10 thereof and subject, *inter alia*, to the receipt by the Fiscal Agent of the certificate of the directors of the Issuer and the relevant opinions referred to in Condition 11 thereof.

Substitution of Issuer

Subject to the provisions set out in “*Terms and Conditions of the Securities – Substitution of Issuer*”, the Issuer may at any time substitute for itself as the principal debtor under the Securities, the Guarantor or any other member of the Group or a successor in business of the Issuer provided that (i) a deed poll and such other documents (if any) are executed by the New Issuer and, to the extent necessary, the other parties to the Fiscal Agency Agreement, as may be necessary to give full effect to the substitution and pursuant to which the New Issuer undertakes in favour of each Holder and each Accountholder (as defined in the Deed of Covenant) to be bound by the Conditions, the Deed of Covenant and the Fiscal Agency Agreement as principal debtor in respect of the Securities in place of the Issuer, (ii) each Rating Agency confirms that upon the substitution of the New Issuer becoming effective the Securities will either have the same credit rating as immediately prior to the substitution or the credit rating will not be adversely affected, (iii) each Rating Agency confirms that upon such substitution becoming effective the Securities will either still be eligible for the same, or a higher amount of, “equity credit” (or such other nomenclature that the Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) as is attributed to the Securities on the date immediately prior to such substitution or such eligibility or attribution will not be adversely affected, (iv) the Fiscal Agent has received legal opinions addressed to the Holders from legal advisers of internationally recognised standing approved by it to the effect, *inter alia*, that (A) the New Issuer has obtained all governmental and regulatory approvals and consents necessary for its assumption of the obligations and liabilities as principal debtor under the Conditions, the Deed of Covenant and the Fiscal Agency Agreement in place of the Issuer, the Holders have rights against the New Issuer at least equivalent to the

rights they have against the Issuer, subject to the other conditions in Condition 18 having been satisfied such assumption is fully effective and such obligations and liabilities are legally valid and binding on, and enforceable against, the New Issuer; (B) such approvals and consents are in full force and effect at the time of substitution; and (C) confirming, with respect to the New Issuer, compliance with (v) below, (v) all payments of principal and interest in respect of the Securities by or on behalf of the New Issuer shall be made free and clear of and without withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of the tax jurisdiction to which it is subject or any political subdivision thereof or any authority thereof or therein having power to tax, (vi) any stock exchange on which the Securities are listed confirms to the Issuer and the Fiscal Agent that, after giving effect to the substitution, the Securities will continue to be listed on such stock exchange, (vii) two Authorised Signatories of the New Issuer certify to the Fiscal Agent that the New Issuer is solvent at the time at which the substitution or appointment is proposed to be effected and (viii) two Authorised Signatories of the Issuer or two Authorised Signatories of the New Issuer certify to the Fiscal Agent that, following consultation with an independent investment bank of international repute, an independent financial adviser with appropriate expertise or independent counsel of recognised standing, the Issuer or, as the case may be, the New Issuer has concluded that such substitution (i) will not result in the New Issuer having an entitlement, as at the date such substitution becomes effective, to redeem the Securities as a result of a Special Event and (ii) will not result in the terms of the Securities immediately following such substitution being materially less favourable to holders than the terms of the Securities immediately prior to such substitution.

Substitution of Guarantor and termination of Guarantee

The Deed of Guarantee contains provisions which (i) allow the Guarantor at any time to substitute itself for another entity in the Group or a successor in business of the Guarantor; and (ii) for so long as SES Global Americas Holdings GP remains Guarantor, permit a termination of the Guarantee where (I) an order is made by any competent court or effective resolution passed for the winding up or dissolution of SES Global Americas Holdings GP and (II) such winding up or dissolution is for the purposes of or pursuant to an amalgamation, reorganisation or restructuring while solvent and pursuant to which SES S.A. assumes all of the assets, liabilities and obligations of SES Global Americas Holdings GP, with any such termination pursuant to (ii) above becoming effective upon the relevant winding up or dissolution taking effect. The Guarantor may only elect to effect any such substitution or termination if (i) no Enforcement Event has occurred and is continuing, (ii) each Rating Agency confirms that upon such substitution or termination becoming effective the Securities will either have the same credit rating as immediately prior to such substitution or termination or the credit rating will not be adversely affected, (iii) each Rating Agency confirms

that upon such substitution or termination becoming effective the Securities will either still be eligible for the same, or a higher amount of, “equity credit” (or such other nomenclature that the Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) as is attributed to the Securities on the date immediately prior to such substitution or termination or such eligibility or attribution will not be adversely affected and (iv) two Authorised Signatories of the Issuer or two Authorised Signatories of the Guarantor certify to the Fiscal Agent that, following consultation with an independent investment bank of international repute, an independent financial adviser with appropriate expertise or independent counsel of recognised standing, the Issuer or, as the case may be, the Guarantor has concluded that such substitution or termination (i) will not result in the Issuer having an entitlement, as at the date such substitution or termination becomes effective, to redeem the Securities as a result of a Special Event and (ii) in the case of a substitution only, will not result in the terms of the Securities and the Guarantee (taken together) immediately following such substitution being materially less favourable to holders than the terms of the Securities and the Guarantee (taken together) immediately prior to such substitution.

Enforcement Event

If a default is made by the Issuer and the Guarantor for a period of 14 days or more in the payment of principal or 21 days or more in the payment of interest, in each case in respect of the Securities and which is due, then any Holder may, at its sole discretion, institute proceedings for the winding-up of the Issuer and/or the Guarantor and/or prove in the winding-up of the Issuer and/or the Guarantor and/or claim in the liquidation of the Issuer and/or the Guarantor, for such payment, and in the event of a winding up of the Issuer in a manner falling within Condition 14(a), any Holder shall be entitled to claim for all unpaid principal in respect of a Security it holds together with any accrued and unpaid interest up to (but excluding) such date and any outstanding Arrears of Interest in respect of any such Security, with such rights and claims subordinated as provided in Condition 3(a).

Additional Amounts

Payments in respect of the Securities shall be made free and clear of, and without withholding or deduction for, or on account of, taxes of Luxembourg or the United States or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In the event that any such withholding or deduction is made, additional amounts may be payable by the Issuer or the Guarantor, as the case may be, subject to certain exceptions as are more fully described under “*Terms and Conditions of the Securities—Taxation*”.

Form

The Securities will be in registered form represented on issue by a global certificate (the *Global Certificate*) which will be registered in the name of a nominee for Euroclear and Clearstream, Luxembourg on the Issue Date. Save in limited circumstances, Certificates will not be issued in exchange for interests in the Global Certificate.

Listing and Admission to Trading	Application has been made to list the Securities on the Official List and to be admitted to trading on the Market.
Denominations	The Securities will be issued in denominations of €100,000 and integral multiples of €1,000 in excess thereof. No certificates will be issued with a denomination below €100,000. See further “ <i>The Global Certificate</i> ”.
Governing Law	English law save for the provisions relating to subordination of the Securities contained in Condition 3(a) which shall, subject to the provisions of Condition 18(d) (<i>Substitution of Issuer</i>) and Condition 19(e) (<i>Substitution of Guarantor and termination of Guarantee</i>), be governed by the laws of Luxembourg and the provisions relating to subordination of the Guarantee contained in Condition 6(a) (and corresponding provisions of the Guarantee) which shall be governed by the laws of Delaware.
Ratings	The Securities are expected to be rated BB+ by Standard & Poor’s and Ba1 by Moody’s. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. As of the date of this Prospectus, each Rating Agency is a credit rating agency established in the European Union and is registered under Regulation (EC) No 1060/2009 (as amended). As such each Rating Agency is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.
Use of Proceeds	The net proceeds of the issue of the Securities will be applied by the Issuer (i) for general corporate purposes and the repayment of certain existing indebtedness of the Group; and (ii) the repayment of a portion of the existing indebtedness of O3b.
Selling Restrictions	The United States, the United Kingdom, France, Japan and the Republic of Italy. See “Subscription and Sale”.
	Category 2 offering restrictions have been implemented for the purposes of Regulation S under the Securities Act.
Risk Factors	Prospective investors should carefully consider the information set out in “ <i>Risk Factors</i> ” in conjunction with the other information contained or incorporated by reference in this Prospectus.
ISIN	XS1405777746
Common Code	140577774
Fiscal Agent, Paying Agent, Transfer Agent and Registrar	BNP Paribas Securities Services, Luxembourg Branch
Agent Bank	BNP Paribas Securities Services, Luxembourg Branch
Replacement Intention	<i>Unless (a) the rating assigned by Standard & Poor’s to the Issuer is at least “BBB” (or such similar nomenclature then used by Standard &</i>

Poor's) and the Issuer is of the view that such rating would not fall below this level as a result of such redemption or repurchase; or (b) the Securities are not assigned an "equity credit" (or such similar nomenclature then used by Standard & Poor's), at the time of such redemption or repurchase; or (c) in the case of a repurchase, such repurchase is in an amount necessary to allow the Issuer's aggregate principal amount of hybrid capital remaining outstanding after such repurchase to remain below the maximum aggregate principal amount of hybrid capital to which Standard & Poor's would assign equity content under its prevailing methodology, the Issuer intends (without thereby assuming a legal obligation), during the period from and including the issue date of the Securities to but excluding the Reset Date falling on 2 January 2042, in the event of:

- (i) an early redemption of the Securities pursuant to Condition 9(b); or*
- (ii) a repurchase of the Securities of more than (a) 10 per cent. of the aggregate principal amount of the Securities originally issued in any period of 12 consecutive months or (b) 25 per cent. of the aggregate principal amount of the Securities originally issued in any period of 10 consecutive years,*

to redeem or repurchase such Securities only to the extent that such part of the aggregate principal amount of the Securities to be redeemed or repurchased as was characterised as equity by Standard & Poor's at the time of their issuance (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Securities) does not exceed such part of the net proceeds which is received by the Issuer or any subsidiary of the Issuer during the 360-day period prior to the date of such redemption or repurchase from the sale or issuance by the Issuer or any subsidiary of the Issuer to third party purchasers (other than subsidiaries of the Issuer) of securities as is characterised by Standard & Poor's, at the time of sale or issuance, as equity.

TERMS AND CONDITIONS OF THE SECURITIES

The following, except for paragraphs in italics, are the terms and conditions of the Securities which will be endorsed on each Security in definitive form (if issued).

The issue of the €750,000,000 Deeply Subordinated Fixed Rate Resettable Securities (the **Securities**, which expression shall, unless the context otherwise requires, include any further securities issued pursuant to Condition 22 and forming a single series with the Securities) of SES S.A. (the **Issuer**) was authorised by resolutions of the board of directors of the Issuer passed on 7 April 2016 and approved by the executive committee of the Issuer on 9 May 2016, and the guarantee of the Securities was authorised by resolutions of the partners of SES Global Americas Holdings GP (the **Guarantor**) dated 27 April 2016. The Securities are subject to, and have the benefit of, a deed of covenant (the **Deed of Covenant**) dated 10 June 2016 entered into by the Issuer. The Securities are also the subject of a fiscal agency agreement (the **Fiscal Agency Agreement**) dated 10 June 2016 relating to the Securities between the Issuer, the Guarantor, BNP Paribas Securities Services, Luxembourg Branch as fiscal agent and paying agent (the **Fiscal Agent**, and together with any additional or successor paying agents, the **Paying Agents**), BNP Paribas Securities Services, Luxembourg Branch as agent bank (the **Agent Bank**), BNP Paribas Securities Services, Luxembourg Branch as registrar (the **Registrar**) and the transfer agents named therein (together with the Registrar, the **Transfer Agents**, which expression includes any successor or additional transfer agents appointed from time to time in connection with the Securities). These terms and conditions (as amended from time to time) (the **Conditions**) include summaries of, and are subject to, the detailed provisions of the Fiscal Agency Agreement, the Deed of Covenant and the Deed of Guarantee (as defined in Condition 4 (*The Guarantee*)). The Fiscal Agency Agreement includes the forms of the Securities. Copies of (i) the Fiscal Agency Agreement; (ii) the Deed of Covenant; and (iii) the Deed of Guarantee are available for inspection during usual business hours at the principal office of the Fiscal Agent (presently at 60, avenue J.F. Kennedy, L-2085 Luxembourg). The holders of the Securities are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Deed of Covenant and the Deed of Guarantee applicable to them and to have notice of all of the provisions of the Fiscal Agency Agreement applicable to them.

1 Form, Denomination and Title

(a) Form and Denomination

The Securities are issued in registered form in the denominations of €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. A security certificate (each a **Certificate**) will be issued to each holder in respect of its registered holding of Securities. Each Certificate will be serially numbered with an identifying number which will be recorded on the relevant Certificate and in the register of holders which the Issuer will procure to be kept by the Registrar (the **Register**).

The Issuer will maintain a register of holders of the Securities at its registered office in accordance with the provisions of the Luxembourg law of 10 August 1915 on commercial companies, as amended, which shall match the Register with regard to the entries therein. In the event of any discrepancy between the Register and the register held by the Issuer at its registered office, the register held by the Issuer at its registered office shall prevail for Luxembourg law purposes.

The Fiscal Agency Agreement contains provisions which oblige the Registrar promptly to provide an updated copy of the Register to the Issuer on the Issue Date and at any time following any amendment to the Register, in order to allow the Issuer to update the register held by it at its registered office to reflect the Register.

(b) Title

Title to the Securities passes only by registration in the Register. The holder of any Security will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and

regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions, **Holder** or **holder** means the person in whose name a Security is registered in the Register.

(c) Transfers

A Security may be transferred by depositing the Certificate issued in respect of that Security, with the form of transfer on the back duly completed and signed, at the specified office of the Registrar or any of the Transfer Agents.

(d) Delivery of new Certificates

Each new Certificate to be issued upon transfer of Securities will, within five business days of receipt by the Registrar or the relevant Transfer Agent of the duly completed form of transfer endorsed on the relevant Certificate, be mailed by uninsured mail at the risk of the Holder entitled to the Security to the address specified in the form of transfer. For the purposes of this Condition, **business day** shall mean a day on which banks are open for business in the city in which the specified office of the Registrar or Transfer Agent with whom a Certificate is deposited in connection with a transfer is located.

Where some but not all of the Securities in respect of which a Certificate is issued are to be transferred, a new Certificate in respect of the Securities not so transferred will, within five business days of receipt by the Registrar or the relevant Transfer Agent of the original Certificate, be mailed by uninsured mail at the risk of the Holder of the Securities not so transferred to the address of such Holder appearing on the Register or as specified in the form of transfer.

(e) Formalities free of charge

Registration of transfer of Securities will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent upon payment (or the giving of such indemnity as the Issuer, the Registrar or any Transfer Agent may reasonably require) in respect of any stamp duty, tax or other governmental charges which may be imposed in relation to such transfer.

(f) Closed periods

No Holder may require the transfer of a Security to be registered during the period of 15 days ending on the due date for any payment of principal or premium on that Security or in the period falling 15 days prior to any Interest Payment Date.

(g) Regulations

All transfers of Securities and entries on the Register will be made subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 3 to the Fiscal Agency Agreement).

2 Status

The Securities constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves. The rights and claims of the Holders are subordinated as described in Condition 3 (*Subordination*).

3 Subordination

(a) General

In the event of:

- (a) an order being made, or an effective resolution being passed, for the winding-up of the Issuer (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, restructuring, reconstruction, merger, conversion, amalgamation or the substitution in place of the Issuer of a New Issuer in accordance with Condition 18 (*Substitution of Issuer*), the terms of which reorganisation, restructuring, reconstruction, merger, conversion, amalgamation or substitution (x) are authorised or permitted in accordance with the provisions of these Conditions or have previously been approved by an Extraordinary Resolution and (y) do not provide that the Securities shall thereby become redeemable or repayable in accordance with these Conditions);
- (b) an administrator or receiver of the Issuer being appointed and such administrator or receiver giving notice that it intends to declare and distribute a dividend or distribution; or
- (c) any analogous event relating to the Issuer to those described in (a) and (b) above under any insolvency, bankruptcy or similar law applicable to the Issuer,

the rights and claims of the Holders against the Issuer in respect of or arising under the Securities will rank (i) junior to the claims of all holders of Senior Obligations of the Issuer, (ii) *pari passu* with the claims of holders of all Parity Obligations of the Issuer and (iii) senior to the claims of holders of all Junior Obligations of the Issuer.

Nothing in this Condition 3(a) shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Agents or the rights and remedies of the Agents in respect thereof.

Accordingly, and without prejudice to the rights of the Agents, the claims of holders of all Senior Obligations will first have to be satisfied in any winding-up or administration or any other proceeding described in (a) through (c) above before the Holders may expect to obtain any recovery in respect of their Securities and prior thereto Holders will have only limited ability to influence the conduct of such winding-up or administration. See the section entitled “Risk Factors – Risks related to the Securities generally – Limited Remedies”.

*The Issuer does not have any Preferred Shares of the Issuer outstanding and the Issuer’s articles of association do not provide for the issuance of such shares by the Issuer. For so long as any of the Securities remain outstanding, the Guarantor and the Issuer do not intend to issue any Preferred Shares of the Issuer. **Preferred Shares of the Issuer** means any shares in the Issuer which constitute “capital without voting rights” issued in accordance with Article 44(1) of the Luxembourg law of 10 August 1915 on Commercial Companies, as amended, and which confer a preferential right with respect to the reimbursement of contributions.*

(b) Set-off

Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Securities and each Holder shall, by virtue of his holding of any Security, be deemed to have waived all such rights of set-off, compensation or retention.

4 The Guarantee

The Guarantor has, subject to the provisions of Condition 19 (*Substitution of the Guarantor and termination of the Guarantee*), unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Securities on a subordinated basis. Its obligations in that respect (the *Guarantee*) are set out in the deed of guarantee dated the Issue Date and made by the Guarantor for the benefit of the Holders (the *Deed of Guarantee*).

5 Status of the Guarantee

The payment obligations under the Guarantee constitute direct, unsecured and subordinated obligations of the Guarantor and rank *pari passu* and without any preference among themselves. The nature of the subordination of the Guarantee is described in Condition 6 (*Subordination of the Guarantee*).

6 Subordination of the Guarantee

(a) General

In the event of:

- (a) an order being made, or an effective resolution being passed, for the winding-up of the Guarantor (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, restructuring, reconstruction, merger, conversion, amalgamation or a substitution or termination in accordance with Condition 19 (*Substitution of Guarantor and termination of Guarantee*), the terms of which reorganisation, restructuring, reconstruction, merger, conversion, amalgamation, substitution or termination (x) are authorised or permitted in accordance with the provisions of these Conditions or the Deed of Guarantee or have previously been approved by an Extraordinary Resolution and (y) do not provide that the Securities shall thereby become redeemable or repayable in accordance with these Conditions);
- (b) an administrator or receiver of the Guarantor being appointed and such administrator or receiver giving notice that it intends to declare and distribute a dividend or distribution in respect of the partnership interests (or, after a substitution pursuant to Condition 19 (*Substitution of Guarantor and termination of Guarantee*), any other ownership interests) of the Guarantor; or
- (c) any analogous event relating to the Guarantor to those described in (a) and (b) above under any insolvency, bankruptcy or similar law applicable to the Guarantor,

the rights and claims of Holders against the Guarantor in respect of or arising under the Guarantee will rank (i) junior to the claims of the holders of all Senior Obligations of the Guarantor, (ii) *pari passu* with the claims of the holders of all Parity Obligations of the Guarantor and (iii) senior to the claims of the holders of all Junior Obligations of the Guarantor.

Nothing in this Condition 6(a) shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Agents or the rights and remedies of the Agents in respect thereof.

Accordingly, and without prejudice to the rights of the Agents, the claims of holders of all Senior Obligations will first have to be satisfied in any winding-up or administration or any other proceeding described in (a) through (c) above before the Holders may expect to obtain any recovery in respect of the Guarantee and prior thereto Holders will have only limited ability to influence the conduct of such winding-up or administration. See the section entitled “Risk Factors – Risks related to the Securities generally – Limited Remedies”.

(b) Set-off

Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Guarantor in respect of, or arising under or in connection with the Guarantee and each Holder shall, by virtue of his holding of any Security, be deemed to have waived all such rights of set-off, compensation or retention.

7 Interest Payments

(a) Interest Rate

The Securities bear interest on their principal amount at the applicable Interest Rate from (and including) 10 June 2016 (the *Issue Date*) in accordance with the provisions of this Condition 7.

Subject to Condition 8 (*Optional Interest Deferral*), interest shall be payable on the Securities annually in arrear on each Interest Payment Date as provided in this Condition 7, except that the first payment of interest, to be made on 2 January 2017, will be in respect of the period from (and including) the Issue Date to (but excluding) 2 January 2017 and will amount to €26.031 per Calculation Amount (as defined below).

(b) Interest Accrual

The Securities will cease to bear interest from (and including) the date of redemption thereof pursuant to the relevant paragraph of Condition 9 (*Redemption*) or the date of substitution thereof pursuant to Condition 10 (*Substitution or Variation*), as the case may be, unless payment of all amounts due in respect of the Securities is not made, in which event interest shall continue to accrue in respect of unpaid amounts on the Securities, both before and after judgment, and shall be payable, as provided in these Conditions up to (but excluding) the Relevant Date.

Save as provided in Condition 7(c), where it is necessary to calculate an amount of interest in respect of any Security for a period which is less than a complete year, such interest shall be calculated on the basis of the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the relevant payment date divided by the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the next (or first) scheduled Interest Payment Date.

Where it is necessary to calculate an amount of interest in respect of any Security for a period of more than one year, such interest shall be the aggregate of the interest payable in respect of a full year plus the interest payable in respect of the remaining period calculated in the manner as aforesaid.

Interest in respect of any Security shall be calculated per €1,000 in principal amount thereof (the *Calculation Amount*). The amount of interest payable per Calculation Amount for any period shall, save as provided in Condition 7(c), be equal to the product of the relevant Interest Rate, the Calculation Amount and the day count fraction as described in this Condition 7(b) for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards). The amount of interest payable in respect of each Security shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the denomination of such Security without any further rounding.

(c) First Fixed Interest Rate

For each Interest Period ending on or before the First Reset Date and subject to Condition 8, the Securities bear interest at the rate of 4.625 per cent. per annum (the *First Fixed Interest Rate*), payable annually in arrear on the Interest Payment Date in each year, except that the first payment of interest, to be made on 2 January 2017, will be in respect of the period from (and including) the Issue Date to (but excluding) 2 January 2017 and will amount to €26.031 per Calculation Amount.

(d) Subsequent Fixed Interest Rates

For each Interest Period which commences on or after the First Reset Date and subject to Condition 8 (*Optional Interest Deferral*), the Securities bear interest at the relevant Subsequent Fixed Interest Rate. Such interest shall be payable annually in arrear on the Interest Payment Date in each year and shall be calculated, subject to Condition 7(i) below, as follows:

Subsequent Fixed Interest Rate = 5 year Swap Rate + Margin

all as determined by the Agent Bank and where,

5 year Swap Rate means the annual mid-swap rate as displayed on Reuters screen “ISDAFIX2” as at 11:00 a.m. (Central European time) (the **Reset Screen Page**) on the day falling two Business Days prior to the first day of the relevant Reset Period (the **Reset Interest Determination Date**).

If the 5 year Swap Rate does not appear on the Reset Screen Page on the Reset Interest Determination Date, the 5 year Swap Rate will be the Reset Reference Bank Rate on such Reset Interest Determination Date;

Reset Reference Bank Rate means the percentage rate determined on the basis of the 5 year Swap Rate Quotations provided by five leading swap dealers in the interbank market (the **Reset Reference Banks**) to the Agent Bank at approximately 11:00 a.m. (Central European time) on such Reset Interest Determination Date. If at least three quotations are provided, the 5 year Swap Rate will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest);

the **5 year Swap Rate Quotations** means, in respect of each Interest Period falling within a Reset Period, the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap which (i) has a term of 5 years commencing on the relevant Reset Interest Determination Date, (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market, and (iii) has a floating leg based on the 6-month EURIBOR rate (calculated on an Actual/360 day count basis); and

Margin means in respect of (i) the Reset Period ending on (but excluding) 2 January 2027, 4.664 per cent.; (ii) each Reset Period which falls in the period commencing on (and including) 2 January 2027 and ending on (but excluding) 2 January 2042, 4.914 per cent.; and (iii) each Reset Period which falls on or after 2 January 2042, 5.664 per cent.

If on any Reset Interest Determination Date only one or none of the Reset Reference Banks provides the Agent Bank with a 5 year Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the Subsequent Fixed Interest Rate shall be determined to be (i) the Interest Rate as at the last preceding Reset Date less the Margin applicable as from the last preceding Reset Date plus the Margin applicable as from the current Reset Interest Determination Date or (ii) in the case of the first Reset Interest Determination Date, the First Fixed Interest Rate.

The Subsequent Fixed Interest Rate shall be determined as provided above in respect of each Reset Period and, as so determined, such rate shall apply to each Interest Period falling within that Reset Period.

For the purposes of this Condition 7(d), the Agent Bank shall not be responsible to the Issuer or to any third party as a result of the Agent Bank having relied upon or acted on any quotation or information given to it for the purposes of calculating the Subsequent Fixed Interest Rate or the Reset Reference Bank Rate which subsequently may be found to be incorrect or inaccurate in any way or for any losses whatsoever resulting from acting in accordance therewith.

(e) Determination of Subsequent Fixed Interest Rates

The Agent Bank will, as soon as practicable after 11.00 a.m. (Central European time) on each Reset Interest Determination Date, determine the Subsequent Fixed Interest Rate in respect of each Interest Period falling within the relevant Reset Period.

(f) Publication of Subsequent Fixed Interest Rates

The Issuer shall cause notice of each Subsequent Fixed Interest Rate determined in accordance with this Condition 7 in respect of each relevant Interest Period to be given to the Fiscal Agent, the Registrar, the Paying Agents, any stock exchange on which the Securities are for the time being listed or admitted to trading and, in accordance with Condition 21 (*Notices*), the Holders, in each case as soon as practicable after its determination but in any event not later than the fourth Business Day thereafter.

(g) Agent Bank and Reset Reference Banks

With effect from the Reset Interest Determination Date relating to the First Reset Date, the Issuer will maintain an Agent Bank and five Reset Reference Banks where the Interest Rate is to be calculated by reference to them. The name of the initial Agent Bank and its initial specified office is set out at the end of these Conditions.

The Issuer may from time to time replace the Agent Bank with another leading financial institution in London, Paris or Luxembourg. If the Agent Bank is unable or unwilling to continue to act as the Agent Bank or fails duly to determine a Subsequent Fixed Interest Rate in respect of any Interest Period as provided in Condition 7(d), the Issuer shall forthwith appoint another leading financial institution in London, Paris or Luxembourg to act as such in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed as aforesaid.

(h) Determinations of Agent Bank Binding

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 by the Agent Bank shall (in the absence of wilful default, manifest error or negligence) be binding on the Issuer, the Guarantor, the other Agents and all Holders and (in the absence of wilful default, manifest error or negligence) no liability to the Holders or the Issuer shall attach to the Agent Bank in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

(i) Step-up after Change of Control Event

Notwithstanding any other provision of this Condition 7, if the Issuer does not elect to redeem the Securities in accordance with Condition 9(g) (*Redemption for Change of Control Event*) following the occurrence of a Change of Control Event, the then prevailing Interest Rate, and each subsequent Interest Rate otherwise determined in accordance with the provisions of this Condition 7, on the Securities shall be increased by 5 per cent. per annum with effect from (and including) the date on which the Change of Control Event occurred.

8 Optional Interest Deferral

(a) Deferral of Payments

The Issuer may, at its discretion, elect to defer all or part of any Interest Payment (a *Deferred Interest Payment*) which is otherwise scheduled to be paid on an Interest Payment Date by giving notice (a *Deferral Notice*) of such election to the Holders in accordance with Condition 21 (*Notices*), the Fiscal Agent, the Registrar and the Paying Agents not more than 14 nor fewer than 7 Business Days prior to the relevant Interest Payment Date. Subject to Condition 8(b), if the Issuer elects not to make all or part of any Interest Payment on an Interest Payment Date, then it will not have any obligation to pay such interest on the relevant Interest Payment Date and any such non-payment of interest will not constitute an Enforcement Event (as defined in Condition 14 (*Enforcement Event*)) or any other breach of its obligations under the Securities or for any other purpose.

Arrears of Interest (as defined below) may be satisfied at the option of the Issuer in whole but not in part at any time (the *Optional Deferred Interest Settlement Date*) following delivery of a notice to such effect given by the Issuer to the Holders in accordance with Condition 21 (*Notices*), the Fiscal Agent, the Registrar and the Paying Agents not more than 14 nor fewer than 7 Business Days prior to the relevant Optional Deferred Interest

Settlement Date informing them of its election to so satisfy such Arrears of Interest and specifying the relevant Optional Deferred Interest Settlement Date.

Any Deferred Interest Payment shall itself bear interest (such further interest together with the Deferred Interest Payment, being *Arrears of Interest*), at the Interest Rate prevailing from time to time, from (and including) the date on which (but for such deferral) the Deferred Interest Payment would otherwise have been due to be made to (but excluding) the relevant Optional Deferred Interest Settlement Date or, as appropriate, such other date on which such Deferred Interest Payment is paid in accordance with Condition 8(b), in each case such further interest being compounded on each Interest Payment Date.

Non-payment of Arrears of Interest shall not constitute a default by the Issuer or the Guarantor under the Securities or for any other purpose, unless such payment is required in accordance with Condition 8(b).

(b) Mandatory Settlement of Arrears of Interest

Notwithstanding the provisions of Condition 8(a) relating to the ability of the Issuer to defer Interest Payments, the Issuer, failing which the Guarantor, shall pay any outstanding Arrears of Interest, in whole but not in part, on the first occurring Mandatory Settlement Date following the Interest Payment Date on which a Deferred Interest Payment first arose.

Notice of the occurrence of any Mandatory Settlement Date shall be given to the Holders in accordance with Condition 21 (*Notices*), the Fiscal Agent, the Registrar and the Paying Agents not more than 14 and no fewer than 7 Business Days prior to the relevant Mandatory Settlement Date.

If a Mandatory Settlement Date does not occur prior to the calendar day which is the fifth anniversary of the Interest Payment Date on which the relevant Deferred Interest Payment first arose, it is the intention, though not an obligation, of the Issuer to pay all outstanding Arrears of Interest (in whole, but not in part) on the next following Interest Payment Date.

9 Redemption

(a) No Fixed Redemption Date

The Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 3(a) (*Subordination – General*)) only have the right to repay them in accordance with the following provisions of this Condition 9.

(b) Issuer's Call Option

The Issuer may, by giving not fewer than 30 nor more than 60 days' notice to the Fiscal Agent, the Registrar and, in accordance with Condition 21 (*Notices*), the Holders (which notice shall be irrevocable), redeem all, but not some only, of the Securities on any Call Date at their principal amount together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Securities.

(c) Redemption for Certain Taxation Reasons

If, immediately prior to the giving of the notice referred to below, a Tax Deduction Event or a Withholding Tax Event has occurred and is continuing, then the Issuer may, subject to having given not fewer than 30 nor more than 60 days' notice to the Fiscal Agent, the Registrar and, in accordance with Condition 21 (*Notices*), the Holders (which notice shall be irrevocable) and subject to Condition 11 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation*), redeem in accordance with these Conditions at any time all, but not some only, of the Securities at (i) 101 per cent. of their principal amount (in the case of a Tax Deduction Event where such redemption occurs prior to the First Reset Date) or (ii) their

principal amount (in the case of a Tax Deduction Event where such redemption occurs on or after the First Reset Date or in the case of a Withholding Tax Event where such redemption occurs at any time), together, in each case, with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Securities.

(d) Redemption for Rating Reasons

If, immediately prior to the giving of the notice referred to below, a Capital Event has occurred and is continuing, then the Issuer may, subject to having given not fewer than 30 nor more than 60 days' notice to the Fiscal Agent, the Registrar and, in accordance with Condition 21 (*Notices*), the Holders (which notice shall be irrevocable) and subject to Condition 11 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation*), redeem in accordance with these Conditions all, but not some only, of the Securities at any time at (i) 101 per cent. of their principal amount (where such redemption occurs prior to the First Reset Date) or (ii) their principal amount (where such redemption occurs on or after the First Reset Date), together, in each case, with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Securities.

(e) Redemption for Accounting Reasons

If, immediately prior to the giving of the notice referred to below, an Accounting Event has occurred and is continuing, then the Issuer may, subject to having given not fewer than 30 nor more than 60 days' notice to the Fiscal Agent, the Registrar and, in accordance with Condition 21 (*Notices*), the Holders (which notice shall be irrevocable) and subject to Condition 11 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation*), redeem in accordance with these Conditions all, but not some only, of the Securities at any time at (i) 101 per cent. of their principal amount (where such redemption occurs prior to the First Reset Date) or (ii) their principal amount (where such redemption occurs on or after the First Reset Date), together, in each case, with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Securities.

(f) Redemption for Substantial Repurchase

If, immediately prior to the giving of the notice referred to below, a Substantial Repurchase Event has occurred, then the Issuer may, subject to having given not fewer than 30 nor more than 60 days' notice to the Fiscal Agent, the Registrar and, in accordance with Condition 21 (*Notices*), the Holders (which notice shall be irrevocable) and subject to Condition 11 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation*), redeem in accordance with these Conditions all, but not some only, of the Securities at any time at their principal amount, together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Securities.

(g) Redemption for Change of Control Event

If, immediately prior to the giving of the notice referred to below, a Change of Control Event has occurred and is continuing, then the Issuer may, subject to having given not fewer than 52 nor more than 82 days' notice to the Fiscal Agent, the Registrar and, in accordance with Condition 21 (*Notices*), the Holders (which notice shall be irrevocable) and subject to Condition 11 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation*), redeem in accordance with these Conditions all, but not some only, of the Securities at any time at 101 per cent. of their principal amount, together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Securities.

(h) Redemption for Acquisition Event

If an Acquisition Event has occurred and is continuing, then the Issuer may, subject to having given not fewer than 30 nor more than 60 days' notice to the Fiscal Agent, the Registrar and, in accordance with Condition 21 (*Notices*), the Holders (which notice shall be irrevocable) and subject to Condition 11 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation*), redeem in accordance with these Conditions all, but not some only, of the Securities at any time at 101 per cent. of their principal amount, together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Securities.

The Issuer may, at its sole discretion and at any time prior to 2 January 2017, give notice (which notice shall be irrevocable) to the Holders, in accordance with Condition 21 (*Notices*), and to the Fiscal Agent and the Registrar that it has elected to irrevocably waive its right to redeem the Securities pursuant to this Condition 9(h). Upon such notice being given, the Issuer shall no longer be entitled to exercise its rights under this Condition 9(h).

10 Substitution or Variation

If an Accounting Event, a Capital Event, a Tax Deduction Event or a Withholding Tax Event (each a *Substitution or Variation Event*) has occurred and is continuing, then the Issuer may, subject to Condition 11 (without any requirement for the consent or approval of the Holders), and having given not fewer than 30 nor more than 60 days' notice to the Fiscal Agent, the Registrar and, in accordance with Condition 21 (*Notices*), the Holders (which notice shall be irrevocable), at any time either (i) substitute all, but not some only, of the Securities for, or (ii) vary the terms of the Securities with the effect that they remain or become (as the case may be), Qualifying Securities, and the Fiscal Agent shall (subject to the following provisions of this Condition 10 and subject to the receipt by it of the certificate of two Authorised Signatories of the Issuer referred to in Condition 11 (*Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation*)) agree to such substitution or variation.

Upon expiry of such notice, the Issuer shall either vary the terms of or, as the case may be, substitute the Securities in accordance with this Condition 10.

The Fiscal Agent shall, at the expense of the Issuer, use reasonable endeavours to assist the Issuer in the substitution of the Securities for, or the variation of the terms of the Securities so that they remain, or as appropriate, become, Qualifying Securities, provided that the Fiscal Agent shall not be obliged to participate in, or assist with, any such substitution or variation if the terms of the proposed Qualifying Securities or the participation in or assistance with such substitution or variation would impose, in the Fiscal Agent's opinion, more onerous obligations upon it or expose it to liabilities or reduce its protections. If the Fiscal Agent does not participate or assist as provided above, the Issuer may redeem the Securities as provided in Condition 9 (*Redemption*).

In connection with any substitution or variation in accordance with this Condition 10, the Issuer shall comply with the rules of any stock exchange on which the Securities are for the time being listed or admitted to trading.

Any such substitution or variation in accordance with the foregoing provisions following a Substitution or Variation Event shall only be permitted if it does not give rise to any other Substitution or Variation Event with respect to the Qualifying Securities.

Any such substitution or variation in accordance with the foregoing provisions following a Substitution or Variation Event shall only be permitted if it does not result in the Qualifying Securities no longer being eligible for the same, or a higher amount of, "equity credit" (or such other nomenclature that the Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) as is attributed to the Securities on the date notice is given to Holders of the substitution or variation.

In these Conditions, *Qualifying Securities* means securities that:

- (a) are issued by the Issuer or any wholly-owned direct or indirect finance subsidiary of the Issuer with a guarantee of such obligations by the Issuer and, in each case, continue to have the benefit of the Guarantee on substantially the same terms as the Securities benefitted prior to such substitution or variation;
- (b) rank and (save in the case of a direct issue by the Issuer) benefit from a guarantee that ranks in relation to the obligations of the Issuer under such securities and/or such guarantee (as the case may be), equally with the Securities and *pari passu* in a winding-up or liquidation of the Issuer with any Parity Obligations of the Issuer;
- (c) contain terms not materially less favourable to Holders than the terms of the Securities (as reasonably determined by the Issuer) and which:
 - (i) provide for the same or a more favourable Interest Rate from time to time as applied to the Securities immediately prior to such substitution or variation and preserve the same Interest Payment Dates;
 - (ii) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to principal and as to redemption of the Securities, including (without limitation) as to timing of, and amounts payable upon, such redemption;
 - (iii) preserve any existing rights under these Conditions to any accrued interest, any Deferred Interest Payments, any Arrears of Interest and any other amounts payable under the Securities which, in each case, has accrued to Holders and not been paid;
 - (iv) do not provide for the mandatory deferral of payments of interest and/or principal;
 - (v) do not provide for loss absorption through principal write down or conversion to ordinary shares; and
 - (vi) may include a feature which contains a term for the mandatory repayment of such securities on a specified date which shall not be earlier than the date on which the next Call Date would have fallen under the Securities (and the inclusion of such feature shall be deemed not to be materially less favourable to Holders as compared with the terms of the Securities);
- (d) are (i) listed on the official list of the Luxembourg Stock Exchange and admitted to trading on its regulated market or (ii) listed on such other internationally recognised exchange platform in an OECD country as is selected by the Issuer; and
- (e) will have at least the same credit rating as the credit rating ascribed to the Securities by each Rating Agency immediately prior to such substitution or variation.

11 Preconditions to Special Event Redemption, Change of Control Event Redemption, Substitution and Variation

Prior to the publication of any notice of redemption pursuant to Condition 9 (*Redemption*) (other than redemption pursuant to Condition 9(b)) or any notice of substitution or variation pursuant to Condition 10 (*Substitution and Variation*), the Issuer shall deliver to the Fiscal Agent:

- (a) a certificate signed by two Authorised Signatories of the Issuer stating that the relevant requirement or circumstance giving rise to the right to redeem, substitute or vary is satisfied, and where the relevant Special Event requires measures reasonably available to the Issuer to be taken, the relevant Special

Event cannot be avoided by the Issuer taking such measures. In relation to a substitution or variation pursuant to Condition 10 (*Substitution and Variation*), such certificate shall also include further certifications that the criteria specified in paragraphs (a) to (e) of the definition of Qualifying Securities will be satisfied by the Qualifying Securities upon issue and that such determinations were reached by the Issuer in consultation with an independent investment bank of international repute, an independent financial adviser with appropriate expertise or independent counsel of recognised standing;

- (b) in the case of a Withholding Tax Event only, an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or will become obliged to pay Additional Amounts (as defined in Condition 15 (*Taxation*)) on the Securities or, as the case may be, under the Guarantee as a result of the relevant Tax Law Change; and
- (c) in the case of a substitution or variation pursuant to Condition 10 (*Substitution or Variation*) only, an opinion from independent legal advisers of recognised standing confirming:
 - (i) that the Issuer has capacity to assume all rights and obligations under the Qualifying Securities and has obtained all necessary corporate or governmental authorisation to assume all such rights and obligations (either as primary debtor or as a guarantor of a wholly-owned direct or indirect finance subsidiary of the Issuer that assumes the role of primary debtor in respect of the Qualifying Securities) and, in the case of a wholly-owned direct or indirect finance subsidiary of the Issuer that assumes the role of primary debtor in respect of the Qualifying Securities, that such finance subsidiary has capacity to assume all rights and obligations under the Qualifying Securities and has obtained all necessary corporate or governmental authorisation to assume all such rights and obligations; and
 - (ii) the legality, validity and enforceability of the Qualifying Securities,

and the Fiscal Agent may rely absolutely upon and shall be entitled to accept such certificate and any such opinions without any liability to any person for so doing and without any further inquiry as sufficient evidence of the satisfaction of the conditions precedent set out in such paragraphs in which event it shall be conclusive and binding on the Holders.

Any redemption of the Securities in accordance with Conditions 9(b), 9(c), 9(d), 9(e), 9(f), 9(g) or 9(h) (*Redemption*) shall be conditional on all outstanding Arrears of Interest being paid in full in accordance with the provisions of Condition 8 (*Optional Interest Deferral*) on or prior to the date thereof, together with any accrued and unpaid interest up to (but excluding) such redemption, substitution or, as the case may be, variation date.

The Fiscal Agent is under no obligation to ascertain whether any Special Event or Change of Control Event or Change of Control or any event which could lead to the occurrence of, or could constitute, any such Special Event, Change of Control Event or Change of Control, has occurred and, until it shall have actual knowledge or express notice pursuant to the Fiscal Agency Agreement to the contrary, the Fiscal Agent may assume that no such Special Event, Change of Control Event or Change of Control or such other event has occurred.

12 Purchases and Cancellation

(a) Purchases

Each of the Issuer, the Guarantor and any of their respective Subsidiaries may at any time purchase or procure others to purchase beneficially for its account Securities in any manner and at any price. The Securities so purchased, while held by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries, shall not entitle the Holder to vote at any meeting of the Holders or otherwise exercise any voting rights and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Holders or for voting on any Extraordinary Resolution or for the purposes of Condition 17 (*Meetings of Holders and Modification*).

(b) Cancellation

All Securities redeemed or substituted by the Issuer pursuant to Condition 9 or 10, as the case may be, will forthwith be cancelled. All Securities purchased by the Issuer, the Guarantor or any of its/their respective Subsidiaries may be held, reissued, resold or, at the option of the Issuer, surrendered for cancellation to the Fiscal Agent. Securities so surrendered shall be cancelled forthwith. Any Securities so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Securities shall be discharged.

13 Payments

(a) Method of Payment

Payments of principal, premium and interest in respect of each Security will be made by transfer to the registered account of the Holder or by euro cheque drawn on a bank (nominated in writing to the Registrar by the Holder) that processes payments in euro mailed to the registered address of the Holder if it does not have a registered account, provided that the nomination is received by the Registrar not later than 10 Business Days before any date on which payment is scheduled. Interest on the Securities due on an Interest Payment Date will be paid to the holder shown on the Register at the close of business on the date (the *record date*) being the fifteenth day before the due date for the payment of interest.

For the purposes of this Condition 13(a), a Holder's *registered account* means the euro account maintained by or on behalf of it with a bank that processes payments in euro in a city in which banks have access to the TARGET System, details of which appear on the Register at the close of business on the relevant record date, and a Holder's registered address means its address appearing on the Register at that time.

(b) Payments Subject to Fiscal Laws

Without prejudice to the terms of Condition 15 (*Taxation*), all payments made in accordance with these Conditions shall be made subject to any fiscal or other laws and regulations applicable in the place of payment. No commissions or expenses shall be charged to the Holders in respect of such payments.

(c) Payments on Business Days

If any date for payment in respect of any Security is not a business day, the Holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 14, *business day* means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the place in which the specified office of the Registrar is located and a day on which the TARGET System is open.

14 Enforcement Event

(a) Proceedings

If a default is made by the Issuer and the Guarantor for a period of 14 days or more in the payment of principal or 21 days or more in the payment of interest, in each case in respect of the Securities and which is due (an **Enforcement Event**), then any Holder may, at its sole discretion, institute proceedings for the winding-up of the Issuer and/or the Guarantor and/or prove in the winding-up of the Issuer and/or the Guarantor and/or claim in the liquidation of the Issuer and/or the Guarantor, for such payment, and in the event of a winding up of the Issuer in a manner falling within this Condition 14(a), any Holder shall be entitled to claim for all unpaid principal in respect of a Security it holds together with any accrued and unpaid interest up to (but excluding) such date and any outstanding Arrears of Interest in respect of any such Security, with such rights and claims subordinated as provided in Condition 3(a) (*Subordination*).

For the avoidance of doubt, in the event of a winding-up of the Issuer in a manner falling within this Condition 14(a), the Holders shall have a right to claim under the Guarantee, against the Guarantor for, and the Guarantor shall be obliged to pay, an amount equal to any unpaid principal on the Securities and any accrued and unpaid interest and any outstanding Arrears of Interest. Such rights and claims against the Guarantor shall be subordinated as provided in Condition 6(a) (*Subordination of the Guarantee*).

In the event of a winding-up of the Guarantor in a manner falling within this Condition 14(a), the Holders shall have a right to claim against (i) the Issuer (and the Issuer shall be obliged to pay) and (ii) against the Guarantor, under the Guarantee, in the winding-up of the Guarantor, in each case for an amount equal to any unpaid principal on the Securities and any accrued and unpaid interest and any outstanding Arrears of Interest. Such rights and claims against the Issuer and against the Guarantor shall be subordinated as provided in Condition 3(a) (*Subordination*) and 6(a) (*Subordination of the Guarantee*), respectively.

(b) Extent of Holders' remedy

No remedy against the Issuer or the Guarantor, other than as referred to in this Condition 14 shall be available to the Holders, whether for the recovery of amounts owing in respect of the Securities or the Guarantee or in respect of any other breach by the Issuer or the Guarantor of any of its or their respective other obligations under or in respect of the Securities or the Guarantee.

15 Taxation

All payments of principal, premium and interest by or on behalf of the Issuer in respect of the Securities or the Guarantor under the Guarantee shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (**Taxes**) imposed, levied, collected, withheld or assessed by or within any jurisdiction (a **Relevant Tax Jurisdiction**) in which the Issuer or the Guarantor is then incorporated, organised or resident for tax purposes or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer, failing which the Guarantor, shall pay such additional amounts (**Additional Amounts**) as shall result in receipt by the Holders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Security:

- (a) **Other connection:** to, or to a third party on behalf of, a Holder who is liable to such Taxes in respect of such Security by reason of his having some connection with a Relevant Tax Jurisdiction other than a mere holding of such Security; or

- (b) **Presentation more than 30 days after the Relevant Date:** presented for payment more than 30 days after the Relevant Date except to the extent that the Holder thereof would have been entitled to such Additional Amounts on presenting it for payment on the thirtieth day; or
- (c) **Payment to individuals:** where such withholding or deduction is required to be made on a payment to an individual beneficial owner resident in Luxembourg in accordance with the provisions of the Luxembourg law dated 23 December 2005, as amended, introducing a 10 per cent. Luxembourg withholding tax on interest or similar income payments (accrued since 1 July 2005) made by a Luxembourg Paying Agent to or for the immediate benefit of an individual beneficial owner who is resident in Luxembourg paid to Luxembourg resident individuals; or
- (d) **Payment by another Paying Agent:** in respect of which payment is made to a Holder or person on behalf of such Holder who in each case would have been able to avoid such withholding or deduction by receiving such payment through another Paying Agent in a Member State of the European Union or making any other claim or filing for exemption to which it is entitled to the relevant tax authority or Paying Agent; or
- (e) **FATCA withholding:** where such withholding or deduction is imposed under Sections 1471 and 1472 of the Internal Revenue Code of 1986 (the *Code*) (or any regulations thereunder or official interpretations thereof), including, pursuant to an agreement described in section 1471(b)(1) of the Code, under any intergovernmental agreement between the United States and any other jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement).

References in these Conditions to principal, premium, Interest Payments, Deferred Interest Payments, Arrears of Interest and/or any other amount in respect of interest shall be deemed to include any Additional Amounts which may become payable pursuant to the foregoing provisions or any undertakings given in addition thereto or in substitution therefor pursuant to the Fiscal Agency Agreement.

16 Prescription

Claims against the Issuer in respect of Securities will become void unless made within a period of 10 years (in respect of claims relating to principal and premium) and five years (in respect of claims relating to interest) from the Relevant Date relating thereto.

17 Meetings of Holders and Modification

The Fiscal Agency Agreement contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any of the provisions of the Fiscal Agency Agreement. Such a meeting may be convened by the Issuer or the Guarantor and shall be convened by the Issuer if required in writing by Holders holding not less than ten per cent. in principal amount of the Securities for the time being remaining outstanding.

The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in principal amount of the Securities for the time being outstanding, or at any adjourned meeting one or more persons being or representing Holders whatever the principal amount of the Securities so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Securities (including, save where permitted by these Conditions or the Deed of Guarantee, modifying any redemption date in relation to the Securities or reduction or cancellation of the nominal amount payable upon redemption, a reduction or cancellation of the amount payable or modification of the payment date in respect of any interest or the method of calculating the rate thereof, modification of the Guarantee and modification of the currency in which payments under the Securities are to be made), the quorum shall be one or more persons holding or representing not less than three-quarters in principal amount of the

Securities for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-quarter in principal amount of the Securities for the time being outstanding.

The agreement or approval of the Holders shall not be required in the case of any variation of these Conditions and/or the Fiscal Agency Agreement required to be made in the circumstances described in Condition 10 (*Substitution or Variation*) in connection with the substitution or variation of the terms of the Securities so that they become Qualifying Securities.

An Extraordinary Resolution passed at any meeting of the Holders shall be binding on all the Holders, whether or not they are present at the meeting. The Fiscal Agency Agreement provides that a resolution in writing signed by or on behalf of the Holders of not less than 75 per cent in principal amount of the Securities outstanding or consent given by Holders of not less than 75 per cent in principal amount of the Securities by electronic consent through the clearing systems shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders duly convened and held. A resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders.

The Fiscal Agent and the Issuer may agree, without the consent of the Holders, to:

- (a) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Fiscal Agency Agreement which is not prejudicial to the interests of the Holders; or
- (b) any modification of the Securities or the Fiscal Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Holders and any such modification shall be notified to the Holders in accordance with Condition 21 (*Notices*) as soon as practicable thereafter.

Prior to the making of any such modification or taking any action as aforementioned, or prior to any substitution, termination or variation in a manner contemplated in Conditions 10 (*Substitution or Variation*), 18 (*Substitution of Issuer*) or 19 (*Substitution of Guarantor and termination of Guarantee*), the Issuer, the Guarantor and the Fiscal Agent shall not be obliged to have regard to the tax position of individual Holders or to the tax consequences of any such modification, substitution, variation, termination or other action for individual Holders. No Holder shall be entitled to claim, whether from the Fiscal Agent, the Issuer, the Guarantor, a New Issuer or any other person, any indemnification or payment in respect of any tax consequence of any such modification, substitution, variation, termination or other action upon individual Holders.

18 Substitution of Issuer

- (a) The Issuer may at any time, without the consent of the Holders, substitute for itself as the principal debtor under the Securities, the Guarantor or any other member of the Group or a successor in business of the Issuer (such substitute, a New Issuer) provided that:
 - (i) a deed poll and such other documents (if any) shall be executed by the New Issuer and, to the extent necessary, the other parties to the Fiscal Agency Agreement, as may be necessary to give full effect to the substitution and pursuant to which the New Issuer shall undertake in favour of each Holder and each Accountholder (as defined in the Deed of Covenant) to be bound by these conditions, the Deed of Covenant and the Fiscal Agency Agreement as principal debtor in respect of the Securities in place of the Issuer;

- (ii) each Rating Agency confirms that upon the substitution of the New Issuer becoming effective the Securities will either have the same credit rating as immediately prior to the substitution or the credit rating will not be adversely affected;
 - (iii) each Rating Agency has confirmed that upon such substitution becoming effective the Securities will either still be eligible for the same, or a higher amount of, “equity credit” (or such other nomenclature that the Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) as is attributed to the Securities on the date immediately prior to such substitution or such eligibility or attribution will not be adversely affected;
 - (iv) the Fiscal Agent shall have received legal opinions addressed to the Holders from legal advisers of internationally recognised standing approved by it to the effect, *inter alia*, that (A) the New Issuer has obtained all governmental and regulatory approvals and consents necessary for its assumption of the obligations and liabilities as principal debtor under these Conditions, the Deed of Covenant and the Fiscal Agency Agreement in place of the Issuer, the Holders have rights against the New Issuer at least equivalent to the rights they have against the Issuer, subject to the other Conditions in this Condition 18 having been satisfied such assumption is fully effective and such obligations and liabilities are legally valid and binding on, and enforceable against, the New Issuer; (B) such approvals and consents are in full force and effect at the time of substitution; and (C) confirming, with respect to the New Issuer, compliance with sub-paragraph (v) below;
 - (v) all payments of principal and interest in respect of the Securities by or on behalf of the New Issuer shall be made free and clear of and without withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of the tax jurisdiction to which it is subject or any political subdivision thereof or any authority thereof or therein having power to tax;
 - (vi) any stock exchange on which the Securities are listed shall have confirmed to the Issuer and the Fiscal Agent that, after giving effect to the substitution, the Securities will continue to be listed on such stock exchange;
 - (vii) two Authorised Signatories of the New Issuer shall have certified to the Fiscal Agent that the New Issuer is solvent at the time at which the substitution or appointment is proposed to be effected; and
 - (viii) two Authorised Signatories of the Issuer or two Authorised Signatories of the New Issuer shall have certified to the Fiscal Agent that, following consultation with an independent investment bank of international repute, an independent financial adviser with appropriate expertise or independent counsel of recognised standing, the Issuer or, as the case may be, the New Issuer has concluded that such substitution (i) will not result in the New Issuer having an entitlement, as at the date such substitution becomes effective, to redeem the Securities as a result of a Special Event and (ii) will not result in the terms of the Securities immediately following such substitution being materially less favourable to holders than the terms of the Securities immediately prior to such substitution.
- (b) Upon execution and delivery of the deed poll or the other documents referred to in paragraph (a)(i) above and delivery of the legal opinions and other documents referred to in paragraph (a)(ii) to (a)(viii) above the New Issuer shall be deemed to be named in the Securities, the Deed of Covenant and the Fiscal Agency Agreement as the principal debtor in place of the Issuer and the Securities, the Deed of

Covenant, the Fiscal Agency Agreement and any other documents related to the Securities shall thereupon be deemed to be amended to give effect to the substitution, and the Issuer shall be released from all of its obligations under or in respect of the Securities, the Deed of Covenant, and the Fiscal Agency Agreement and any other documents related to the Securities.

- (c) Not later than 14 days after the substitution of a New Issuer, notice shall be given to the Holders in accordance with Condition 21 (*Notices*).
- (d) In the event of a substitution pursuant to this Condition 18, the governing law of Condition 3(a) (Subordination) shall be amended to the governing law of the jurisdiction of incorporation of the New Issuer. In addition for the purposes of the definition of “Compulsory Arrears of Interest Settlement Event”, references to “Junior Obligations of the Issuer” shall be deemed to include references to such obligations of both the New Issuer and SES S.A..

19 Substitution of Guarantor and termination of Guarantee

- (a) Notwithstanding the provisions of Condition 4 (*The Guarantee*), the Deed of Guarantee contains provisions which:

- (i) allow the Guarantor at any time to substitute itself for another entity in the Group or a successor in business of the Guarantor (upon which such other entity shall assume all the rights and obligations of the Guarantor under these Conditions, the Fiscal Agency Agreement, the Guarantee and any other related documents); and
- (ii) for so long as SES Global Americas Holdings GP remains Guarantor, permit a termination of the Guarantee where:
 - (I) an order is made by any competent court or effective resolution passed for the winding up or dissolution of SES Global Americas Holdings GP; and
 - (II) such winding up or dissolution is for the purposes of or pursuant to an amalgamation, reorganisation or restructuring while solvent and pursuant to which SES S.A. assumes all of the assets, liabilities and obligations of SES Global Americas Holdings GP,

with any such termination pursuant to (ii) above becoming effective upon the relevant winding up or dissolution taking effect.

- (b) Any such substitution or termination shall be at the sole discretion of the Issuer and the Guarantor, but shall be conditional upon:
 - (i) there being no Enforcement Event that has occurred and is continuing;
 - (ii) each Rating Agency having confirmed that upon such substitution or termination becoming effective the Securities will either have the same credit rating as immediately prior to such substitution or termination or the credit rating will not be adversely affected; and
 - (iii) each Rating Agency having confirmed that upon such substitution or termination becoming effective the Securities will either still be eligible for the same, or a higher amount of, “equity credit” (or such other nomenclature that the Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) as is attributed to the Securities on the date immediately prior to such substitution or termination or such eligibility or attribution will not be adversely affected; and

- (iv) two Authorised Signatories of the Issuer or two Authorised Signatories of the Guarantor shall have certified to the Fiscal Agent that, following consultation with an independent investment bank of international repute, an independent financial adviser with appropriate expertise or independent counsel of recognised standing, the Issuer or, as the case may be, the Guarantor has concluded that such substitution or termination (i) will not result in the Issuer having an entitlement, as at the date such substitution or termination becomes effective, to redeem the Securities as a result of a Special Event and (ii), in the case of a substitution pursuant to this Condition 19 only, will not result in the terms of the Securities and the Guarantee (taken together) immediately following such substitution being materially less favourable to holders than the terms of the Securities and the Guarantee (taken together) immediately prior to such substitution.
- (c) Upon any such substitution pursuant to Condition 19(a)(i) taking effect, the Guarantor shall be released from all of its obligations under or in respect of these Conditions, the Fiscal Agency Agreement, the Guarantee and any other related documents.
- (d) Upon any such termination pursuant to Condition 19(a)(ii) taking effect, SES Global Americas Holdings GP shall be released from all of its obligations under or in respect of these Conditions, the Fiscal Agency Agreement, the Guarantee and any other related documents.
- (e) Not later than 14 days after any such substitution or termination in accordance with the provisions of this Condition 19, notice shall be given to the Holders in accordance with Condition 21 (*Notices*).
- (f) In the event of a substitution pursuant to this Condition 19, the governing law of Condition 6(a) shall be amended to the governing law of the jurisdiction of incorporation of the entity substituted in place of the Guarantor.

20 Replacement of Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Registrar or such other Paying Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Holders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer and the Fiscal Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

21 Notices

All notices to the Holders will be valid if mailed to them by first class mail or (if posted to an address overseas) by airmail to the Holders (or the first of any joint named Holders) at their respective addresses in the Register maintained by the Registrar. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Securities are for the time being listed or by which they have been admitted to trading (which means, for the avoidance of doubt, if and for so long as the Securities are admitted to trading on, and listed on the Official List of the Luxembourg Stock Exchange and the rules of such stock exchange so require, a daily newspaper of general circulation in Luxembourg, and/or on the Luxembourg Stock Exchange's website (www.bourse.lu) or any other manner considered as equivalent by the Luxembourg Stock Exchange). Any such notice will be deemed to have been given on the fourth day after being so mailed or on the date of publication or, if published more than once, on the first date on which such publication is made.

22 Further Issues

The Issuer may from time to time without the consent of the Holders create and issue further Securities ranking *pari passu* in all respects (or in all respects save for the date from which interest thereon accrues and the amount of the first payment of interest on such further Securities) and so that such further issue shall be consolidated and form a single series with the outstanding Securities.

23 Agents

The initial Agents and their initial specified offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents, provided that it will:

- (a) at all times maintain a Fiscal Agent and a Registrar; and
- (b) whenever a function expressed in these Conditions to be performed by the Agent Bank or by the Reset Reference Banks falls to be performed, appoint and (for so long as such function is required to be performed) maintain an Agent Bank and/or, as appropriate, Reset Reference Banks.

Notice of any such termination or appointment and of any change in the specified offices of the Fiscal Agent, the Registrar or any of the Paying Agents or Transfer Agents will be given to the Holders in accordance with Condition 21 (*Notices*). If any of the Fiscal Agent, the Registrar, the Agent Bank or any Paying Agent is unable or unwilling to act as such or if it fails to make a determination or calculation or otherwise fails to perform its duties under these Conditions or the Fiscal Agency Agreement (as the case may be), the Issuer shall appoint, an independent financial institution to act as such in its place. All calculations and determinations made by the Agent Bank or the Fiscal Agent in relation to the Securities shall (save in the case of manifest error) be final and binding on the Issuer, the Guarantor, the other Agents and the Holders.

24 Governing Law

The Fiscal Agency Agreement, the Deed of Covenant, the Guarantee, the Securities and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of England save for the provisions contained in Condition 3(a) (*Subordination*) which shall, subject to the provisions of Condition 18(d) (*Substitution of Issuer*) and Condition 19(e) (*Substitution of Guarantor and termination of Guarantee*), be governed by the laws of Luxembourg and the provisions contained in Condition 6(a) which shall be governed by the laws of Delaware. The provisions of articles 86 to 94-8 of the Luxembourg law dated 10 August 1915 concerning commercial companies, as amended, shall not apply to the Securities.

25 Submission to Jurisdiction

The Issuer irrevocably agrees, for the benefit of the Holders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Securities (including a dispute relating to any non-contractual obligations arising out of or in connection with the Fiscal Agency Agreement and the Securities) and accordingly submits to the exclusive jurisdiction of the English courts.

The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Holders may take any suit, action or proceedings (together referred to as *Proceedings*) arising out of or in connection with the Securities (including a dispute relating to any non-contractual obligations arising out of or in connection with the Securities), against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

26 Appointment of Process Agent

The Issuer appoints Freshfields Bruckhaus Deringer LLP at its registered office at 65 Fleet Street, London EC4Y 1HS (marked for the attention of the Dispute Resolution DMP and Mr. Christopher Barratt, reference 123182-0056) as its agent for service of process, and undertakes that, in the event of Freshfields Bruckhaus Deringer LLP ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

27 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Securities by virtue of the Contracts (Rights of Third Parties) Act 1999.

28 Definitions

In these Conditions:

an *Accounting Event* shall be deemed to occur if, as a result of a change in accounting principles which becomes effective on or after 10 June 2016, but not otherwise, the obligations of the Issuer under the Securities must not or may no longer be recorded as “equity” in the next following audited annual consolidated financial statements of SES S.A. prepared in accordance with IFRS or any other accounting standards that SES S.A. may adopt in the future for the preparation of its audited annual consolidated financial statements in accordance with Luxembourg company law;

an *Acquisition Event* shall be deemed to occur if the Issuer has confirmed in writing to the Fiscal Agent on or before 2 January 2017 that it, or any of its Subsidiaries through which such acquisition is intended to be effected, no longer intends and is no longer legally committed to pursue the acquisition of O3b Networks Limited;

Additional Amounts has the meaning given to it in Condition 15 (*Taxation*);

Agent Bank has the meaning given to it in the preamble to these Conditions;

Agents has means the Fiscal Agent, the Agent Bank, the Registrar, the Transfer Agents and the Paying Agents or any of them;

Arrears of Interest has the meaning given to it in Condition 8(a) (*Deferral of Payments*);

Authorised Signatory has the meaning given to it in the Fiscal Agency Agreement;

Business Day means a day, other than a Saturday, Sunday or public holiday, on which commercial banks and foreign exchange markets are open for general business in London and Luxembourg and the TARGET System is operating;

Calculation Amount has the meaning given to it in Condition 7(b) (*Interest Accrual*);

Call Date means the First Reset Date or on any Interest Payment Date thereafter;

a *Capital Event* shall be deemed to occur if the Issuer has received, and notified the Holders in accordance with Condition 21 (*Notices*) that it has so received, confirmation from any Rating Agency of an amendment to, clarification of or change in its assessment criteria or a change in the interpretation thereof which becomes effective on or after 10 June 2016 (or, if later, effective after the date on which the Securities are assigned “equity credit” by a Rating Agency for the first time) and as a result of which, but not otherwise, the Securities will no longer be eligible for the same, or a higher amount of, “equity credit” (or such other nomenclature that the Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an

ordinary share) as was attributed to the Securities at the Issue Date (or if “equity credit” is not assigned to the Securities by the relevant Rating Agency on the Issue Date, at the date on which “equity credit” is assigned by such Rating Agency for the first time, or in the case of S&P, at the date when the highest “equity credit” was assigned during the period from 10 June 2016 to a date falling on or around the first date on which the Issuer may no longer exercise its right to redeem the Securities in accordance with Condition 9(h) (*Redemption for Acquisition Event*);

Certificate has the meaning given to it in Condition 1(a) (*Form and Denomination*);

a *Change of Control Event* shall be deemed to occur if:

- (a) a Change of Control occurs and within the Change of Control Period (if at the time that the Change of Control occurs any of the Senior Obligations of the Issuer are rated by a Rating Agency) a Rating Downgrade in respect of that Change of Control occurs; or
- (b) (if at such time none of the Senior Obligations of the Issuer are rated) a Change of Control occurs,

For the purposes of the definition of a Change of Control Event:

- (i) a *Change of Control* shall be deemed to have occurred at each time (whether or not approved by the Board of Directors or Executive Committee of the Issuer) that any person (the *Relevant Person*) or persons acting in concert or any person or persons acting on behalf of any such person(s), at any time directly or indirectly acquire(s) (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (B) such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer, provided that a Change of Control shall not be deemed to have occurred if all or substantially all of the shareholders of the Relevant Person are, or immediately prior to the event which would otherwise have constituted a Change of Control were, the shareholders of the Issuer with the same (or substantially the same) *pro rata* interests in the share capital of the Relevant Person as such shareholders have, or as the case may be, had, in the share capital of the Issuer;
- (ii) *Change of Control Period* means the period ending 120 days after the public announcement of the Change of Control having occurred; and
- (iii) a *Rating Downgrade* shall be deemed to have occurred in respect of a Change of Control if within the Change of Control Period the rating previously assigned to any Senior Obligations of the Issuer by any relevant Rating Agency is (x) withdrawn or (y) changed from an investment grade rating (BBB-/Baa3, or their respective equivalents for the time being, or better) to a non-investment grade rating (BB+/Ba1, or their respective equivalents for the time being, or worse) or (z) if the rating previously assigned to any such Senior Obligations of the Issuer by any relevant Rating Agency shall be below an investment grade rating (as described above), lowered one full rating category (for example from BB+ to BB or such similar lower or equivalent rating), provided that a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control if the relevant Rating Agency making the change in rating to which this definition would otherwise apply does not publicly announce or publicly confirm that the reduction was the result, in whole or part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control;

a *Compulsory Arrears of Interest Settlement Event* shall have occurred if:

- (i) a dividend (either interim or final), other distribution or payment was validly resolved on, declared, paid or made in respect of any Junior Obligations of the Issuer or the Guarantor, except where (x) such dividend, other distribution or payment was required to be resolved on, declared, paid or made in respect of any stock option plans or employees' share schemes of the Issuer, the Guarantor or any other member of the Group or (y) the Issuer or the Guarantor is obliged under the terms of such securities to make such dividend, distribution or other payment or (z) such dividend, distribution or payment is made (or to be made) only to the Issuer, the Guarantor and/or any other entity in the Group; or
- (ii) a dividend (either interim or final), other distribution or payment was validly resolved on, declared, paid or made in respect of any Parity Obligations of the Issuer or the Guarantor, as the case may be, except where such dividend, distribution or payment was required to be declared, paid or made under the terms of such Parity Obligations of the Issuer or the Guarantor, as the case may be, or except where such dividend, distribution or payment is made (or to be made) only to the Issuer, the Guarantor and/or any other entity in the Group; or
- (iii) the Issuer or the Guarantor has redeemed, repurchased or otherwise acquired any of its Junior Obligations, except where (x) such redemption, repurchase or acquisition was undertaken in respect of any stock option plans or employees' share schemes of the Issuer, the Guarantor or any other member of the Group, (y) the Issuer or the Guarantor is obliged under the terms of such securities to make such redemption, repurchase or acquisition or (z) any payment in respect of such redemption, repurchase or acquisition is made (or to be made) only to the Issuer, the Guarantor and/or any other entity in the Group; or
- (iv) the Issuer or the Guarantor, or any Subsidiary of the Issuer or the Guarantor, has redeemed, repurchased or otherwise acquired any Parity Obligations of the Issuer or the Guarantor, as the case may be, except where (x) such redemption, repurchase or acquisition is effected as a public tender offer or public exchange offer at a purchase price per security which is below its par value or (y) the Issuer or the Guarantor, as the case may be, or any Subsidiary of the Issuer or the Guarantor, as the case may be, is obliged under the terms of such securities to make such redemption, repurchase or acquisition, or (z) any payment in respect of such redemption, repurchase or acquisition is made (or to be made) only to the Issuer, the Guarantor and/or any other entity in the Group;

Conditions means these terms and conditions of the Securities, as amended from time to time;

Deferred Interest Payment has the meaning given to it in Condition 8(a) (*Deferral of Payments*);

euro or € means the lawful currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended;

Extraordinary Resolution has the meaning given to it in the Fiscal Agency Agreement;

First Fixed Interest Rate has the meaning given to it in Condition 7(c) (*First Fixed Interest Rate*);

First Reset Date means 2 January 2022;

Group means SES S.A. and its Subsidiaries taken as a whole;

Guarantor means SES Global Americas GP;

Holder has the meaning given to it in the preamble to these Conditions;

IFRS means International Financial Reporting Standards as adopted by the EU;

Interest Payment means, in respect of an interest payment on an Interest Payment Date, the amount of interest payable for the relevant Interest Period in accordance with Condition 7 (*Interest Payments*);

Interest Payment Date means 2 January in each year, commencing on (and including) 2 January 2017;

Interest Period means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

Interest Rate means the First Fixed Interest Rate and/or each Subsequent Fixed Interest Rate, as the case may be;

Issue Date has the meaning given to it in Condition 7(a) (*Interest Rate*);

Issuer means SES S.A.;

Junior Obligations means the Junior Obligations of the Guarantor and the Junior Obligations of the Issuer;

Junior Obligations of the Guarantor means (i) any class (whether common or preferred) of partnership interest (or, after a substitution pursuant to Condition 19 (*Substitution of Guarantor and termination of Guarantee*), any other ownership interests) in the Guarantor; (ii) all obligations of the Guarantor issued or incurred directly or indirectly by it, which rank or are expressed to rank *pari passu* with any class (whether common or preferred) of partnership interest (or, after a substitution pursuant to Condition 19 (*Substitution of Guarantor and termination of Guarantee*), any other ownership interests) in the Guarantor; or (iii) any obligation of any Subsidiary of the Guarantor benefiting from a guarantee or support agreement entered into by the Guarantor which ranks, or is expressed to rank, *pari passu* with the obligations referred to in (i) or (ii);

Junior Obligations of the Issuer means (i) any class of share capital of the Issuer; (ii) all obligations of the Issuer issued or incurred directly or indirectly by it, which rank or are expressed to rank *pari passu* with any class of share capital of the Issuer; or (iii) any obligations of any Subsidiaries of the Issuer benefiting from a guarantee or support agreement entered into by the Issuer which ranks, or is expressed to rank, *pari passu* with the securities referred to in (i) or (ii);

Mandatory Settlement Date means the earlier of:

- (i) as soon as reasonably practicable (but not later than the fifteenth Business Day) following the date on which a Compulsory Arrears of Interest Settlement Event occurs; or
- (ii) the date on which the Securities are redeemed or repaid in accordance with Condition 3, Condition 6, Condition 9 (*Redemption*) or Condition 14 (*Enforcement Event*);

OECD means the Organisation for Economic Co-operation and Development;

Parity Obligations means the Parity Obligations of the Guarantor and the Parity Obligations of the Issuer;

Parity Obligations of the Guarantor, with respect to the Guarantor means (if any) (i) any obligations of the Guarantor, issued or incurred directly or indirectly by it, which rank, or are expressed to rank, *pari passu* with its obligations under the Guarantee and (ii) any obligations of any Subsidiaries of the Guarantor benefiting from a guarantee or support agreement entered into by the Guarantor which ranks, or is expressed to rank, *pari passu* with its obligations under the Guarantee;

Parity Obligations of the Issuer, with respect to the Issuer means (if any) (i) any obligations of the Issuer, issued or incurred directly or indirectly by it, which rank, or are expressed to rank, *pari passu* with the Securities and (ii) any obligations of any Subsidiaries of the Issuer benefiting from a guarantee or support agreement entered into by the Issuer which ranks, or is expressed to rank, *pari passu* with the Securities;

Fiscal Agency Agreement has the meaning given to it in the preamble to these Conditions;

Paying Agents has the meaning given to it in the preamble to these Conditions;

Qualifying Securities has the meaning given to it in Condition 10 (*Subordination or Variation*);

Rating Agency means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. or Moody's Investors Service, Inc. or any of their respective subsidiaries and their successors or any other rating agency of equivalent international standing specified from time to time by the Issuer;

Register has the meaning given to it in Condition 1(a) (*Form and Denomination*);

Relevant Date means (i) in respect of any payment other than a sum to be paid by the Issuer in a winding-up or administration of the Issuer, the date on which such payment first becomes due and payable but, if the full amount of the moneys payable on such date has not been received by the Fiscal Agent on or prior to such date, the Relevant Date means the date on which such moneys shall have been so received and notice to that effect shall have been given to the Holders in accordance with Condition 21, and (ii) in respect of a sum to be paid by the Issuer in a winding-up or administration of the Issuer, the date which is one day prior to the date on which an order is made or a resolution is passed for the winding-up or, in the case of an administration, one day prior to the date on which any dividend is distributed;

Reset Date means the First Reset Date and each date falling on the fifth anniversary of the First Reset Date;

Reset Period means the period from one Reset Date to (but excluding) the next following Reset Date;

Reset Reference Banks means five major banks in the interbank market in London, Paris or Luxembourg as selected by the Agent Bank, after consultation with the Issuer;

S&P means Standard & Poor's Rating Services or any of its subsidiaries and their successors;

Securities has the meaning given to it in the preamble to these Conditions;

Senior Obligations means the Senior Obligations of the Guarantor and the Senior Obligations of the Issuer;

Senior Obligations of the Guarantor means all obligations of the Guarantor, issued or incurred directly or indirectly by it, other than Parity Obligations and the Junior Obligations;

Senior Obligations of the Issuer means all obligations of the Issuer, issued or incurred directly or indirectly by it, other than Parity Obligations and the Junior Obligations;

Special Event means any of an Accounting Event, a Capital Event, a Substantial Repurchase Event, a Tax Deduction Event, a Withholding Tax Event or an Acquisition Event or any combination of the foregoing;

Subsequent Fixed Interest Rate has the meaning given to it in Condition 7(d) (*Subsequent Fixed Interest Rates*);

Subsidiary means, in relation to the Issuer or the Guarantor, any individual, partnership, corporation, limited liability company, association, trust, unincorporated organisation (i) in which the Issuer or, as the case may be, the Guarantor holds a majority of the voting rights or (ii) of which the Issuer or, as the case may be, the Guarantor is a member and has the right to appoint or remove a majority of the board of directors or (iii) of which the Issuer or the Guarantor is a member and controls a majority of the voting rights, and includes any individual, partnership, corporation, limited liability company, association, trust, unincorporated organisation which is a Subsidiary of a Subsidiary of the Issuer or, as the case may be, the Guarantor;

Substantial Repurchase Event shall be deemed to occur if prior to the giving of the relevant notice of redemption the Issuer repurchases (and effects corresponding cancellations) or redeems Securities in respect of 80 per cent. or more in the principal amount of the Securities initially issued (which shall for this purpose include any further Securities issued pursuant to Condition 22 (*Further Issues*));

Substitution or Variation Event has the meaning given to it in Condition 10 (*Substitution or Variation*);

successor in business means, in relation to a company, partnership or other entity, any other company, partnership or other entity which:

- (i) owns beneficially the whole or substantially the whole of the undertaking, property and assets owned by such company, partnership or other entity immediately prior thereto; and
- (ii) carries on, as successor to such company, partnership or other entity, the whole or substantially the whole of the business carried on by such company, partnership or other entity immediately prior thereto;

TARGET System means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto;

a **Tax Deduction Event** shall be deemed to have occurred if as a result of a Tax Law Change:

- (i) in respect of the Issuer's obligation to make any Interest Payment on the next following Interest Payment Date, the Issuer would not be entitled to claim a deduction in respect of computing its taxation liabilities in Luxembourg, or such entitlement is materially reduced compared to such entitlement as at the Issue Date; or
- (ii) in respect of the Issuer's obligation to make any Interest Payment on the next following Interest Payment Date, the Issuer would not to any material extent be entitled to have such deduction set against the profits of companies with which it is grouped for applicable Luxembourg tax purposes;

and, in each case, the Issuer cannot avoid the foregoing in connection with the Securities by taking measures reasonably available to it;

Tax Law Change means a change in or proposed change in, or amendment or proposed amendment to, the laws or regulations of a Relevant Tax Jurisdiction or any political subdivision or any authority thereof or therein having the power to tax, including any treaty to which a Relevant Tax Jurisdiction is a party, or any change in the application of official or generally published interpretation of such laws or regulations, including a decision of any court or tribunal, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such laws or regulations or interpretation thereof that differs from the previously generally accepted position in relation to similar transactions, which change or amendment becomes, or would become, effective on or after 10 June 2016; and

a **Withholding Tax Event** shall be deemed to occur if as a result of a Tax Law Change, in making any payments on the Securities or the Guarantee, the Issuer or the Guarantor has paid or will or would on the next Interest Payment Date be required to pay Additional Amounts on the Securities or the Guarantee and the Issuer or the Guarantor, as the case may be, cannot avoid the foregoing in connection with the Securities by taking measures reasonably available to it.

The following paragraphs do not form part of the terms and conditions of the Securities.

Unless (a) the rating assigned by Standard & Poor's to the Issuer is at least "BBB" (or such similar nomenclature then used by Standard & Poor's) and the Issuer is of the view that such rating would not fall

below this level as a result of such redemption or repurchase; or (b) the Securities are not assigned an “equity credit” (or such similar nomenclature then used by Standard & Poor’s), at the time of such redemption or repurchase; or (c) in the case of a repurchase, such repurchase is in an amount necessary to allow the Issuer’s aggregate principal amount of hybrid capital remaining outstanding after such repurchase to remain below the maximum aggregate principal amount of hybrid capital to which Standard & Poor’s would assign equity content under its prevailing methodology, the Issuer intends (without thereby assuming a legal obligation), during the period from and including the issue date of the Securities to but excluding the Reset Date falling on 2 January 2042, in the event of:

- (i) an early redemption of the Securities pursuant to Condition 9(b); or*
- (ii) a repurchase of the Securities of more than (a) 10 per cent. of the aggregate principal amount of the relevant Securities originally issued in any period of 12 consecutive months or (b) 25 per cent. of the aggregate principal amount of the relevant Securities originally issued in any period of 10 consecutive years,*

to redeem or repurchase such Securities only to the extent that such part of the aggregate principal amount of the relevant Securities to be redeemed or repurchased as was characterised as equity by Standard & Poor’s at the time of their issuance (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Securities) does not exceed such part of the net proceeds which is received by the Issuer or any subsidiary of the Issuer during the 360-day period prior to the date of such redemption or repurchase from the sale or issuance by the Issuer or any subsidiary of the Issuer to third party purchasers (other than subsidiaries of the Issuer) of securities as is characterised by Standard & Poor’s, at the time of sale or issuance, as equity.

THE GLOBAL CERTIFICATE

The Global Certificate will contain provisions which apply to the Securities in respect of which they are issued while they are represented by the Global Certificate, some of which modify the effect of the Conditions and which are summarised below. Terms defined in the Conditions have the same meaning in paragraphs 1 to 7 below.

1. Accountholders

For so long as any of the Securities are represented by the Global Certificate, each person (other than another clearing system) who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system (an *Alternative Clearing System*) as the holder of a particular nominal amount of such Securities (each an *Accountholder*) (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any Alternative Clearing System as to the aggregate principal amount of such Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated as the holder of such nominal amount of such Securities (and the expression *Holders* and references to *holding of Securities* and to *holder of Securities* shall be construed accordingly) for all purposes other than with respect to payments on such Securities, the right to which shall be vested, as against the Issuer and the Guarantor, solely in the registered holder of the Global Certificate, being the nominee for the relevant clearing system (the *Relevant Nominee*), in accordance with and subject to the terms of the Global Certificate and the Fiscal Agency Agreement. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the Relevant Nominee.

2. Redemption and Cancellation

On any redemption or payment of interest being made in respect of, or purchase and cancellation of, any of the Securities represented by the Global Certificate details of such redemption, payment or purchase and cancellation (as the case may be) shall be entered by or on behalf of the Issuer in the Register. Upon any such redemption, payment of an instalment or purchase and cancellation the nominal amount of the Global Certificate and the Securities held by the registered holder hereof shall be reduced by the nominal amount of such Securities so redeemed or purchased and cancelled. The nominal amount of the Global Certificate and of the Securities held by the registered holder hereof following any such redemption or purchase and cancellation as aforesaid or any transfer or exchange as referred to below shall be the nominal amount most recently entered in the register.

3. Payments

Payments of principal, premium and interest (including, for the avoidance of doubt, Deferred Interest) in respect of Securities represented by the Global Certificate will be made to the Relevant Nominee upon presentation or, if no further payment falls to be made in respect of the Securities, against presentation and surrender of such Global Certificate to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the holders of the Global Certificate for such purpose. A record of each payment made will be entered into by or on behalf of the Registrar in the Register and shall be prima facie evidence that payment has been made.

Distributions of amounts with respect to book-entry interests in the Securities held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Fiscal Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant clearing system's rules and procedures.

For the purposes of Condition 13 (*Payments*), the record date in respect of the Securities shall be the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date.

4. Notices

So long as the Securities are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear, Clearstream, Luxembourg or any Alternative Clearing System notices to Holders may be given by delivery of the relevant notice to the relevant clearing system for communication by it to entitled Accountholders in substitution for notification as required by Condition 21 (*Notices*) provided that the Issuer shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Securities are for the time being listed. Any such notice shall be deemed to have been given to the Holders on the day after the day on which such notice is delivered to Euroclear, Clearstream, Luxembourg and/or any Alternative Clearing System (as the case may be) as aforesaid.

5. Exchange and Registration of Title

Transfers of the holding of Securities represented by the Global Certificate pursuant to Condition 1(c) may only be made in part:

- (a) if the Securities represented by the Global Certificate are held on behalf of Euroclear or Clearstream, Luxembourg or any Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (b) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Securities represented by the Global Certificate in definitive form; or
- (c) upon an Enforcement Event,

provided that, in the case of the first transfer of part of a holding pursuant to (a) or (b) above, the holder of the Securities represented by the Global Certificate has given the Registrar not less than 30 days' notice at its specified office of such holder's intention to effect such transfer. Where the holding of Securities represented by the Global Certificate is only transferable in its entirety, the Certificate issued to the transferee upon transfer of such holding shall be a Global Certificate. Where transfers are permitted in part, Certificates issued to transferees shall not be Global Certificates unless the transferee so requests and certifies to the Registrar that it is, or is acting as a nominee for, Clearstream, Luxembourg, Euroclear and/or an Alternative Clearing System.

6. Transfers

Transfers of book-entry interests in the Securities will be effected through the records of Euroclear and Clearstream, Luxembourg and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants.

7. Calculation of Interest

For so long as all the Securities outstanding are represented by the Global Certificate, interest shall be calculated on the basis of the aggregate principal amount of the Securities represented by the Global Certificate, and not per Calculation Amount as provided in Condition 7(b) (*Interest Payments - Interest Accrual*).

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Data

Unless otherwise indicated, financial information included in this Prospectus has been prepared in accordance with International Financial Reporting Standards (*IFRS*) adopted by the International Accounting Standards Board (*IASB*) and endorsed by the European Union (*EU*) (*EU IFRS*). EU IFRS differs in significant respects from generally accepted accounting principles in the United States of America (*U.S. GAAP*).

The Group's financial year ends on 31 December.

Group Financial Statements

The following financial statements are incorporated by reference into this Prospectus:

- the audited consolidated financial statements of the Group as of and for the year ended 31 December 2013 prepared in accordance with EU IFRS and the notes thereto, incorporated in the SES Annual Report for the year ended 31 December 2013 (the *2013 Financial Statements*);
- the audited consolidated financial statements of the Group as of and for the year ended 31 December 2014 prepared in accordance with EU IFRS and the notes thereto, incorporated in the SES Annual Report for the year ended 31 December 2014 (the *2014 Financial Statements*);
- the audited consolidated financial statements of the Group as of and for the year ended 31 December 2015 compiled in accordance with EU IFRS and the notes thereto, incorporated in the SES Annual Report for the year ended 31 December 2015 (the *2015 Financial Statements*, and together with the 2014 Financial Statements, and 2013 Financial Statements the *Annual Financial Statements*);
- pages 239 to 249 of the prospectus dated 27 May 2016 relating to the Capital Raise, which contain the unaudited interim condensed consolidated financial statements of the Group as of and for the three months ended 31 March 2016 and 31 March 2015, together with the review report of the auditors thereon;
- the Guarantor's consolidated financial statements for the financial year ended 31 December 2014 drawn up in accordance with IFRS and the notes thereto; and
- the Guarantor's consolidated financial statements for the financial year ended 31 December 2015 drawn up in accordance with IFRS and the notes thereto.

The selected consolidated financial information of the Group included elsewhere in this Prospectus as of and for the years ended 31 December 2013, 2014 and 2015 has been derived without adjustment from the Group's Annual Financial Statements (unless otherwise stated). The selected interim condensed consolidated financial information of the Group included elsewhere in this Prospectus as of and for the three months ended 31 March 2015 and 2016 has been derived without adjustment from the Group's unaudited interim condensed consolidated financial statements (unless otherwise stated).

For a list of the Group's subsidiaries and associates as of 31 December 2015, see note 33 to the 2015 Financial Statements.

Rounding

Some financial information in this Prospectus has been rounded, and as a result the numbers shown as totals may vary slightly from the exact arithmetical aggregation of the relevant figures.

Currency Presentation

In this Prospectus, references to “€,” “EUR” or “euro” are to the single currency of the participating member states (*Member States*) in the Third Stage of European Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time. References to “U.S. dollars,” “U.S.\$” and “\$” are to the United States dollar, the lawful currency of the United States of America.

Non-IFRS Measures

In this Prospectus, the Group presents certain financial measures, including net debt, EBITDA, free cash flow, net debt to EBITDA, EBITDA margin and contract backlog, which are not recognised by IFRS. These measures are presented because the Issuer believes that they and similar measures are widely used in the Group’s industry as a means of evaluating operating performance. These measures may not be comparable to similarly titled measures used by other companies and are not measurements under IFRS or any other body of generally accepted accounting principles, and thus should not be considered substitutes for the information contained in the Group’s Annual Financial Statements. The Group defines each of these measures as follows:

- net debt is defined as loans and borrowings less cash and cash equivalents;
- EBITDA is defined as profit for the period before the impact of depreciation, amortisation, net financing charges, income tax, the Group’s share of the results of joint ventures and associates and discontinued operations;
- net debt to EBITDA ratio is defined as net debt divided by EBITDA;
- EBITDA margin is defined as EBITDA divided by revenue;
- contract backlog is defined as the minimum future revenue due to the Group under its existing customer contracts. In relation to contracts where customers have discretionary termination rights, the minimum future revenue represents the revenue up to the earliest termination point as well as the applicable termination fee (if any). In certain cases of breach for customer non-payment, cessation of the operations of the customer or customer bankruptcy, the Group may not be able to recover the full value of certain contracts or termination fees; and
- free cash flow is defined as net operating cash flow less net cash absorbed by investing activities.

Non-Financial Operating Measures

This Prospectus includes one non-financial operating measure used by the Issuer to track the performance of the Group’s business: transponder utilisation rates. This measure is not a measure of financial performance under IFRS and has not been reviewed by an outside auditor, consultant or expert. This measure is derived from management information systems. As this term is defined by the Issuer, it may not be comparable to similar terms used by other companies. The Issuer defines transponder utilisation rates as the number of transponders utilised divided by the number of commercially available transponders.

The transponder utilisation figures included in this Prospectus have been extracted without material amendment from the Group’s management records.

Trademark

The SES trademark appearing on the front cover of this Prospectus and variations thereon are registered trademarks of SES and are registered with, or subject to pending trademark applications with, the relevant registries of the Grand Duchy of Luxembourg and various other countries.

Third-Party Data

In this Prospectus, the Issuer relies on and refers to information and statistics regarding its industry. The Issuer obtained this market data from independent industry publications or other publicly available information. These and other third-party reports, publications and surveys from which certain information contained in this Prospectus has been extracted, as well as the Issuer's internal estimates, rely on the application of various assumptions. While the Issuer believes that these assumptions are reasonable, the Issuer cannot assure investors that these assumptions are true, nor can the Issuer guarantee that an independent party applying different assumptions or using different methods to assemble, analyse or compute market or other industry data would obtain or generate the same results.

The Issuer confirms that this information have been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Websites

Websites included in the Prospectus are for information purposes only and do not form part of the Prospectus.

EXCHANGE RATE INFORMATION

The Group presents its consolidated information and financial statements in euro. Set out in the table below, for the periods and dates indicated, are the period average (the average of the exchange rates on the last business day of each month for annual averages and the average of the exchange rates on each business day during the relevant period for monthly averages), high, low and end exchange rates as published by Bloomberg. This exchange rate information is provided solely for convenience. No representation is made that any amount of currencies specified in the table below has been, or could be, converted into the applicable currency at the rates indicated or any other rate.

Year	US\$ per €1.00			
	Period Average	Period High	Period Low	Period End
2010	1.3266	1.4513	1.1923	1.3387
2011	1.3924	1.4830	1.2907	1.2959
2012	1.2859	1.3458	1.2061	1.3217
2013	1.3285	1.3804	1.2780	1.3743
2014	1.3285	1.3932	1.2098	1.2098
2015	1.1102	1.2103	1.0497	1.0856
Month				
January 2016	1.0867	1.0940	1.0747	1.0832
February 2016	1.1104	1.1324	1.0873	1.0873
March 2016	1.1104	1.1318	1.0868	1.1167
April 2016	1.1339	1.1446	1.1220	1.1446
May 2016	1.1298	1.1534	1.1115	1.1132
June 2016 (through 7 June 2016)	1.1287	1.1372	1.1151	1.1372

The above rates may differ from the actual rates used in the preparation of the Annual Financial Statements and other financial information appearing in this Prospectus. The inclusion of these exchange rates is not meant to suggest that the euro amounts actually represent such dollar amounts or that such amounts could have been converted into dollars at any particular rate, if at all.

THE ACQUISITION

Terms of the Acquisition

On 28 April 2016, the Issuer entered into an agreement to increase its ownership of O3b from 49.14 per cent to 50.5 per cent on a fully diluted basis and, in doing so, will take a controlling share in O3b (the **50.5 per cent Acquisition**). Pursuant to the terms of the 50.5 per cent Acquisition, the Group will purchase 3,431 additional shares of O3b at \$5,900 per share (plus an interest cost, at an annualised rate of 6 per cent, applied from 30 September 2016) from shareholders of O3b other than the Issuer (the **Non-SES Shareholders**) for a total consideration of approximately \$20 million. The 50.5 per cent Acquisition will bring the Group's aggregate equity investment in O3b to date to \$323 million (€257 million). Subject to regulatory approvals as further described below in "*—Regulatory approvals for the 50.5 per cent Acquisition and other conditions*", the Issuer expects that the 50.5 per cent Acquisition will be completed in the second half of 2016.

Upon signing the 50.5 per cent Acquisition agreement, the Issuer was granted the ability to make an offer to acquire all O3b shares owned by Non-SES Shareholders (and all such shareholders have agreed to accept such offer) (the **Call Option**) at the same price being paid in connection with the 50.5 per cent Acquisition plus an interest cost, at an annualised rate of 6 per cent, applied from the earliest of (i) the closing of the 50.5 per cent Acquisition and (ii) 30 September 2016. All outstanding warrants may be tendered into such offer and if not so tendered, all outstanding warrants, and all outstanding options as well, will be cashed out for the above consideration. The Issuer intends to exercise the Call Option prior to completion of the 50.5 per cent Acquisition and, as a result, would own 100 per cent of O3b (the **100 per cent Acquisition** and, together with the 50.5 per cent Acquisition, the **Acquisition**). The Issuer intends for the 50.5 per cent Acquisition and the 100 per cent Acquisition to close on the same day. Although all Non-SES Shareholders have agreed to tender their shares into such offer by the Issuer, the Issuer retains rights to acquire any non-tendering shares in O3b via a squeeze out under Jersey law (available if the Issuer acquires over 90 per cent of each class of shares of O3b in the Acquisition) (a **Squeeze Out**), and also has rights pursuant to existing documentation to drag such non-tendered shares into the Acquisition or to have O3b cancel such shares in exchange for the consideration above described. In connection with the Acquisition, on 31 May 2016 the Issuer raised gross proceeds of €908.8 million through an issuance of 39,857,600 new fiduciary depository receipts placed with institutional investors and the issuance of 19,928,800 B shares of the Issuer to existing B Shareholders (the **Capital Raise**). The Issuer intends to use a portion of the net proceeds from the Capital Raise to finance the Acquisition.

As of the date of this Prospectus, the Group has a 42.65 per cent interest (voting rights) in O3b (including common shares issued and transferred to SES as consideration for in-kind services). This interest is calculated on the basis of shares outstanding (and does not include the shares underlying the warrants held by the Issuer and its Affiliates). On a fully diluted basis, the Group's interest in O3b is 49.14 per cent.

Reasons for the Acquisition

The Issuer believes that the Acquisition of O3b will result in a strengthening of SES's differentiated global network and capabilities, and in particular will:

- expand SES's global network and solutions by further incorporating O3b's unique, low latency solution satellite constellation which is already in operation ;
- augment SES's differentiated capabilities by leveraging the capabilities and features of the combined fleets to deliver the best customer offering across the data-centric Enterprise, Mobility and Government verticals; and
- enhance SES's foundations for sustainable growth with O3b's strong growth outlook representing an important accelerator of long-term growth.

In addition, the Issuer believes that as a result of the Acquisition SES will capture additional benefits from commercial, operational, technical and financing synergies.

Regulatory Approvals for the 50.5 per cent Acquisition and Other Conditions

The 50.5 per cent Acquisition is subject to regulatory approvals which are expected to be completed during the second half of 2016. These regulatory approvals relate to increasing the Group's stake in O3b to a controlling interest, and those still outstanding include: FCC approval of transfer of licence, Hart-Scott-Rodino (U.S. anti-competition body) and approval(s) required by the Utilities Regulation and Competition Authority of the Bahamas for the transfer of control of the Bahamas Licences. If regulatory approvals are not obtained on or before 4 January 2017, the 50.5 per cent Acquisition will not complete, and the Group will maintain its current ownership. In addition, the Issuer may at its discretion delay the closing of the 50.5 per cent Acquisition to a date not beyond 4 January 2017 after having obtained the required regulatory approvals.

The 50.5 per cent Acquisition is also subject to a "total constellation failure" having not occurred prior to receipt of the above regulatory approvals, defined generally to mean the failure of more than three of the currently insured satellites of O3b, where such failure cannot be cured by the launch of any of the eight satellites currently under construction or other satellites of O3b in orbit at signing.

Rights Arising upon Completion of the 50.5 per cent Acquisition

Upon completion of the 50.5 per cent Acquisition the following rights will arise (in the event the Call Option is not exercised):

- *IPO window opens.* The Issuer and the Non-SES Shareholders can agree to pursue an IPO for O3b. The final decision to float, after book-building and price discovery, must be approved by the Issuer and 75 per cent of the Non-SES Shareholders (as measured by number of shares). As an additional condition, no IPO may be conducted at a price per share less than \$5,900. After such an IPO, the Issuer would have no further obligations under the agreement related to the Put Option, described below.
- *Put window opens.* On 1 October 2017 a put window (the **Put Option**) will open, conditional upon (i) no IPO of O3b having occurred and (ii) the Issuer having not exercised the Call Option. Any Non-SES Shareholder may require the Issuer to make an offer to acquire all O3b shares owned by Non-SES Shareholders, which shareholders have agreed to accept such offer requiring the Issuer to acquire all (but not less than all) of the O3b Shares (inclusive of warrants tendered into the offer) that it does not own, in exchange for a baseline sum of \$710 million plus an interest cost, at an annualised rate of 6 per cent, applied from the earlier of (i) the closing of the 50.5 per cent Acquisition and (ii) 30 September 2016 (the **Put Option Consideration**). The Issuer may pay the Put Option Consideration in cash or, in the Issuer's sole discretion, FDRs for new Class A Shares in the Issuer (**SES Consideration Shares**) with equivalent value to the Put Option Consideration, plus a gross-up of 6 per cent or, in the Issuer's sole discretion, in a mix of both. In the event of a payment in FDRs, SES may agree with each Non-SES Shareholder to pay a cash sum equivalent accruing at the interest rate of 6 per cent in place of SES Consideration Shares on 5 January 2018 (such sum to be evidenced by a loan note).

If the O3b shares held by the Non-SES Shareholders are acquired on completion of an offer which is the subject of the Call Option or Put Option, the subordinated loans facilities granted by the Non-SES Shareholders to O3b will be transferred to the Issuer. Consideration will be paid at closing of the 100 per cent Acquisition in cash based on the face value plus any outstanding unpaid and/or accrued interest of the loans at closing of the 50.5 per cent Acquisition plus 6 per cent interest rate per annum. In the event of a transaction by mid-2016 the consideration linked to the transfer of Non-SES Shareholders loans is approximately \$95 million.

In the event of a payment of the Put Option in FDRs for Class A Shares, Non-SES Shareholders will have restrictions on the sell down of shares post transaction in order to protect the Issuer's share value. The Non-SES

Shareholders are permitted to sell their SES Consideration Shares in the open-market as long as the amount sold on any given day does not exceed 22.5 per cent of the day's volume of the Issuer's shares traded. Additionally:

- From 1 October 2017 to 31 December 2017, Non-SES Shareholders shall be permitted to sell their SES Consideration Shares provided that an orderly market is maintained. Non-SES Shareholders must (i) notify SES of the proposed sale, and (ii) obtain SES's prior approval to the appointment of the brokers/bookrunners, such approval not to be unreasonably withheld or delayed.
- From 1 January 2018 to 31 March 2018, the Non-SES Shareholders shall not be permitted to sell the Issuer's shares without the Issuer's prior approval, other than in the open-market subject to the above agreed open market orderly sale restrictions.
- From 1 April 2018 there shall be no restrictions on any sale of the SES Consideration Shares by way of an accelerated placement or an equity linked alternative.

O3b Governance Following the 50.5 per cent Acquisition

The governance of O3b will be updated from closing of the 50.5 per cent Acquisition. The Issuer will control O3b's board with eight directors to be appointed upon proposal of the Issuer. Six directors will be appointed upon proposal of each of the next six largest shareholders of O3b, that currently are HSBC, Liberty Global, Sofina, DBSA, ST1100 and Satya. Until acquired in the Acquisition, preferred stock retains various blocking rights with respect to non-ordinary course activities of O3b.

Upon closing of the 100 per cent Acquisition, directors nominated by Non-SES Shareholders would be removed from O3b's board.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the Issuer's capitalisation and indebtedness as of 31 March 2016. Investors should read this information in conjunction with the Annual Financial Statements and interim condensed consolidated financial statements for the three month period ended 31 March 2016 and the related notes thereto and the section entitled "*Operating and Financial Review*".

	As of 31 March 2016
	(€in millions)
Cash and cash equivalents:	
Cash and cash equivalents	721.7
Total cash and cash equivalents	721.7
Current borrowings:	
Interest-bearing borrowings	253.1
Total current borrowings	253.1
Non-current borrowings:	
Interest-bearing borrowings	351.8
Of which bank borrowings	351.8
Of which bonds	3,738.5
Total non-current borrowings	4,090.3
Total borrowings	4,343.4
Net debt	3,621.7
Capitalisation	
Attributable to equity holders of the parent	3,881.3
Non-controlling interests	135.9
Total equity	4,017.2
Total borrowings	4,343.4
Total capitalisation	8,360.6

There has been no material change to the Group's capitalisation and indebtedness since 31 March 2016 other than the Capital Raise and the payment of the dividend relating to the year ended 31 December 2015, which was paid in April 2016 in the amount of €536 million.

SELECTED FINANCIAL INFORMATION

The selected consolidated financial information as of and for the years ended 31 December 2015, 2014 and 2013 has been derived from the Group's audited consolidated financial statements for the respective years and has been prepared in accordance with EU IFRS. The selected interim condensed consolidated financial information as of and for the three months ended 31 March 2015 and 2016 has been derived from SES's unaudited interim condensed consolidated financial statements for the respective periods and has been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. This selected financial information should be read together with the Annual Financial Statements and the discussion under "*Operating and Financial Review*".

Selected Group Income Statement Data

	For the year ended 31 December			For the three months ended 31 March	
	2013	2014	2015	2015	2016
	(€ in millions)				
Revenue	1,862.5	1,919.1	2,014.5	477.8	481.6
Cost of sales	(179.6)	(173.5)	(183.6)	(42.5)	(41.4)
Staff costs	(185.8)	(194.5)	(200.5)	(48.6)	(51.2)
Other operating expenses	(132.4)	(123.1)	(136.2)	(30.6)	(32.8)
Operating expenses	(497.8)	(491.1)	(520.3)	(121.7)	(125.4)
EBITDA	1,364.7	1,428.0	1,494.2	356.1	356.2
Depreciation expense	(466.5)	(491.6)	(536.8)	(126.6)	(126.4)
Amortisation expense	(47.0)	(53.8)	(62.8)	(14.4)	(15.6)
Operating profit	851.2	882.6	894.6	215.1	214.2
Finance revenue	9.6	33.8	53.1	35.8	3.3
Finance costs	(183.1)	(188.8)	(188.8)	(48.0)	(45.9)
Net financing charges	(173.5)	(155.0)	(135.7)	(12.2)	(42.6)
Profit before tax	677.7	727.6	758.9	202.9	171.6
Income tax expense	(87.5)	(85.2)	(84.9)	(30.3)	(27.6)
Profit after tax	590.2	642.4	674.0	172.6	144.0
Share of joint ventures and associates' result, net of tax	(21.7)	(39.0)	(126.7)	(31.2)	(28.3)
Profit for the period	568.5	603.4	547.3	141.4	115.7
Attributable to equity holders of the parent	566.5	600.8	544.9	140.4	115.1
Attributable to non-controlling interests	2.0	2.6	2.4	1.0	0.6

Selected Group Statement of Financial Position Data

	As of 31 December			As of
	2013	2014*	2015	31 March 2016
	(€ in millions)			
Assets				
Non-current assets				
Property, plant and equipment	4,847.5	5,004.4	5,359.1	5,193.4
Intangible assets	2,750.3	3,329.3	3,587.4	3,446.8
Investments in joint ventures and associates	141.8	93.1	73.5	45.9
Other financial and operational assets	3.9	37.4	60.3	60.9
Valuation of financial derivatives	—	—	—	—
Other non-current financial assets	65.5	60.3	54.8	60.3
Deferred tax assets	95.7	122.2	59.2	56.6
Total non-current assets	7,904.7	8,646.7	9,194.3	8,863.9
Current assets				
Inventories	6.4	5.3	8.5	16.3
Trade and other receivables	586.6	691.5	782.7	660.2
Prepayments	37.4	38.8	39.0	46.9
Valuation of financial derivatives	9.5	—	1.6	3.8
Income tax receivable	—	45.3	—	—
Cash and cash equivalents	544.2	524.5	639.7	721.7
Total current assets	1,184.1	1,305.4	1,471.5	1,448.9
Total assets	9,088.8	9,952.1	10,665.8	10,312.8
Equity				
Attributable to equity holders of the parent	2,820.7	3,404.7	3,932.5	3,881.3
Non-controlling interests	78.2	84.9	128.3	135.9
Total equity	2,898.9	3,489.6	4,060.8	4,017.2
Liabilities				
Non-current liabilities				
Interest-bearing borrowings	3,542.2	4,227.6	4,177.9	4,090.3
Provisions	129.0	122.1	62.7	40.7
Deferred income	227.8	335.1	383.3	359.6
Valuation of financial derivatives	—	—	—	—
Deferred tax liabilities	645.3	676.5	655.9	626.0
Other long-term liabilities	59.7	45.8	75.9	47.3
Total non-current liabilities	4,604.0	5,407.1	5,355.7	5,163.9
Current liabilities				
Interest-bearing borrowings	803.7	258.5	253.8	253.1
Provisions	12.6	43.8	10.8	29.2
Trade and other payables	341.4	331.5	524.0	394.3
Valuation of financial derivatives	—	—	—	1.3
Income tax liabilities	42.6	11.0	10.0	30.7
Deferred income	385.6	410.6	450.7	423.1
Total current liabilities	1,585.9	1,055.4	1,249.3	1,131.7
Total liabilities	6,189.9	6,462.5	6,605.0	6,295.6
Total liabilities and equity	9,088.8	9,952.1	10,665.8	10,312.8

*For consistency of presentation purposes, certain of the Group's 2014 balance sheet figures have been adjusted to reflect reclassifications (i) from assets in the course of construction (€22 million, which is no longer presented as a line item) to intangible assets, (ii) from provisions to other long-term liabilities and (iii) from trade and other payables to other long-term liabilities. This reclassification had no impact on total assets, total non-current assets or total liabilities.

Selected Group Cash Flow Data

	For the year ended 31 December			For the three months ended 31 March	
	2013	2014	2015	2015	2016
	(€ in millions)				
Net cash flow from operating activities	1,148.5	1,239.5	1,450.6	416.6	315.6
Net cash flow absorbed by investing activities	(422.3)	(501.1)	(560.6)	(107.1)	(113.9)
Net cash flow absorbed by financing activities	(371.9)	(757.0)	(758.3)	(82.0)	(123.9)
Net foreign exchange movements	(50.1)	(1.1)	(16.5)	4.8	4.2
Net increase (decrease) in cash and cash equivalents	304.2	(19.7)	115.2	232.3	82.0

Other Selected Financial Data

	As of 31 December			As of 31 March
	2013	2014	2015	2016
	(€ in millions)			
Cash and cash equivalents	544.2	524.5	639.7	721.7
Current borrowings				
Interest-bearing borrowings.....	803.7	258.5	253.8	253.1
Non-current borrowings				
Interest-bearing borrowings.....	3,542.2	4,227.6	4,177.9	4,090.3
Net debt	3,801.7	3,961.6	3,792.0	3,621.7
Net debt/EBITDA ratio.....	2.79	2.77	2.54	2.43

OPERATING AND FINANCIAL REVIEW

This “Operating and Financial Review” relates to the Group’s historical financial condition and results of operations as of and for the financial years ended 31 December 2013, 2014 and 2015 and as of and for the three months ended 31 March 2015 and 2016. The review that follows should be read in conjunction with the Group’s Annual Financial Statements and unaudited financial statements for the three months ended 31 March 2016, as well as “Presentation of Financial and Other Information,” “Risk Factors,” “Business” and “Selected Financial Information”. Prospective investors should read the entire Prospectus and not just rely on the information set out below.

The following discussion of the Group’s results of operations and financial condition contains forward-looking statements. The Group’s actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this Prospectus, particularly under “Risk Factors,” “Presentation of Financial and Other Information” and in the cautionary statements regarding forward looking statements made on pages iv and v.

Overview

SES is a world-leading satellite operator. The Group owns and operates a fleet of 52 geostationary satellites and provides satellite-enabled communications solutions to major customers around the world. The Group’s operations are focused on delivering solutions to serve four market verticals – Video, Enterprise, Mobility and Government. The Group’s fleet is complemented by a network of teleports and offices located around the world. This far-reaching infrastructure could enable the Group to offer coverage to 99 per cent of the world’s population. The Group’s transponder utilisation rate as at 31 December 2015 was 72.8 per cent, representing 1,093 of 1,502 transponders commercially available.

In addition to operating a geostationary satellite fleet with global coverage, across multiple frequency bands, the Issuer has a fully diluted interest of 49.14 per cent in O3b, a company operating a Medium Earth Orbit satellite constellation that combines the reach of satellite with the speed of fibre. On 29 April 2016, SES announced the 50.5 per cent Acquisition. The Issuer intends to exercise the Call Option to purchase the remaining outstanding share capital of O3b. For more information on O3b, see “Business—O3b” below.

SES’s differentiated strategy focuses on three key elements:

- Globalisation (building scale to serve rapidly increasing demand for global solutions);
- Verticalisation (focused development of differentiated capabilities in the four market verticals); and
- Dematuring (shaping the future user experience, and entrenching satellite’s key role in the digital ecosystem).

By delivering differentiated and world-class global satellite-enabled solutions, SES seeks to optimally serve customer requirements in four key market verticals – Video, Enterprise, Mobility and Government which now define SES’s business and strategy.

In 2015 the Group reported revenue growth in three of the four verticals; Video grew 7.5 per cent to €1,354.9 million compared to €1,260.8 million in 2014, Mobility grew 47.4 per cent to €52.9 million compared to €35.9 million in 2014 and Government grew 18.8 per cent to €255.6 million compared to €215.1 million in 2014. The revenue in the market vertical Enterprise decreased by 5.1 per cent to €307.6 million compared to €324.3 million in 2014. No analysis of revenues by vertical is available for years before 2014.

The Group contracts satellite capacity and had a contract backlog of approximately €7.6 billion as of 31 March 2016. Contracts with broadcasters are generally long-term, with typical durations of ten years (and up to 15 years in certain cases) for customers in North America and Europe and between five and ten years for customers

in developing markets. Contracts with enterprises are typically three to five years in length and contracts with government customers are typically one year. The Group's largest customers generally are leading media companies, enterprises and government agencies with low credit risk and steady cash flows. These qualities, combined with the Group's contract backlog, provide SES with predictable cash flows and revenue visibility. The Issuer believes the long-cycle nature of many of the Group's material contracts make the business less susceptible to short-term fluctuations in global economic conditions.

Key Factors Affecting the Group's Business and Results of Operations

The discussion below highlights several key factors that have had and/or may have a significant effect on the Group's business and results of operations.

Acquisitions

Acquisition of O3b

In connection with the 50.5 per cent Acquisition, the Issuer will purchase 3,431 additional shares of O3b from the Non-SES Shareholders for a total consideration of \$20 million, bringing SES's aggregate equity investment in O3b to \$323 million (€257 million). On completion of the 50.5 per cent Acquisition, which is expected in the second half of 2016, the Issuer will own 50.5 per cent of O3b on a fully diluted basis. Before completion of the 50.5 per cent Acquisition, the Issuer intends to exercise the Call Option, to be funded by a portion of the proceeds of the Capital Raise, which will result in the Issuer owning 100 per cent of O3b.

From completion of the 50.5 per cent Acquisition, O3b's financial information, previously accounted for under the equity method, will be fully consolidated in the financial reporting of the Group. As part of the IFRS purchase accounting treatment, the transaction will give rise to the recognition of deemed income of approximately \$560 million relating to the remeasurement to fair value of the current non-controlling interest in O3b.

In 2015, O3b incurred a loss of \$317.0 million and as of 31 December 2015 had a net debt position of \$1.2 billion. As of 31 December 2015 the average interest rate on O3b's debt, including amortisation of loan origination costs and commitment fees, was 9.5 per cent. The Issuer intends to use a portion of the net proceeds from the Capital Raise and a portion of the net proceeds from the issue of the Securities to repay part of O3b's indebtedness. As a result, the Issuer expects that there will be a reduction in O3b's annual financing costs after initially covering any repayment charges. The Issuer expects its net debt to EBITDA ratio will be below 3.30 times upon closing of the Acquisition. For more information on O3b's debt see "*Business—O3b—Funding of O3b*".

2015 was O3b's first full year of commercial service. O3b commenced commercial operations utilising its first eight satellites in September 2014, with O3b's third set of four satellites being placed in service in March 2015. As a result, both revenue and satellite network operating expenses increased in 2015. O3b generated revenue of \$57 million in 2015, and is expected to generate revenue of more than \$100 million in 2016. O3b's operational and financial performance trends are currently consistent with the criteria that SES requires to be satisfied before moving to control, including significantly improving EBITDA. The Acquisition is expected to become free cash flow (before financing activities) and net income accretive to SES in 2018. It is also expected that O3b's EBITDA margin will be comparable to FSS industry margins when it reaches "steady-state". O3b's effective tax rate is negligible in the near-term and thereafter is expected to be approximately 15 per cent.

According to its business plan, O3b expects that in 2016 and 2017, revenue per operational satellite (assuming nine operational satellites) will be in the range of \$11 million to \$24 million. For 2018 and 2019, O3b expects that revenue per operational satellite (assuming 13 operational satellites) will be in the range of \$20 million to \$29 million. For 2020, O3b expects that revenue per operational satellite (assuming 17 operational satellites) will be in the range of \$25 million to \$32 million.

By 2020, O3b targets having a fleet of 20 satellites (including three satellites flying as in-orbit back-up). As a result, at “steady-state” utilisation, which is targeted to be achieved by the end of the third year of a satellite’s commercial service, the full operational constellation is expected to generate annualised revenue of between \$32 million and \$36 million per satellite. The Issuer estimates that by 2021 O3b will generate €400 to €450 million of potential annualised revenue, at current exchange rates and assuming 17 operational satellites at steady-state utilisation.

O3b’s first four satellites experienced payload anomalies which caused the satellites to be declared a constructive total loss for insurance purposes. Currently, three of the four satellites have been removed from operations, and are classified as back-up satellites. The fourth satellite was less affected by the anomaly and is currently part of the operational O3b constellation. As a result of the identified anomalies, all four satellites have been subject to an acceleration in their depreciation cycle which will result in a reduction in the Issuer’s full-year depreciation charge from 2017 onwards.

In the periods under review, the Group accounted for O3b’s results under the equity method and, in accordance with its accounting principles, assessed the carrying value of its investment in O3b for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

For more information on the Acquisition, see “*The Acquisition*”.

Acquisition of RR Media

Subject to regulatory approvals, SES will pay \$13.291 per share (for a total of \$242 million) to acquire a 100 per cent stake in RR Media, to be completed in the second or third quarter of 2016. On completion of the acquisition, RR Media will merge with SES Platform Services. RR Media is expected to generate revenue of between \$160 million and \$170 million in 2016. RR Media’s EBITDA margin reported in 2015 was comparable to the EBITDA margins for the Group’s existing services businesses.

Key Factors Affecting the Group’s Revenue

Transponder Capacity and Utilisation Rates

The Group’s primary source of revenue is the provision of satellite transponder capacity. Its revenue is therefore affected by the amount of transponder capacity the Group has and the number of transponders utilised (the **utilisation rate**). Capacity is determined by the size of the Group’s fleet (52 satellites as at the date of this Prospectus) and the network availability of those satellites. The size of the Group’s fleet increases with the addition of new satellites and decreases when satellites are retired from service, fail or malfunction. Utilisation is affected by demand for capacity, as described in “—*Demand*” below.

The table below sets out the Group’s utilisation rates and revenue for the years ended 31 December 2013, 2014 and 2015.

	Year ended 31 December		
	2013	2014	2015
Transponders utilised (in 36 MHz-equivalent)	1,100	1,115	1,093
Transponders available (in 36 MHz-equivalent)	1,487	1,534	1,502
Transponder utilisation%	74.0%	72.7%	72.8%
Revenue for the years ended 31 December 2013, 2014 and 2015 (€ in millions)	1,862.5	1,919.1	2,014.5

As of 31 December 2015, the Group’s utilisation rate was 72.8 per cent, compared with 72.7 per cent, as of 31 December 2014, which primarily reflects net new business beginning in 2015. The decrease in utilisation rate as of 31 December 2014 compared to 31 December 2013 reflects the Group’s bringing new satellite capacity into service.

Investments in new satellites are expected to increase the Group's current capacity. Between the date of this Prospectus and the end of 2017, the Group plans to launch six more satellites, plus SES-9, launched in March 2016, will enter commercial service in mid-2016. During the same period, three satellites (ASTRA 2C in June 2016, NSS-7 in April 2017 and NSS-6 in December 2017) will reach the end of their design lives, which may result in their retirement. The effect of the successful launch in 2016, the planned launches through 2017 and the potential retirements is expected to be a net increase in transponder capacity of approximately 12 per cent compared to the year ended 31 December 2015.

The Group's transponder utilisation rate as at 31 March 2016 was 71.5 per cent, representing 1,071 of 1,497 transponders commercially available (31 March 2015: 71.4 per cent, representing 1,071 of 1,500 transponders commercially available).

Pricing

The Group's revenue is affected by the prices it charges for its transponder capacity and related services. Pricing of the Group's services is generally fixed for the duration of existing service commitments, with some contracts incorporating inflation escalator clauses, primarily in contracts with customers in Europe. New and renewed service commitments are generally priced competitively to reflect regional demand, the availability of competing capacity and other factors.

Over the last three years, the Group's average revenue per utilised transponder, which reflects prices being achieved for utilised capacity, has remained relatively stable in most of the regions the Group serves, with some variations according to the balance of supply and demand in certain markets. See "*Demand*" below for more information.

Demand

Demand for the Group's satellite capacity at any given time is partially dependent on the supply of capacity available in a geographic region, including capacity from other satellite providers, and from competing terrestrial distribution technologies such as DSL, fibre and wireless networks, as well as the level of demand for that competing capacity. In recent years, the Group has generated new revenue from a number of sources, including growth in demand for HD content, new DTH platforms and government communications networks. With respect to DTH platforms, the Issuer is a leading international satellite operator in supplying Ku-band capacity, which is the preferred means of providing DTH content, and presently counts 50 DTH platforms broadcast via its satellite fleet. The Issuer is the world's largest satellite-based carrier of HD television content, carrying 26 per cent of the 8,600 HD channels distributed by satellite around the globe as of 31 December 2015. In addition, the Issuer was the first satellite operator to secure commercial agreements to distribute Ultra HD channels and now broadcasts 23 channels in Ultra HD, including all regional versions.

Government customers are an important driver of demand worldwide, for civil as well as defence networks, especially as remote surveillance and new applications such as unmanned aerial vehicles increase the demand for suitable satellite capacity and mobile network architecture is required for communications in regions without terrestrial communications alternatives. New revenue has also been generated from increased demand for satellite capacity for global disaster relief and humanitarian missions. The percentage of the Group's revenue generated attributable to the Government vertical was 11 per cent in 2014 and 13 per cent in 2015. No corresponding analysis by vertical is available for periods before 2014.

Geographic Mix

The developed markets of Europe and North America account for the majority of the Group's revenue (71.6 per cent, 70.8 per cent and 70.7 per cent for the years ended 31 December 2013, 2014 and 2015, respectively).

These markets are characterised by stable long-term development, with slight declines in North America offset by moderate growth in Europe, where revenue growth has been augmented by services such as HD+, a platform for the reception of encrypted and unencrypted free-to-air HD channels in Germany which SES broadcasts.

The remaining portion of the Group's revenue is attributable to sales in "international" markets (i.e., markets other than North America and Europe), where the Group is concentrating a significant amount of its new investments in capacity, and, in some cases, redeploying satellites that previously served the lower growth North American market. Such markets include Latin America and Asia, where in recent periods there has been sustained growth in demand for satellite bandwidth and distribution capacity for both Standard Definition and HD television. Other regions offering significant growth opportunities include the Middle East, where the Group has launched the YahLive satellite platform, and Africa, where DTH television is in an early stage of its development. Sales in developing markets are characterised by the potential for higher revenue growth rates, as well as greater competition from regional and national satellite operators, which are planning significant capacity expansions.

Contract Backlog

The Group defines contract backlog as the minimum future revenue due to the Group under its existing customer contracts. In relation to contracts where customers have discretionary termination rights, the minimum future revenue represents the revenue up to the earliest termination point as well as the applicable termination fee (if any). In certain cases of breach for customer non-payment, cessation of the operations of the customer or customer bankruptcy, the Group may not be able to recover the full value of certain contracts or termination fees.

The Issuer believes its contract backlog increases the predictability of the Group's revenue and increases its cash flow visibility by making net cash provided by operating activities less volatile than that of typical companies outside the Group's industry. The Issuer also believes its contract backlog reduces its exposure to fluctuations in global economic conditions.

Revenue attributable to the Video vertical accounted for 66 per cent and 67 per cent respectively of the Group's revenue in the years ended 31 December 2014 and 2015. No corresponding analysis by vertical is available for periods before 2014. The contracts from which these revenues are derived are generally long-term in nature and important components of the Group's contract backlog.

The table below sets out the Group's contract backlog, revenue up to the date of the backlog measurement and the implied number of years of revenue generated by the backlog. As of 31 December 2015, the Group's contract backlog was €7.4 billion, representing approximately four years of revenue and remaining relatively stable as compared to 31 December 2014. As of 31 December 2015, the Group's weighted average remaining contract life was over eight years.

	<u>As of 31 December</u>		
	<u>2013</u>	<u>2014</u>	<u>2015</u>
Contract backlog (€ in millions)	7,483.8	7,282.7	7,368.3
Revenue (€ in millions)	1,862.5	1,919.1	2,014.5
Implied revenue years	4.0	3.8	3.7

SES's contract backlog increased to €7.6 billion as at 31 March 2016 (31 March 2015: €7.4 billion), benefiting from new businesses and renewals across SES's four market verticals.

Satellite Launch Delays and Failures and Satellite Anomalies

Launch delays and failures can, under certain circumstances, affect revenue and potentially cause the loss of frequency rights at certain orbital positions, which can lead to decreases in revenue. Satellite launch and in-orbit insurance policies do not compensate for lost revenue due to the loss of customers or for consequential losses resulting from any launch delay or failure or in-orbit anomalies. To date, satellite launch delays have not had a material effect on the Group's overall returns from the affected satellites but have had the effect of delaying the start of revenue generation into a later reporting period.

On the other hand, in-orbit anomalies such as solar array circuit failures can reduce, and have reduced, the Group's capacity and, correspondingly, revenue. For example, when compared to the revenue generated before the first of its solar array circuit failures, solar array circuit failures on AMC-16 had a negative revenue impact of €18.1 million in 2013, €18.0 million in 2014 and €23.3 million in 2015. (For more information on the solar array circuit failures, see "*Business—Satellite Health*".)

Failures may also lead to impairment charges. For example, solar array circuit failures on AMC-15 and AMC-16 resulted in impairment charges being recorded of €6.7 million and €9.7 million in 2014 and 2015, respectively.

The Group plans to launch six new satellites between the date of this Prospectus and the end of 2017. Launch delays could have a negative impact on anticipated revenue growth. Any in-orbit satellite anomalies could also have a negative effect on revenue and lead to further impairment charges.

Key Factors Affecting the Group's Costs

Product Mix

The Group's business activities fall into two categories: (i) the provision of satellite transponder capacity and directly attributable services and revenue from the commercialisation of its satellite assets and ground network, which the Group refers to as "Infrastructure"; and (ii) the provision of services such as the Group's HD+ platform, engineering services and platform services such as play-out, uplinking and related activities services and retail broadband two-way internet access, which the Group refers to collectively as "Services". The Group's Services activities are a strategic complement to the Group's Infrastructure activities and are an important element supporting the sale of additional transponder capacity ("pull-through sales"). After the elimination of inter-segment transactions, Infrastructure accounted for 77.3 per cent, 76.7 per cent and 74.3 per cent of the Group's revenue for the years ended 31 December 2013, 2014 and 2015, respectively. Infrastructure activities generally return high EBITDA margins, as depreciation, a substantial element of cost is not reflected in EBITDA. Services activities typically require much lower capital investment and thus have greater costs of sales in relative terms, resulting in relatively lower EBITDA margins than for Infrastructure. The EBITDA margin for Infrastructure for the years ended 31 December 2013, 2014 and 2015 was 83.3 per cent, 84.4 per cent and 84.0 per cent, respectively, compared with 17.1 per cent, 16.6 per cent and 16.6 per cent, respectively, for Services over the same periods.

During 2014 and 2015, the proportion of total revenue attributable to Services increased from 23.3 per cent to 25.7 per cent, which led to an increase in direct costs of sales associated with this revenue. This increase resulted from the fact that while a large portion of the Group's Services revenue has historically been generated by platform and play-out services, in recent periods hosted payload transactions with governmental customers, as well as services such as HD+, have also made a significant contribution. For example, 2015 Services revenue included income in connection with two hosted payload transactions: the Wide Area Augmentation Systems payload (*WAAS*) and the Global-scale Observations of the Limb and Disk payload (*GOLD*). Concerning HD+, at the end of 2015, the number of paying HD+ customers surpassed 1.8 million, an increase of 11 per cent compared to the end of 2014.

The table below sets out the revenue and EBITDA attributable to Infrastructure and Services during the period under review.

	For the year ended 31 December		
	2013	2014	2015
	(€ in millions)		
Revenue			
Infrastructure ⁽¹⁾	1,591.0	1,643.3	1,727.3
Services ⁽¹⁾	432.5	455.7	526.3
Elimination ⁽²⁾	(161.0)	(179.9)	(239.1)
Total	1,862.5	1,919.1	2,014.5
Operating expenses			
Infrastructure	(265.8)	(256.4)	(277.3)
Services	(358.7)	(379.9)	(438.8)
Elimination ⁽²⁾	161.0	179.9	239.1
Unallocated ⁽³⁾	(34.3)	(34.7)	(43.3)
Total	(497.8)	(491.1)	(520.3)
EBITDA			
Infrastructure	1,325.2	1,386.9	1,450.0
Services	73.8	75.8	87.5
Unallocated ⁽³⁾	(34.3)	(34.7)	(43.3)
Total	1,364.7	1,428.0	1,494.2
EBITDA margin			
Infrastructure	83.3%	84.4%	84.0%
Services	17.1%	16.6%	16.6%
Total	73.3%	74.4%	74.2%

⁽¹⁾ Infrastructure and Services revenue for the year ended 31 December 2014 restated at constant FX were €1,787.7 million and €496.1 million, respectively. Revenues at constant FX were recalculated by reconsolidating the 2014 figures using the exchange rates applied for each month in 2015.

⁽²⁾ Revenue and operating expenses elimination primarily due to capacity sold by Infrastructure operations to Services companies.

⁽³⁾ Unallocated operating expenses represent the cost of corporate-level operations.

Depreciation and Amortisation

The Group's capital assets consist primarily of 52 satellites and associated ground network infrastructure. Included in capitalised satellite costs are the cost of the satellite procurements and related launch services, insurance premiums for the satellite launches and the one-year period following those launches and capitalised interest charges incurred during the satellite procurement period. Depreciation begins when assets under construction are transferred to assets in use.

Capital assets are depreciated on a straight-line basis over their estimated useful lives. Estimated useful lives of the Group's satellites range from 10 to 19.5 years. Estimated useful lives of ground network infrastructure range from three to 15 years. Intangible assets, principally acquired orbital slot licence rights, are reviewed at acquisition to establish whether they represent assets with a definite or indefinite useful life. Those assessed as being definite-life intangible assets are amortised on a straight-line basis over a period not exceeding 30 years. Indefinite-life intangible assets are held at cost in the statement of financial position but are subject to impairment testing. See note 2 to the 2015 Financial Statements for more information.

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. If impairment is indicated, the asset value is written down to its value in use, represented by the present value of the attributable future cash flows, and the write-down is taken as a charge to income. For further information on solar array circuit failures on AMC-15 and AMC-16 see “*Key Factors Affecting the Group’s Revenue—Satellite Launch Delays and Failures and Satellite Anomalies*”.

Net Financing Charges

As of 31 December 2015 the Group had a net debt position of €3,792.0 million (€3,961.6 million as of 31 December 2014 and €3,801.7 million as of 31 December 2013). The net debt position as of 31 December 2015 included loans and borrowings of €4,431.7 million (net of loan origination costs). Of these loans and borrowings, €4,078.3 million is at fixed rates and €353.4 million is at floating rates.

The Group’s financial strategy contemplates similar proportions of debt in its capital structure in the future, which will result in continued significant net interest charges, although part of these charges may be capitalised in the framework of satellite procurement programmes. Additionally net financing charges can be impacted by gains or losses on foreign exchange reflecting revaluation impacts of assets and liabilities positions held in currencies other than the euro.

Income Tax Expense

The Group’s tax expense for the year ended 31 December 2015 was €84.9 million compared with an income tax expense of €85.2 million for the year ended 31 December 2014 and an income tax expense of €87.5 million for the year ended 31 December 2013.

The Group’s effective tax rate reflects the statutory tax rates—and the proportionate part of the Group’s income—in the jurisdictions where the Issuer has a corporate income taxable status, and is influenced by many factors based on the local tax law and regulations of those jurisdictions. These factors include, but are not limited to, rules in relation to income recognition, (non) deductible expense (including operational expenses, interest and depreciation/amortisation), fiscal consolidation, permanent establishments, the treatment of net operating losses, dividend and capital gains treatment/exemptions, withholding taxes, foreign exchange rates, timing differences and investment tax credits on capital investments.

Exchange Rate and Currency Fluctuations

The Group’s consolidated financial statements are presented in euro, which is the Group’s functional and presentation currency. The Group’s income statement and statement of financial position are therefore affected by movements in the exchange rates of the euro and functional currencies of Group entities, with the largest exposure relating to movements on the euro against the U.S. dollar.

In relation to the income statement, in the year ended 31 December 2015, 45.2 per cent of the Group’s revenue and 50.5 per cent of the Group’s operating expenses were generated by Group companies that use the U.S. dollar as their functional currency, or with currencies pegged to the U.S. dollar, compared to 42.6 per cent and 40.5 per cent, respectively, for the year ended 31 December 2014 and 46.1 per cent and 40.3 per cent for the year ended 31 December 2013.

The impact on the Group’s total equity of the revaluation of assets and liabilities held by U.S. dollar-denominated entities was a significant contributor to the overall increase of €571.2 million in the year, which included other comprehensive income of €560.4 million reflecting the total impact of currency translation, net of tax. This translation impact reflected a strengthening of the U.S. dollar from \$1.2141 to \$1.0887 per €1.00 in 2015.

For 2014, the corresponding increase in total equity was €590.7 million with other comprehensive income of €601.6 million, reflecting the total impact of currency translation, net of tax. This translation impact reflected a strengthening of the U.S. dollar from \$1.3791 to \$1.2141 per €1.00 in 2014.

For 2013, the corresponding increase in total equity was €17.8 million with a charge to other comprehensive income of €231.2 million, reflecting the total impact of currency translation, net of tax. This translation impact reflected a weakening of the U.S. dollar from \$1.3194 to \$1.3791 per €1.00 in 2013.

To mitigate the effect of foreign exchange risk on its statement of financial position, the Group in the past has entered and in the future may enter into forward foreign exchange contracts or similar derivatives to hedge the exposure on financial debt or on net assets.

To eliminate or reduce currency exposure on specific transactions, such as satellite procurements, the Group in the past has entered and in the future may enter into forward currency contracts, tailoring the maturities to the underlying milestone payment schedule for the transaction. The forward contracts are in the same currency as the hedged item and can cover up to 100 per cent 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 ensure the effectiveness of the hedge. See "*Quantitative and Qualitative Disclosures about Market Risk—Foreign Currency Risk*" below and note 19 to the 2015 Financial Statements for more information.

To assist investors in isolating the impact of exchange rates on its results and therefore improve the comparability of its financial statements, the Group reports changes in its operating results on a constant FX basis. To do this, the Group reconsolidates figures on a month-by-month basis, by applying the exchange rate used for a given month from the current year to the corresponding month in the prior year. For example, January 2015 financials would be reconsolidated using the January 2016 exchange rate.

In this Prospectus, constant exchange rate figures have been included for the period-on-period discussion included in this section for the revenue, operating expenses, EBITDA, depreciation, amortisation and operating profit.

Constant exchange rate commentaries are not provided for line items below operating profit, as the differences between period-on-period movements arising on a reported and constant exchange rate basis are less significant.

Equity Accounted Associates

The Group has investments in associates which are accounted for using the equity method of accounting. For more information on the method of consolidation of the Group's equity accounted associates, see notes 2 and 15 to the 2015 Financial Statements and "*Business—Strategic Investments*".

In the periods under review, the most significant of the Group's equity accounted associates was O3b. However, when the Group increases its ownership interest in O3b (on a fully diluted basis) to over 50 per cent, it will fully consolidate O3b's results. See "*Acquisition of O3b*" above.

Segmental Reporting

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

In recent years, including both 2014 and 2015, the Group has provided an analysis of its revenue based on the downlink region into which the service is provided (Europe, North America and International).

In 2015 the Group transitioned to a "market verticals" approach to analysing revenue, which is the Group's primary presentational approach beginning in 2016. The four verticals are defined as set out below.

- *Video*, which comprises mainly broadcast satellite capacity and teleport services, managed digital media services and consumer television platforms;
- *Enterprise*, which includes wide-beam and GEO/MEO HTS capacity and teleport services, network/platform services and managed networks for consumer/SME applications;
- *Mobility*, which comprises trans-oceanic and landmass wide-beam and GEO/MEO HTS capacity and teleport services, as well as mobility network/platform services; and
- *Government*, which encompasses wide-beam and GEO/MEO HTS capacity and secure teleport services, C/Ku/Ka and Military frequency capacity and fully managed end-to-end service to the end customer.

Items that do not relate to any of the four verticals are deemed to be “Other,” which includes, amongst others: revenue from significant transponder sales, transactions involving rights to orbital slot licence rights and other revenue outside the normal course of business.

Description of Key Line Items

Revenue

Revenue is generated primarily from service agreements with customers to provide satellite transponder capacity and broadcasting services for the distribution of television, radio and data.

Operating Expenses

Operating expenses include cost of sales, staff costs and other operating expenses:

- *Cost of sales.* Cost of sales (excluding staff costs and depreciation) represents costs categories which generally vary directly with revenue development. Such costs include the rental of third-party satellite capacity, the cost of goods sold (for example on the disposal of space segment assets) and costs directly attributable to the facilitation of customer contracts;
- *Staff costs.* Staff costs include gross salaries and employer’s social security payments, payments into pension schemes for employees and charges arising under share-based payment schemes; and
- *Other operating expenses.* Other operating expenses are by their nature less variable to revenue development. Such costs include facility costs, in-orbit insurance costs, marketing expenses, general and administrative expenditures, consulting charges, travel-related expenditures and movements on provisions for debtors.

EBITDA. EBITDA represents profit for the year before the impact of depreciation, amortisation, net financing charges, income tax, the Group’s share of the results of joint ventures and associates and discontinued operations.

Depreciation expense. Depreciation expense relates to the depreciation of the Group’s property, plant and equipment over their useful lives, which are ten years or less except for satellite assets, which generally have an assumed useful life on commencement of operations of 15 years. Depreciation expense also includes impairment charges in respect of such assets. See “—*Key Factors Affecting the Group’s Business and Results of Operations—Key Factors Affecting the Group’s Costs—Depreciation and Amortisation*” above.

Amortisation expense. Amortisation expense relates to the amortisation of the Group’s definite-life intangible assets. Amortisation expense also includes impairment charges in respect of intangible assets.

Net financing charges. Net financing charges represent finance income less finance costs. Finance income includes net foreign exchange gains (if positive). Finance costs include interest expense on loans and borrowings net of capitalised interest, net foreign exchange charges (if negative) and value adjustments on financial assets.

Share of associates' result, net of tax. Share of associates' result, net of tax, reflects the Group's share of the results of operations of associates accounted for under the equity method, mainly its investment in O3b.

Revenue Outlook

The Group's 2016 revenue is expected to be between €2,010 million and €2,050 million. This assumes an average EUR/USD exchange rate of 1.10, as well as nominal satellite health and launch schedule.

SES is continuing to invest in new satellite programmes as a key driver of sustainable future growth. Each programme plays an important role in scaling up SES's capabilities in its four market verticals, particularly in emerging markets. In addition to SES-9, which will enter into commercial service in mid-2016, SES will launch six new satellites by end-2017, adding 180 incremental wide-beam transponders and 36 GHz of HTS capacity.

These growth investments are expected to generate incremental annualised revenue of between €250 million and €300 million, when at an average "steady-state" utilisation of around 75 per cent by 2021.

For information regarding revenue and outlook for O3b and RR Media, see "*Acquisitions*" above.

Results of Operations

The following table sets forth selected income statement items for the periods indicated.

	For the year ended 31 December			For the three months ended 31 March	
	2013	2014	2015	2015	2016
	(€ in millions)				
Revenue	1,862.5	1,919.1	2,014.5	477.8	481.6
Cost of sales	(179.6)	(173.5)	(183.6)	(42.5)	(41.4)
Staff costs	(185.8)	(194.5)	(200.5)	(48.6)	(51.2)
Other operating expenses	(132.4)	(123.1)	(136.2)	(30.6)	(32.8)
Operating expenses	(497.8)	(491.1)	(520.3)	(121.7)	(125.4)
EBITDA	1,364.7	1,428.0	1,494.2	356.1	356.2
Depreciation expense	(466.5)	(491.6)	(536.8)	(126.6)	(126.4)
Amortisation expense	(47.0)	(53.8)	(62.8)	(14.4)	(15.6)
Operating profit	851.2	882.6	894.6	215.1	214.2
Finance revenue	9.6	33.8	53.1	35.8	3.3
Finance costs	(183.1)	(188.8)	(188.8)	(48.0)	(45.9)
Net financing charges	(173.5)	(155.0)	(135.7)	(12.2)	(42.6)
Profit before tax	677.7	727.6	758.9	202.9	171.6
Income tax expense	(87.5)	(85.2)	(84.9)	(30.3)	(27.6)
Profit after tax	590.2	642.4	674.0	172.6	144.0
Share of associates' result, net of tax	(21.7)	(39.0)	(126.7)	(31.2)	(28.3)
Profit for the period	568.5	603.4	547.3	141.4	115.7
Attributable to equity holders of the parent	566.5	600.8	544.9	140.4	115.1
Attributable to non-controlling interests	2.0	2.6	2.4	1.0	0.6

Three Months Ended 31 March 2016 Compared to the Three Months Ended 31 March 2015

Revenue. Revenue increased by €3.8 million, or 0.8 per cent to €481.6 million for the three months ended 31 March 2016, from €477.8 million for the three months ended 31 March 2015.

At constant exchange rates, revenue decreased by €92 million, or 1.9 per cent, to €481.6 million for the three months ended 31 March 2016, from €490.8 million for the three months ended 31 March 2015. This was

principally due to the impact of the migration of capacity contracted by ARSAT to its own satellite, the impact of the renewal of capacity on AMC-15/AMC-16 and the contribution associated with the construction phase of the WAAS U.S. government-funded hosted payload. Adjusting for these events, Group revenue was stable at constant exchange rates.

At the end of the first quarter of 2016, available transponders had decreased by three transponders compared to the end of the first quarter of 2015, reflecting a reduction in available transponders generated by power degradation on NSS-6. No existing commercial traffic was impacted and the satellite will be replaced by SES-12, which is expected to be launched end-2017. There were no other events affecting commercially available capacity on the SES fleet in the period.

Utilisation increased slightly to 71.5 per cent at 31 March 2016 from 71.4 per cent at 31 March 2015. Average revenue per utilised transponder remained unchanged across the market segments and the discrete national markets served.

Operating expenses. Operating expenses increased by €3.7 million, or 31 per cent, to €125.4 million for the three months ended 31 March 2016, from €121.7 million for the three months ended 31 March 2015.

At constant exchange rates, operating expenses increased by €1.5 million, or 1.3 per cent, to €125.4 million for the three months ended 31 March 2016, from €123.9 million for the three months ended 31 March 2015. This was principally due to higher staff costs and other controllable costs (such as premises costs, marketing costs and consulting costs), higher bad debt expense and higher backloading provisions, partially offset by favourable transponder rental and other cost of sales.

EBITDA. EBITDA increased by €0.1 million to €356.2 million for the three months ended 31 March 2016, from €356.1 million for the three months ended 31 March 2015. At constant exchange rates, EBITDA decreased by €10.7 million, or 2.9 per cent, to €356.2 million for the three months ended 31 March 2016, from €366.9 million for the three months ended 31 March 2015. At constant exchange rates, the Group's EBITDA margin decreased from 74.8 per cent for the three months ended 31 March 2015 to 74.0 per cent for the three months ended 31 March 2016.

Infrastructure operations contributed €347.2 million of total EBITDA at an EBITDA margin of 84.2 per cent, compared to €345.5 million for the three months ended 31 March 2015, with an EBITDA margin of 84.8 per cent (€356.1 million and 84.9 per cent achieved YTD 31 March 2015 on a constant exchange rate basis). Services operations generated EBITDA of €18.4 million at an EBITDA margin of 15.0 per cent, as compared to the €19.8 million and 16.4 per cent achieved for the three months ended 31 March 2015 (€19.9 million and 16.1 per cent achieved for the three months ended 31 March 2015 on a constant exchange rate basis). The overall EBITDA margin was 74.0 per cent for the three month period ended 31 March 2016, compared to 74.5 per cent for the three month period ended 31 March 2015.

Depreciation expense. Depreciation expense decreased by €0.2 million, or 0.1 per cent, to €126.4 million for the three months ended 31 March 2016, from €126.6 million for the three months ended 31 March 2015.

At constant exchange rates, depreciation expense decreased by €5.3 million, or 4.1 per cent, to €126.4 million for the three months ended 31 March 2016, from €131.8 million for the three months ended 31 March 2015. This was principally due to the impact of satellites leaving the depreciation cycle, more than offsetting the impact of the launch of ASTRA 2G.

Amortisation expense. Amortisation expense increased by €1.2 million, or 8.3 per cent, to €15.6 million for the three months ended 31 March 2016, from €14.4 million for the three months ended 31 March 2015.

At constant exchange rates, amortisation expense increased by €1.1 million to €15.6 million for the three months ended 31 March 2016, from €14.5 million for the three months ended 31 March 2015. This was principally due to higher development costs related to new software projects.

Operating profit. Operating profit decreased by €0.9 million, or 0.4 per cent, to €214.2 million for the three months ended 31 March 2016, from €215.1 million for the three months ended 31 March 2015.

At constant exchange rates, operating profit decreased by €6.5 million, or 2.9 per cent, to €214.2 million for the three months ended 31 March 2016, from €220.7 million for the three months ended 31 March 2015. As a percentage of revenue, operating profit decreased on a constant exchange rate from 45.0 per cent to 44.5 per cent.

Net financing charges. Net financing charges increased by €30.4 million, or 71.4 per cent, to €42.6 million for the period ended 31 March 2016, from €12.2 million for the period ended 31 March 2015. This increase principally reflects the net foreign exchange gain of €32.3 million recognised in Q1 2015. Net interest expense for the period of €47.4 million was €0.9 million, or 1.9 per cent, lower than Q1 2015 due to an overall reduction in group debt. Capitalised interest was €8.3 million in Q1 2016 (Q1 2015: €3.8 million).

Profit before tax. As a result of the foregoing, profit before tax decreased by €31.3 million, or 15.4 per cent, to €171.6 million for the period ended 31 March 2016, from €202.9 million for the period ended 31 March 2015.

Income tax expense. The Group recorded a tax expense of €27.6 million for the period ended 31 March 2016, compared with an expense of €30.3 million for the period ended 31 March 2015. The 2016 expense represents an effective tax rate of 16.1 per cent (31 March 2015: 14.9 per cent).

Share of associates' result. Charges from the Group's share in the losses of its associates decreased by €2.9 million to €28.3 million for the period ended 31 March 2016, from €31.2 million for the period ended 31 March 2015.

Profit for the period. As a result of the foregoing, profit for the year decreased by €25.7 million, or 18.2 per cent, to €115.7 million for the period ended 31 March 2016, from €141.4 million for the period ended 31 March 2015. The share of the profit for the year attributable to the equity holders of the Issuer decreased from €140.4 million to €115.1 million, representing a decrease in earnings per Class A share from €0.35 to €0.28.

Three Months Ended 31 March 2016 Compared to the Three Months Ended 31 March 2015—Revenue Analysis

Throughout 2015, the Group transitioned to analysing revenue based on market verticals, rather than by downlink region. This analysis supports decisions by the Group in analysing revenue and allocating both human and capital resources. The analysis allocates revenue among four market verticals: Video, Enterprise, Mobility and Government. Revenue is included as "Other" if it does not correspond to any of the defined verticals. Previously, the Group matched revenue to three downlink regions, as described above in "—Segmental Reporting".

	For the three months ended 31 March	
	2015	2016
	(€ in millions)	
Video	323.5	339.7
Enterprise	73.1	59.9
Mobility	13.9	22.3
Government	60.4	56.8
Other	6.9	2.9

For the three months ended 31 March

	2015	2016
	(€ in millions)	
Market verticals total	477.8	481.6

Video (71 per cent of Q1 2016 revenue)

Video revenue for the three month period ended 31 March 2016 increased by €16.2 million, or 5.0 per cent, to €339.7 million, from €323.5 million for the three month period ended 31 March 2015. On a constant exchange rate basis, video revenue for the three month period ended 31 March 2016 increased by €10.6 million, or 3.2 per cent, compared to the prior year. This increase was due primarily to strong growth in new HDTV and Ultra HD TV channels across the existing fleet. This was complemented by new revenue generated by SES's differentiated media services capabilities.

Enterprise (12 per cent of Q1 2016 revenue)

Enterprise revenue decreased by €13.2 million, or 18.1 per cent, to €59.9 million for the three month period ended 31 March 2016, from €73.1 million for the three month period ended 31 March 2015. On a constant exchange rate basis, enterprise revenue decreased by €17.0 million, or 22.2 per cent, compared to the prior year. This decrease was largely due to the prior year revenue contribution from capacity contracted by ARSAT in advance of the planned migration to its own satellite and the impact of the 2015 capacity renewals with EchoStar on AMC-15/AMC-16.

Mobility (5 per cent of Q1 2016 revenue)

Mobility revenue increased by €8.4 million, or 60.6 per cent, to €22.3 million for the three month period ended 31 March 2016, from €13.9 million for the three month period ended 31 March 2015. On a constant exchange rate basis, mobility revenue increased by €7.5 million, or 50.8 per cent, compared to the prior year. This increase was primarily due to contracts for in-flight connectivity, where SES has developed strong commercial relationships with the three world-leading service integrators – Global Eagle Entertainment, Gogo and Panasonic.

Government (12 per cent of Q1 2016 revenue)

Government revenue decreased by €3.6 million, or 59 per cent, to €56.8 million for the three month period ended 31 March 2016, from €60.4 million for the three month period ended 31 March 2015. On a constant exchange rate basis, government revenue decreased by €6.3 million, or 9.9 per cent, compared to the prior year. This decrease was primarily due to the accelerated revenue contribution associated with the construction phase of the U.S. government-funded WAAS hosted payload during Q1 2015. Excluding the accelerated revenue from the WAAS hosted payload, government revenue declined by 4.4 per cent at constant FX.

Year Ended 31 December 2015 Compared to the Year Ended 31 December 2014

Revenue. Revenue increased by €95.4 million, or 5.0 per cent, to €2,014.5 million for the year ended 31 December 2015, from €1,919.1 million for the year ended 31 December 2014.

At constant exchange rates, revenue decreased by €6.8 million, or 3.2 per cent, to €2,014.5 million for the year ended 31 December 2015, from €2,081.3 million for the year ended 31 December 2014. This was principally due to the lower level of transponder sales pursuant to the Group's 2014 comprehensive agreement with Eutelsat, the impact of capacity renewal agreements with EchoStar on AMC-15/AMC-16 at the end of 2014 and the transition of capacity contracted by ARSAT to its own satellite. Adjusting for these events, Group revenue was stable at constant exchange rates.

At the end of 2015, available transponders had decreased by 32 transponders compared to the end of the prior year period, reflecting NSS-7's transition from station-kept to inclined orbit (resulting in a decrease of 74 available transponders), the migration of capacity contracted by ARSAT from AMC-6 to its ARSAT-1 satellite (resulting in a decrease of 16 available transponders) and a reduction of six available transponders on NSS-6 due to power degradation. Offsetting this, ASTRA 2G's entry into service added 64 available transponders.

Utilisation in 2015 increased slightly to 72.8 per cent from 72.7 per cent in 2014, primarily due to net new business on existing capacity. The Group's average revenue per utilised transponder remained stable.

Cost of sales. Cost of sales increased by €10.1 million, or 5.8 per cent, to €183.6 million for the year ended 31 December 2015, from €173.5 million for the year ended 31 December 2014. At constant exchange rates, cost of sales decreased by €3.2 million, or 1.7 per cent, compared to the prior year, primarily due to the lower costs associated with a decrease in transponder sales under the 2014 comprehensive agreement with Eutelsat. As a percentage of revenue, cost of sales increased on a constant exchange basis from 9.0 per cent to 9.1 per cent.

Staff costs. Staff costs increased by €6.0 million, or 3.1 per cent, to €200.5 million for the year ended 31 December 2015, from €194.5 million for the year ended 31 December 2014. At constant exchange rates, staff costs decreased by €9.0 million, or 4.3 per cent, compared to 2014. As a percentage of revenue, staff costs decreased on a constant exchange rate from 10.1 per cent to 10.0 per cent.

Other operating expenses. Other operating expenses increased by €13.1 million, or 10.6 per cent, to €136.2 million for the year ended 31 December 2015, from €123.1 million for the year ended 31 December 2014. At constant exchange rates, other operating expenses increased by €2.0 million, or 1.5 per cent, compared to 2014, primarily due to changes in debtor provisioning largely in connection with Ukraine-based customers. As a percentage of revenue, other operating expenses increased on a constant exchange rate basis from 6.4 per cent to 6.8 per cent.

EBITDA. As a result of the foregoing, EBITDA increased by €66.2 million, or 4.6 per cent, to €1,494.2 million for the year ended 31 December 2015, from €1,428.0 million for the year ended 31 December 2014. At constant exchange rates, EBITDA decreased by €56.6 million, or 3.6 per cent, compared to 2014. At constant exchange rates, the Group's EBITDA margin decreased from 74.5 per cent in 2014 to 74.2 per cent in 2015, mainly reflecting the increased contributions of Services activities.

Infrastructure operations contributed €1,450.0 million of total EBITDA at an EBITDA margin of 84.0 per cent, compared to €1,386.9 million in 2014, with an EBITDA margin of 84.4 per cent (€1,504.3 million and 84.2 per cent achieved in 2014 on a constant exchange rate basis). Services operations generated EBITDA of €87.5 million at an EBITDA margin of 16.6 per cent, as compared to the €75.8 million and 16.6 per cent achieved in 2014 (€80.7 million and 16.3 per cent achieved in 2014 on a constant exchange rate basis). The overall EBITDA margin was 74.2 per cent, compared to 74.4 per cent in 2014.

Depreciation expense. Depreciation expense increased by €45.2 million, or 9.2 per cent, to €536.8 million for the year ended 31 December 2015, from €491.6 million for the year ended 31 December 2014. At constant exchange rates, depreciation expense decreased by €4.6 million, or 2.7 per cent, compared to 2014, due mainly to changes in the depreciable satellite fleet. As a percentage of revenue, depreciation expense increased on a constant exchange rate from 26.5 per cent to 26.6 per cent.

Amortisation expense. Amortisation expense increased by €9.0 million, or 16.7 per cent, to €62.8 million for the year ended 31 December 2015, from €53.8 million for the year ended 31 December 2014. At constant exchange rates, amortisation expense increased by €7.4 million, or 13.4 per cent, compared to 2014, due primarily to the beginning of amortisation on newly acquired or generated definite-life intangible assets. As a percentage of revenue, amortisation expense increased from 2.8 per cent to 3.1 per cent.

Operating profit. As a result of the foregoing, operating profit increased by €12.0 million, or 1.4 per cent, to €894.6 million for the year ended 31 December 2015, from €882.6 million for the year ended 31 December 2014. At constant exchange rates, operating profit decreased by €49.3 million, or 5.2 per cent, compared to 2014. As a percentage of revenue, operating profit decreased on a constant exchange rate from 45.4 per cent to 44.4 per cent.

Net financing charges. Net financing charges decreased by €19.3 million, or 12.5 per cent, to €135.7 million for the year ended 31 December 2015, from €155.0 million for the year ended 31 December 2014. This decrease was primarily the result of foreign exchange gains realised in connection with the strengthening of the U.S. dollar. The net interest charge on borrowings before the capitalisation of interest fell by €2.8 million, or 1.4 per cent, from €199.3 million to €196.5 million reflecting both lower average borrowings and a favourable development in the Group's weighted average interest rate.

Profit before tax. As a result of the foregoing, profit before tax increased by €31.3 million, or 4.3 per cent, to €758.9 million for the year ended 31 December 2015, from €727.6 million for the year ended 31 December 2014.

Income tax expense. The Group recorded a tax expense of €84.9 million for the year ended 31 December 2015, compared with an expense of €85.2 million for the year ended 31 December 2014. The 2015 expense represents an effective tax rate of 11.2 per cent.

Share of associates' result. Charges from the Group's share in the losses of its associates increased by €87.7 million to €126.7 million for the year ended 31 December 2015, from €39.0 million for the year ended 31 December 2014, reflecting mainly the effect of non-cash movements associated with the commencement of commercial operations by O3b.

Profit for the year. As a result of the foregoing, profit for the year decreased by €56.1 million, or 9.3 per cent, to €547.3 million for the year ended 31 December 2015, from €603.4 million for the year ended 31 December 2014. The share of the profit for the year attributable to the equity holders of the Issuer decreased from €600.8 million to €544.9 million, representing a decrease in earnings per Class A share from €1.49 to €1.34.

Year Ended 31 December 2015 Compared to the Year Ended 31 December 2014—Revenue analysis

Throughout 2015, the Group transitioned to analysing revenue based on market verticals, rather than by downlink region. This analysis supports decisions by the Group in analysing revenue and allocating both human and capital resources. The analysis allocates revenue among four market verticals: Video, Enterprise, Mobility and Government. Revenue is included as "Other" if it does not correspond to any of the defined verticals. Previously, the Group matched revenue to three downlink regions, as described above in "—*Segmental Reporting*".

	For the year ended 31 December	
	2014	2015
	(€ in millions)	
Video	1,260.8	1,354.9
Enterprise	324.3	307.6
Mobility	35.9	52.9
Government	215.1	255.6
Other	83.0	43.5
Market verticals total	1,919.1	2,014.5

Video (67 per cent of 2015 revenue)

Video revenue for the year ended 31 December 2015 increased by €94.1 million, or 7.5 per cent, to €1,354.9 million, from €1,260.8 million for the year ended 31 December 2014. On a constant exchange rate basis, video revenue for the year ended 31 December 2015 increased by €29.6 million, or 2.2 per cent, compared to the prior year. This increase was due primarily to increased channels and growth in HD channel penetration. Services growth, mainly from HD+ activities and SES Platform Services, were also important contributors.

Enterprise (15 per cent of 2015 revenue)

Enterprise revenue decreased by €16.7 million, or 51 per cent, to €307.6 million for the year ended 31 December 2015, from €324.3 million for the year ended 31 December 2014. On a constant exchange rate basis, enterprise revenue decreased by €73.1 million, or 19.2 per cent, compared to the prior year. This decrease was largely due to the lower prices agreed with a customer on contract renewal in light of the solar array circuit failures on AMC-15 and AMC-16, as well as the migration of capacity contracted by ARSAT to its own satellite and the impact of the stronger U.S. dollar on certain customers.

Mobility (3 per cent of 2015 revenue)

Mobility revenue increased by €17.0 million, or 474 per cent, to €52.9 million for the year ended 31 December 2015, from €35.9 million for the year ended 31 December 2014. On a constant exchange rate basis, mobility revenue increased by €10.4 million, or 24.5 per cent, compared to the prior year. This increase was primarily due to contracts for aeronautical and maritime connectivity.

Government (13 per cent of 2015 revenue)

Government revenue increased by €40.5 million, or 18.8 per cent, to €255.6 million for the year ended 31 December 2015, from €215.1 million for the year ended 31 December 2014. On a constant exchange rate basis, government revenue increased by €8.2 million, or 33 per cent, compared to the prior year. This increase was primarily due to the two hosted payload transactions, WAAS and GOLD.

Other

Other revenue decreased by €39.5 million, or 47.6 per cent, to €43.5 million for the year ended 31 December 2015, from €83.0 million for the year ended 31 December 2014. On a constant exchange rate basis, other revenue decreased by €41.9 million, or 49.1 per cent, compared to the prior year. This decrease was primarily due to the lower level of transponder sales arising under the comprehensive agreement signed with Eutelsat in 2014 and the interim mission revenue recorded on ASTRA 1G in 2014.

Year Ended 31 December 2014 Compared to the Year Ended 31 December 2013

Revenue. Revenue increased by €56.6 million, or 3.0 per cent, to €1,919.1 million for the year ended 31 December 2014, from €1,862.5 million for the year ended 31 December 2013. At constant exchange rates, revenue increased by €74.2 million, or 4.0 per cent to €1,919.1 million for the year ended 31 December 2014, from €1,844.9 million for the year ended 31 December 2013. This was principally due to infrastructure growth in European and International markets, combined with a strong performance from the Group's Services business in Europe.

Cost of sales. Cost of sales decreased by €6.1 million, or 3.4 per cent, to €173.5 million for the year ended 31 December 2014, from €179.6 million for the year ended 31 December 2013. At constant exchange rates, cost of sales increased by €3.6 million, or 2.1 per cent, compared to the prior year. This increase was primarily due to the increased cost of services activities. As a percentage of revenue, cost of sales decreased on a constant exchange rate basis from 9.2 per cent to 9.0 per cent.

Staff costs. Staff costs increased by €8.7 million, or 4.7 per cent, to €194.5 million for the year ended 31 December 2014, from €185.8 million for the year ended 31 December 2013. At constant exchange rates, staff costs increased by €11.4 million, or 6.2 per cent, compared to the prior year. This increase was primarily due to continued investment in developing the Group's presence and capabilities in emerging markets. As a percentage of revenue, staff costs increased on a constant exchange rate basis from 9.9 per cent to 10.1 per cent.

Other operating expenses. Other operating expenses decreased by €9.3 million, or 7.0 per cent, to €123.1 million for the year ended 31 December 2014, from €132.4 million for the year ended 31 December 2013. At constant exchange rates, other operating expenses decreased by €8.7 million, or 6.6 per cent, compared to the prior year. This decrease was primarily due to optimisation of the fixed cost base. As a percentage of revenue, other operating expenses decreased on a constant exchange rate basis from 7.1 per cent to 6.4 per cent.

EBITDA. As a result of the foregoing, EBITDA increased by €63.3 million, or 4.6 per cent, to €1,428.0 million for the year ended 31 December 2014, from €1,364.7 million for the year ended 31 December 2013. At constant exchange rates, EBITDA increased by €68.1 million, or 5.0 per cent. At constant exchange rates, the Group's EBITDA margin rose from 73.7 per cent in 2013 to 74.4 per cent in 2014, mainly reflecting the sales of European transponders and overall cost management.

Infrastructure operations contributed €1,386.9 million of total EBITDA at an EBITDA margin of 84.4 per cent, compared to €1,325.2 million in 2013, with an EBITDA margin of 83.3 per cent (€1,320.3 million and 83.4 per cent achieved in 2013 on a constant exchange rate basis). Services operations generated an EBITDA of €75.8 million at an EBITDA margin of 16.6 per cent, compared to €73.8 million in 2013, with an EBITDA margin of 17.1 per cent (€73.9 million and 17.5 per cent achieved in 2013 on a constant exchange rate basis). The Group's overall EBITDA margin was 74.4 per cent, compared to 73.3 per cent in 2013.

Depreciation expense. Depreciation expense increased by €25.1 million, or 5.4 per cent, to €491.6 million for the year ended 31 December 2014, from €466.5 million for the year ended 31 December 2013, reflecting the launch of three satellites during 2013 and a further two satellites in 2014. The depreciation expense also included an impairment charge on AMC-15 due to further power degradation being noted on the satellite. At constant exchange rates, the depreciation expense increased by €27.6 million, or 5.9 per cent, compared to 2013. As a percentage of revenue, depreciation expense increased on a constant exchange rate basis from 25.1 per cent to 25.6 per cent.

Amortisation expense. Amortisation expense increased by €6.8 million, or 14.5 per cent, to €53.8 million for the year ended 31 December 2014, from €47.0 million for the year ended 31 December 2013. At constant exchange rates, amortisation expense increased by €5.9 million, or 12.3 per cent, compared to the prior year. This increase reflects primarily the commencement of amortisation on acquired or generated definite-life intangible assets and the inclusion of amortisation on software under this heading for the first time in 2014 (formerly presented as part of depreciation). As a percentage of revenue, amortisation expense increased on a constant exchange rate basis from 2.6 per cent to 2.8 per cent.

Operating profit. As a result of the foregoing, operating profit increased by €31.4 million, or 3.7 per cent, to €882.6 million for the year ended 31 December 2014, from €851.2 million for the year ended 31 December 2013. At constant exchange rates, operating profit increased by €34.7 million, or 4.1 per cent, compared to 2013. As a percentage of revenue, operating profit was unchanged on a constant exchange rate basis at 46.0 per cent in both years.

Net financing charges. Net financing charges decreased by €18.5 million, or 10.7 per cent, to €155.0 million for the year ended 31 December 2014, from €173.5 million for the year ended 31 December 2013. This decrease was primarily the result of refinancing activities on the Group's weighted average cost of borrowings. This was complemented by a net foreign exchange gain resulting from the strengthening of the U.S. dollar exchange rate,

as well as lower value adjustments on financial assets. These more than offset the reduction in capitalised interest from €41.1 million to €23.7 million.

Profit before tax. As a result of the foregoing, profit before tax increased by €49.9 million, or 7.4 per cent, to €727.6 million for the year ended 31 December 2014, from €677.7 million for the year ended 31 December 2013.

Income tax expense. Income tax expense decreased by €2.3 million, or 26 per cent, to €85.2 million for the year ended 31 December 2014, from €87.5 million for the year ended 31 December 2013. This decrease was primarily the result of changes in the Group's tax provisions and changes in rates in the jurisdictions where the Group operates.

Share of associates' result. Charges from the Group's share of associates' losses increased by €17.3 million, or 79.7 per cent, to €39.0 million for the year ended 31 December 2014, from €21.7 million for the year ended 31 December 2013, reflecting mainly the Group's interest in O3b.

Profit for the year. As a result of the foregoing, profit for the year increased by €34.9 million, or 6.1 per cent, to €603.4 million for the year ended 31 December 2014, from €568.5 million for the year ended 31 December 2013. The share of the profit for the year attributable to the equity holders of the Issuer rose from €566.5 million to €600.8 million, representing an increase in earnings per Class A share from €1.41 to €1.49.

Year Ended 31 December 2014 Compared to the Year Ended 31 December 2013—Revenue analysis

For the years ended 31 December 2014 and 2013, the Group's primary revenue analysis was done on the basis of downlink regions. As part of this reporting format, the Group also reported constant exchange rate revenue for each of three geographical regions: Europe, North America and International.

The Group's revenue by region for the years ended 31 December 2014 and 2013 are set out in the table below.

	Europe	North America	International	Total
Year ended 31 December 2014				
Revenue (€ in millions)	1,017.7	341.7	559.7	1,919.1
Year ended 31 December 2013				
Revenue (€ in millions) (reported)	936.4	398.0	528.1	1,862.5
Revenue (€ in millions) (constant exchange rate)	93.1	395.0	516.8	1,844.9

Europe

European revenue for the year ended 31 December 2014 increased by €81.3 million, or 8.7 per cent, to €1,017.7 million, from €936.4 million for the year ended 31 December 2013. On a constant exchange rate basis, European revenue increased by 9.1 per cent. This growth included the sale of eight transponders to Eutelsat as part of the comprehensive agreement signed in January 2014 and increases in both infrastructure and services revenue. Services growth, mainly from HD+ activities and SES Platform Services, were also important contributors.

North America

North American revenue decreased by €56.3 million, or 14.1 per cent, to €341.7 million for the year ended 31 December 2014, from €398.0 million for the year ended 31 December 2013, resulting largely from the U.S. government sequester, which was the principal factor in the decrease of 13.5 per cent on a constant exchange rate.

International

International revenue increased by €31.6 million, or 6.0 per cent, to €559.7 million for the year ended 31 December 2014, from €528.1 million for the year ended 31 December 2013. On a constant exchange rate basis, the increase was 8.3 per cent. This increase was primarily due to the continued success in commercialising new capacity brought into service in developing markets, as well as an important contribution from ASTRA 1G which was contracted for an interim mission.

Liquidity and Capital Resources

In the ordinary course of business, the Group's principal funding requirements are for capital expenditures, dividend payments and debt servicing. The Group has historically met these requirements primarily through a combination of cash on hand, operating cash flow, interest-bearing loans and borrowings (including senior unsecured notes and commercial paper programmes) and, to a lesser extent, from equity.

The Group has historically generated strong operating cash flows. The Group's publicly stated target of maintaining a net debt to EBITDA ratio of no more than 3.3 to 1, and dividend policy, requires careful monitoring of capital expenditures and other investments, as well as diligent management of working capital. A dividend of €1.30 per Class A share and €0.52 per Class B share has been approved and paid for the year ended 31 December 2015.

In managing its cash flows, the Group seeks to efficiently use cash generated to repay maturing short- and long-term debt and bank loans and hence reduce the level of cash on hand to a prudent and efficient level. In the 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 its European Medium-Term Note (*EMTN*) and commercial paper programmes. The Group seeks to tailor its debt maturity profile to allow it to cover repayment obligations as they fall due.

The Issuer operates a centralised treasury function which manages the liquidity of the Group in order to optimise the Group's funding costs and to efficiently use cash generated so as to maintain short-term debt and bank loans at a low level. This is supported by a daily cash pooling mechanism.

Liquidity is monitored through a review of cash balances, the drawn and issued amounts and the availability of additional funding under credit lines, the commercial paper program, U.S. Ex-Im (as defined below) and COFACE (as defined below). See "*—Overview of Financing Instruments*" below. As of 31 December 2015, the Group had €639.7 million in cash and cash equivalents, and €4,431.7 million of indebtedness under the Group's current and non-current interest-bearing loans and borrowings.

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 of 31 December 2014 and 31 December 2015. The interest assumption for all floating debts is based on the interest rate of the last drawing.

	Expected cash payments falling due			
	Total	Within one year	After one year but not more than five years	More than five years
		(€ in millions)		
Maturity profile				
Loans and borrowings	4,476.3	254.0	1,917.1	2,305.2
Future interest commitments	1,757.8	168.3	585.7	1,003.8

	Expected cash payments falling due			
Trade and other payables	526.1	526.1	--	--
Other long term liabilities	51.5	--	51.5	--
As of 31 December 2015	6,811.7	948.4	2,554.3	3,309.0
As of 31 December 2014	6,699.9	767.0	2,022.0	3,910.9

The Issuer estimates that it will need approximately €254.0 million for the remainder of 2016 to service debt payments falling due under debt instruments reaching maturity during this period.

The Issuer believes that the Group's available cash resources and borrowing facilities are sufficient for its present requirements.

Overview of Financing Instruments

The Group's interest-bearing loans and borrowings as of 31 December 2015 are summarised in the table further below, followed by a more detailed description of each instrument. The Group manages its treasury operations so that net debt to EBITDA ratio is maintained below 3.30 times to ensure that it is always operating comfortably within the terms of its financing instruments. As of 31 December 2015, the Group's net debt to EBITDA ratio was 2.54 times.

The following table summarises the evolution of the Group's net debt to EBITDA ratio over the periods indicated.

	For the year ended 31 December		
	2013	2014	2015
Net debt (€ in millions)	3,801.7	3,961.6	3,792.0
EBITDA (€ in millions)	1,364.7	1,428.0	1,494.2
Net debt/EBITDA ratio	2.79	2.77	2.54

	Effective interest rate	Maturity	Amounts outstanding as of 31 December (€ in millions)		
			2013	2014	2015
Non-current					
U.S. private placement					
- Series B (\$513 million)	5.83%	September 2015	74.4	--	--
- Series C (\$87 million)	5.93%	September 2015	63.1	--	--
Euro private placement 2016 (€150 million)	5.05%	August 2016	149.5	149.7	--
European Investment Bank (€200 million)	3.618%	May 2017	100.0	66.7	33.4
Eurobond 2018 (€500 million)	1.875%	October 2018	493.7	494.1	494.8
U.S. Dollar Bond #2a (\$500 million)	2.50%	March 2019	--	408.4	456.8
Eurobond 2020 (€650 million)	4.625%	March 2020	645.5	646.2	647.0
Eurobond 2021 (€650 million)	4.75%	March 2021	644.9	645.6	646.3
U.S. Ex-Im (\$158 million)	3.11%	June 2020	69.3	64.2	55.8
COFACE (€522.9 million)	EURIBOR + 1.7%	October 2022	395.8	352.2	299.2
U.S. Dollar Bond #1a (\$750 million)	3.60%	April 2023	537.6	610.1	682.0
Euro private placement 2027 (€140 million)	4.00%	May 2027	139.3	139.4	139.4

Amounts outstanding as of 31 December
(€ in millions)

	Effective interest rate	Maturity	2013	2014	2015
German bond (€50 million), non-listed	4.00%	November 2032	49.8	49.8	49.8
U.S. Dollar Bond #1b (\$250 million)	5.30%	April 2043	179.3	203.4	227.4
U.S. Dollar Bond #2b (\$500 million)	5.30%	March 2044	--	397.8	446.0
Total non-current			3,542.2	4,227.6	4,177.9
Current					
U.S. private placement					
- Series B (\$513 million)		September 2014/15	74.4	84.5	--
- Series C (\$87 million)	5.29%	September 2015	--	71.7	--
European Investment Bank (€200 million)	5.83%	May 2014/15/16	33.3	33.3	33.3
Euro private placement 2016 (€150 million)	3.618%	August 2016	--	--	149.9
Eurobond 2014 (€650 million)	5.05%	July 2014	649.5	--	--
COFACE (€522.9 million)	4.875%	Various	33.9	54.2	54.2
U.S. Ex-Im (\$158 million)	EURIBOR + 1.7%	Various	12.6	14.8	16.4
Total current	3.11%		803.7	258.5	253.8

U.S. private placement

On 30 September 2003, SES Americas issued in the U.S. private placement market four series of unsecured notes amounting to \$1,000 million and £28 million. These notes comprised:

- Series A \$400 million of 5.29 per cent Senior Notes due September 2013, repayable in September 2007. The private placement series A was repaid on 30 September 2013.
- Series B \$513 million of 5.83 per cent Senior Notes due September 2015, repayable in September 2011. The private placement series B was repaid on 30 September 2015.
- Series C \$87 million of 5.93 per cent Senior Notes due September 2015. The private placement series C was repaid on 30 September 2015.
- Series D £28 million of 5.63 per cent Senior Notes due September 2013, repayable in September 2007. The private placement series D was repaid on 30 September 2013.

No further amounts are outstanding as of 31 December 2015.

EMTN Programme

On 6 December 2005, the Issuer put in place a €2,000 million EMTN Programme enabling the Issuer, or the Guarantor, to issue as and when required notes up to a maximum aggregate amount of €2,000 million. In May 2007, this programme was increased to an aggregate amount of €4,000 million. On 23 September 2015 this programme has been extended for one further year. As of 31 December 2015, the Issuer had issued €2,090 million, as compared with €2,090 million as of 31 December 2014, under the EMTN Programme, with maturities ranging from 2016 to 2027.

€150 million private placement (2016)

On 13 July 2009, the Issuer issued a €150 million private placement under the EMTN Programme with Deutsche Bank. The private placement has a seven-year maturity, beginning 5 August 2009, and bears interest at a fixed rate of 5.05 per cent.

€500 million Eurobond (2018)

On 16 October 2013, the Issuer issued a €500 million bond under the EMTN Programme. The bond has a five-year maturity and bears interest at a fixed rate of 1.875 per cent.

144A Bond \$500 million (2019)

On 25 March 2014, the Guarantor completed a 144A offering in the U.S. market issuing \$500 million five-year bond with a coupon of 2.50 per cent and a final maturity date of 25 March 2019.

€650 million Eurobond (2020)

On 9 March 2010 (pricing 1 March 2010), the Issuer issued a €650 million bond under the EMTN Programme. The bond has a 10-year maturity and bears interest at a fixed rate of 4.625 per cent.

€650 million Eurobond (2021)

On 11 March 2011 (pricing 2 March 2011), the Issuer issued a €650 million bond under the EMTN Programme. The bond has a 10-year maturity and bears interest at a fixed rate of 4.75 per cent.

€140 million private placement (2027)

Between May and July 2012, the Issuer issued three individual tranches of a total €140 million private placement under the EMTN 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 per cent.

€200 million European Investment Bank funding

On 21 April 2009, the Issuer 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 per cent, is repayable in six annual instalments between May 2012 and May 2017.

German bond issue of €50 million

On 29 October 2012, the Issuer signed an agreement to issue €50 million in the German bond *Schuldschein* market. The German bond bears a fixed interest rate of 4.0 per cent and matures on 12 November 2032.

144A Bond \$750 million (2023)

On 4 April 2013, the Guarantor completed a 144A offering in the U.S. market issuing \$750 million 10-year bond with a coupon of 3.60 per cent and a final maturity date on 4 April 2023.

144A Bond \$250 million (2043)

On 4 April 2013, the Issuer completed a 144A offering in the U.S. market issuing \$250 million 30-year bond with a coupon of 5.30 per cent and a final maturity date on 4 April 2043.

144A Bond \$500 million (2044)

On 25 March 2014, the Issuer completed a 144A offering in the U.S. market issuing \$500 million 30-year bond with a coupon of 5.30 per cent and a final maturity date of 25 March 2044.

Syndicated loan 2021

In January 2014, the Issuer updated its syndicated loan facility. The updated facility is being provided by 20 banks and has been structured as a five-year multicurrency revolving credit facility with two one-year extension options at the discretion of the lenders. The facility is for €1,200 million and the interest payable is linked to a ratings grid. At the current SES rating of BBB / Baa2, the interest rate is 45 basis points over EURIBOR/LIBOR. On 13 November 2015 and 23 November 2015 respectively, the facility agreement has been amended and extended by one year to 13 January 2021. As of 31 December 2015 and 2014, no amount was drawn from this facility.

€522.9 million COFACE facility

On 16 December 2009, the Issuer signed a financing agreement with Compagnie Française d'Assurance pour le Commerce Extérieur (**COFACE**) in respect of the investment in four geostationary satellites (ASTRA 2E, ASTRA 2F, ASTRA 2G and 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 and all loan tranches became fully drawn in November 2014. Each COFACE tranche is repayable in 17 equal semi-annual instalments where COFACE A has a final maturity date of 1 August 2022, COFACE B and F are maturing on 21 May 2021 and COFACE C and D are maturing on 3 October 2022. The entire facility bears interest at a floating rate of six month EURIBOR plus a margin of 1.7 per cent.

\$158 million U.S. Export-Import Bank of the United States

In April 2011, the Issuer signed a financing agreement with Export-Import Bank of the United States for \$158 million for the investment in one geostationary satellite (QuetzSat-1). At the in-orbit acceptance date of the satellite, the facility was fully drawn with \$152.2 million which will be repaid in 17 equal semi-annual instalments 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 per cent.

French Commercial paper program

On 25 October 2005, the Issuer put in place a €500million “*Programme de Titres de Créances Négociables*” in the French market where the Issuer 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 13 February 1992 and all subsequent regulations. The maximum outstanding amount of ‘Billet de Trésorerie’ issuable under the programme is €500 million or its counter value at the date of issue in any other authorised currency. On 5 June 2015, this programme was extended for one further year. As of 31 December 2015 and 2014, no borrowings were outstanding under this programme.

European Commercial paper program

In July 2012, the Issuer signed the documentation for the inception of a joint €1,000 million guaranteed European commercial paper programme of the Issuer and the Guarantor. 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 2015 and 2014, no borrowings were outstanding under the European Commercial paper programme.

Cash Flow

The table below summarises the Group's consolidated cash flow for the periods indicated.

	For the year ended 31 December			For the three months ended 31 March	
	2013	2014	2015	2015	2016
	(€ in millions)				
Net cash flow from operating activities	1,148.5	1,239.5	1,450.6	416.6	315.6
Net cash flow absorbed by investing activities	(422.3)	(501.1)	(560.6)	(107.1)	(113.9)
Net cash flow absorbed by financing activities	(371.9)	(757.0)	(758.3)	(82.0)	(123.9)
Net foreign exchange movements	(50.1)	(1.1)	(16.5)	4.8	4.2
Net increase (decrease) in cash and cash equivalents	304.2	(19.7)	115.2	232.3	82.0

Cash flow from operating activities. Cash flow from operating activities increased by €91.0 million, or 7.9 per cent, to €1,239.5 million for the year ended 31 December 2014, from €1,148.5 million for the year ended 31 December 2013. This increase was driven both by increased profitability as well as lower investment in working capital in 2014 than in 2013.

Cash flow from operating activities further increased by €211.1 million, or 17.0 per cent, to €1,450.6 million for the year ended 31 December 2015, from €1,239.5 million for the year ended 31 December 2014. This increase was again mainly driven by higher levels of profitability, reflecting to some extent the stronger U.S. dollar, as well as a further favourable development in working capital.

Cash flow from operating activities decreased by €101.0 million, or 24.2 per cent, to €315.6 million for the three months ended 31 March 2016, from €416.6 million for the three months ended 31 March 2015. This decrease was driven by lower profit before tax and a decrease in positive working capital movements, principally from inflows in 2015 such as the European GNSS Agency payment for EGNOS GEO 1 Service.

Cash flow absorbed by investing activities. Cash flow absorbed by investing activities increased by €78.8 million, or 18.7 per cent, to €501.1 million for the year ended 31 December 2014, from €422.3 million for the year ended 31 December 2013. The increase primarily reflects the acquisition of intangible assets, including in connection with the Eutelsat settlement concluded in January 2014, as well as the acquisition of other orbital frequency rights from third parties.

Cash flow absorbed by investing activities increased by €59.5 million, or 11.9 per cent, to €560.6 million for the year ended 31 December 2015, from €501.1 million for the year ended 31 December 2014. This increase was driven by increased expenditures on satellites in the course of construction.

Cash flow absorbed by investing activities increased by €6.8 million, or 6.3 per cent, to €113.9 million for the three months ended 31 March 2016, from €107.1 million for the three months ended 31 March 2015. This increase was driven by an increase in satellite programmes under construction in Q1 2016 compared to Q1 2015.

Cash flows absorbed by financing activities. Cash flow absorbed by financing activities increased by €385.1 million, or 103.5 per cent, to €757.0 million for the year ended 31 December 2014, from €371.9 million for the year ended 31 December 2013. This increase was primarily due to net borrowing activities.

Cash flow absorbed by financing activities increased by €1.3 million, or 0.2 per cent, to €758.3 million for the year ended 31 December 2015, from €757.0 million for the year ended 31 December 2014. This increase was mainly driven by increased repayment activities offset by the issuance of new capital.

Cash flow absorbed by financing activities increased by €41.9 million, or 51.1 per cent, to €123.9 million for the three months ended 31 March 2016, from €82.0 million for the three months ended 31 March 2015. This increase was driven by buy-back of treasury shares.

Free cash flow. Free cash flow is defined as net operating cash flow less net cash absorbed by investing activities. Free cash flow increased by €12.2 million to €738.4 million for the year ended 31 December 2014,

from €726.2 million for the year ended 31 December 2013. This increase was driven by the favourable development in net operating cash flow described above, partially offset by the higher investing activities in 2014.

Free cash flow increased by €151.6 million to €890 million for the year ended 31 December 2015, from €738.4 million for the year ended 31 December 2014. This increase was again a reflection of a favourable development in net operating cash flow, partially offset by a year-on-year increase in investing activities.

Free cash flow decreased by €107.8 million, or 34.8 per cent, to €201.7 million for the three months ended 31 March 2016, from €309.5 million for the three months ended 31 March 2015. This decrease is principally due to reduction in operating cash flow due to lower profit before tax and non-recurring cash flows recognised in 2015.

Commitments and Contingencies

The Group's off-balance sheet commitments comprise future obligations in relation to operating leases and transponder service agreements. The table below summarises the projected contractual undiscounted cash flow impact of these leases and agreements.

	Expected cash payments falling due			
	Total	Within one year	After one year but not more than five years	More than five years
	(€ in millions)			
Contractual commitments				
Operating leases	37.9	4.8	18.7	14.4
Transponder service agreements	32.2	29.5	2.7	--
As of 31 December 2015	70.1	34.3	21.4	14.4
As of 31 December 2014	50.5	38.1	9.9	2.5

In addition to the contractual obligations described in the table above, the Group had outstanding commitments in respect of contracted capital expenditure totalling €825.6 million as of 31 December 2015, largely in relation to the procurement and launch of future satellites. These commitments are expected to be largely settled within five years.

Capital Expenditure

The Group finances its cash outflows related to its purchases of tangible assets, also referred to as capital expenditure (**CapEx**), primarily using net cash inflows from operating activities. This CapEx relates primarily to the procurement of satellites.

The table below sets forth the Group's net cash outflows for CapEx for the years ended 31 December 2013, 2014 and 2015.

	For the year ended 31 December		
	2013	2014	2015
	(€ in millions)		
Payments for purchases of tangible assets (net)	377.5	322.9	524.0

Going forward, the Issuer expects to continue to invest in satellites, both to replace existing capacity before their end of life (*replacement capacity*), as well as to make new capacity available to meet growing demand (*growth capacity*).

In February 2015, the Group initiated the procurement of three satellite programmes, SES-14, SES-15 and SES-16/GovSat-1.

The Group will also continue to invest in associated non-satellite assets, for example ground-based satellite operations infrastructure as well as other equipment, fixtures and fittings required to support day-to-day operations.

Projected cash outflows for CapEx for the period 2016 to 2020 are detailed in the table below, including the contractually committed amounts relating to the three satellite programmes noted above.

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
	(€ in millions)				
Projected cash outflows for CapEx					
Committed CapEx for both replacement and incremental growth capacity	560	380	50	--	--
Committed and uncommitted non-satellite CapEx (infrastructure and services)	60	60	60	60	60
Estimated uncommitted replacement and incremental growth capacity	<u>120</u>	<u>130</u>	<u>365</u>	<u>415</u>	<u>440</u>
Total	740	570	475	475	500

See “*Business—Investment Programme*” for more information on the Group’s strategy for expanding and renewing its existing fleet of satellites and its network of teleports.

Quantitative and Qualitative Disclosures about Market Risk

In the ordinary course of the Group’s business, it is exposed to market risk arising from fluctuations in foreign currency exchange rates and interest rates, as well as credit risk. To manage these risks effectively, the Group has in the past entered and expects to continue to enter into hedging transactions and to use derivative financial instruments, pursuant to established internal guidelines and policies. The Group does not enter into financial instruments for trading or speculative purposes.

The Group’s risk management policies are described below. For more information on the Group’s financial risks and sensitivity analyses, see note 19 of the 2015 Financial Statements.

Foreign Currency Risk

As discussed in “—*Key Factors Affecting the Group’s Business and Results of Operations*” above, movements in the U.S. dollar to euro exchange rate can affect the Group’s statement of financial position and income statement, as the Group has significant operations whose functional currency is the U.S. dollar and liabilities denominated in U.S. dollar. To mitigate the balance sheet exposure, the Group may enter into forward foreign exchange contracts, or similar derivatives, to hedge the exposure on financial debt or on net assets. As of 31 December 2015, the Group held no such financial instruments.

The Group also has a corresponding exposure to the U.S. dollar in the income statement. In the year ended 31 December 2015, 45.2 per cent of the Group’s revenue and 50.5 per cent of its operating expenses were generated by Group companies with the U.S. dollar as their functional currency. The Group does not enter into any hedging derivatives to cover this income statement exposure.

The Group may use forward currency contracts to eliminate or reduce the currency exposure on individual transactions such as satellite procurements, tailoring the maturities to the milestone payment schedule. The forward contracts are in the same currency as the hedged item and can cover up to 100 per cent 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 ensure the effectiveness of the hedge.

At 31 December 2015 and 2014, cross-currency swaps and additional Group borrowings were designated as a hedge of the net investments in SES Global-Americas, Inc., SES Holdings (Netherlands) BV and SES Satellite Leasing Limited. As of 31 December 2015, the net investment hedges were assessed to be highly effective and a net translation loss of €139.9 million (stated net of tax of €75.6 million) was included in equity. As of 31 December 2014, a net translation loss of €158.6 million (stated net of tax of €67.3 million) was included in equity.

Interest Rate Risk

The Group's exposure to risk of changes in market interest rates relates primarily to its floating rate borrowings. The Group carefully monitors and adjusts the mix between fixed and floating rate debt from time to time, following market conditions. Interest rate swaps are used 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. As of 31 December 2015, the Group had 92 per cent of its borrowings at fixed rates, compared to 91 per cent as of 31 December 2014.

The Group had no interest rate hedges outstanding as of 31 December 2013, 2014 and 2015.

Credit Risk

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts has historically not been significant.

Trade debtors, net of provisions, as of 31 December 2015 were €378.8 million, compared with €377.0 million as of 31 December 2014. An amount of €16.4 million was expensed in 2015 reflecting an increase in the impairment of trade and other receivables, compared to €17.3 million in 2014. This amount is recorded in 'Other operating charges.' As of 31 December 2015, trade receivables with a nominal amount of €52.7 million were impaired and fully provided for, compared to €37.2 million as of 31 December 2014.

The Group's largest customers are substantial media companies and government agencies, the credit risk of which is assessed as low.

Significant Accounting Policies

The Group's financial information included in this Prospectus has been prepared and presented in accordance with EU IFRS. See "*Presentation of Financial and Other Information*" and the notes to the Annual Financial Statements contained in this Prospectus. In particular, see note 2 to the 2015 Financial Statements.

The preparation of financial statements requires the Group's management to make a number of estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, and of revenue and expenses, and the disclosure of contingent assets and liabilities. All assumptions, expectations and forecasts used as a basis for certain estimates within the Annual Financial Statements represent good-faith assessments of the Group's future performance for which the Issuer believes there is a reasonable basis.

These estimates and assumptions represent the Group's view at the times they are made, and only then. They involve risks, uncertainties and other factors that could cause the Group's actual future results, performance and achievements to differ materially from those forecasted.

BUSINESS

Overview

SES is a world-leading satellite operator. The Group owns and operates a fleet of 52 geostationary satellites and provides satellite-enabled communications solutions to major customers around the world. The Group's operations are focused on delivering solutions to serve four market verticals – Video, Enterprise, Mobility and Government. The Group's fleet is complemented by a network of teleports and offices located around the world. This far-reaching infrastructure could enable the Group to offer coverage to 99 per cent of the world's population. The Group's transponder utilisation rate as at 31 December 2015 was 72.8 per cent, representing 1,093 of 1,502 transponders commercially available.

In addition to operating a geostationary satellite fleet with global coverage, across multiple frequency bands, the Issuer has a fully diluted interest of 49.14 per cent in O3b, a company operating a Medium Earth Orbit satellite constellation that combines the reach of satellite with the speed of fibre. On 29 April 2016, SES announced the 50.5 per cent Acquisition. The Issuer intends to exercise the Call Option to purchase the remaining outstanding share capital of O3b. For more information on O3b, see “—O3b” below.

SES's differentiated strategy focuses on three key elements:

- Globalisation (building scale to serve rapidly increasing demand for global solutions);
- Verticalisation (focused development of differentiated capabilities in the four market verticals); and
- Dematuring (shaping the future user experience, and entrenching satellite's key role in the digital ecosystem).

By delivering differentiated and world-class global satellite-enabled solutions, SES seeks to optimally serve customer requirements in four key market verticals - Video, Enterprise, Mobility and Government which now define SES's business and strategy.

In 2015 the Group reported revenue growth in three of the four verticals; Video grew 7.5 per cent to €1,354.9 million compared to €1,260.8 million in 2014, Mobility grew 47.4 per cent to €52.9 million compared to €35.9 million in 2014 and Government grew 18.8 per cent to €255.6 million compared to €215.1 million in 2014. The revenue in the market vertical Enterprise decreased by 5.1 per cent to €307.6 million compared to €324 million in 2014.

The Group contracts satellite capacity and had a contract backlog of approximately €7.6 billion as of 31 March 2016. Contracts with broadcasters are generally long-term, with typical durations of ten years (and up to 15 years in certain cases) for customers in North America and Europe and between five and ten years for customers in developing markets. Contracts with enterprises are typically three to five years in length and contracts with government customers are typically one year. The Group's largest customers generally are leading media companies, enterprises and government agencies with low credit risk and steady cash flows. These qualities, combined with the Group's contract backlog, provide SES with predictable cash flows and revenue visibility. The Issuer believes the long-cycle nature of many of the Group's material contracts make the business less susceptible to short-term fluctuations in global economic conditions.

Competitive Strengths

The Issuer believes that the Group benefits from the following key strengths:

- **A leading satellite operator with global reach.** SES is a leading satellite operator with a global reach, operating a fleet of 52 satellites in markets around the world. Its business supports a number of applications, foremost of which is the transmission of direct-to-home (*DTH*) television broadcasts, a

high-value application with persistent characteristics. SES also provides services, including VSAT networks, broadband internet access and mobile backhaul, to commercial enterprises, and communications links to government customers.

- ***Strong and predictable cash flows.*** The Group had a contract backlog of approximately €7.6 billion as of 31 March 2016 delivered by a strong customer base consisting predominantly of broadcasters in developed markets. This customer profile generates a predictable, high-margin revenue stream, resulting in a high cash flow conversion factor.
- ***Clear financial strategy.*** The Group is committed to maintaining its BBB/Baa2 (Standard & Poor's and Moody's) investment grade credit rating. This has facilitated access on favourable terms to the capital markets. While the Group has adequate liquidity at hand as of the date of this Prospectus, it continues to seek to diversify and extend its debt funding base and to optimise its debt maturity profile.
- ***Experienced management team.*** SES has a highly experienced management team, led by the Executive Committee, each of whose members has considerable experience in the satellite industry.

Strategy

The Group's objective is to be the world's most customer-focused satellite company by collaborating with its customers and partners around the world to grow their businesses through the Group's unique, reliable and innovative satellite infrastructure and solutions. The Group aims to deliver sustainable and profitable growth from its satellite infrastructure business by building on the Group's core competencies and pursuing the following strategies:

- market vertical-centric innovation, including
 - rapidly increasing scale in the Video market vertical, aided by the acquisition of RR Media,
 - enhancing capabilities within the Enterprise market vertical, including through the acquisition of O3b,
 - building the potential of the Mobility market vertical by providing top-end aeronautical and maritime connectivity and integrating O3b's capabilities and
 - providing space resilience within the Government market vertical, including to the United States and NATO;
- focused development of spectrum;
- technological evolution that creates new opportunities and enables new markets;
- differentiated investment;
- building up global capabilities in all elements of the business; and
- sustained organisational efficiency.

History

The Issuer was founded in 1985 as Europe's first private satellite operator under the name of Société Européenne des Satellites. The Group's first satellite, ASTRA 1A, was launched in December 1988 for broadcasting primarily into the UK, with transmission beginning in February 1989. The satellite had 16 transponders, most of which targeted specific markets in the UK and Scandinavia. By the end of 1990, ASTRA 1A was able to reach over 16 million cable and DTH households in Europe. The launch of ASTRA 1A was

followed by the launches of the ASTRA 1B, ASTRA 1C and ASTRA 1D satellites to meet increasing demand, in 1991, 1993 and 1994, respectively. These satellites were co-located in the same orbital slot (19.2°E) as ASTRA 1A, substantially increasing the number of channels that could be transmitted from that orbital position.

In the years that followed, the Group reached further milestones, including the inauguration of its digital technical facilities for the reception, monitoring, multiplexing, encryption and uplinking of hundreds of digital channels on the ASTRA system, the launching of further satellites and the expansion of its footprint across Europe.

In 1998, the Issuer became a publicly listed company through an initial public offering and listing on the Luxembourg Stock Exchange. In 1999, the Group began its transition from a single-market business to a global operator through a strategy of acquiring minority interests in regional operators, such as Asian operator AsiaSat, Nordic operator NSAB and Brazilian operator Star One.

In 1998, the Issuer opened a second orbital location for Europe at 28.2°E, to serve the UK and Ireland DTH markets. First transmissions began following the launch of ASTRA 2A in August 1998.

In 2001, the Issuer acquired a 100 per cent interest in General Electric (*GE*) satellite communications unit American Communications, for a consideration in cash and shares, following which GE became a significant shareholder in the Issuer. The acquisition included 13 satellites serving the North American market, as well as six other satellites covering Asia, Latin American and certain Oceanic regions. The transaction also included a U.S. government services unit.

In 2003, the Group created a strategic partnership that linked SES AMERICOM (North America's largest satellite operator at the time) with EchoStar (the U.S.'s second-largest DTH network) by which the Group procures satellites and then fully contracts the capacity of the satellites to EchoStar.

In May 2004, SES's securities were listed on the Euronext Paris Stock Exchange in order to further facilitate trading in SES's securities.

In 2004, SES acquired DPC from the Kirch Group. Renamed SES Platform Services, this entity provides broadcasters with playout, multiplexing and encrypted satellite uplinks as well as other media broadcast services.

In 2006, SES extended its footprint to deliver global coverage through the acquisition of New Skies Satellites. This acquisition gave the Group global coverage via 100 per cent-owned satellites, thereby shifting its strategy away from minority interests such as in AsiaSat and Star One. In a €1.2 billion spin-off transaction in 2007, these and certain other assets and cash were contributed to GE in exchange for its remaining shareholding in SES, shares which were then cancelled.

In 2008, the Group began using a new orbital position, 31.5°E, to serve markets in Eastern Europe. Operations were initiated with the Sirius 2 satellite, renamed ASTRA 5A. Following its retirement from service, operations continued on ASTRA 2C and subsequently ASTRA 1G. ASTRA 5B was launched on 22 March 2014 and operates at 31.5°E.

In 2009, SES continued to expand despite the global economic downturn, with robust demand for capacity in its developing markets. In particular, the Group entered into a partnership with Star Satellite Communications Company PJSC (*YahSat*) to offer DTH television in the Middle East and North Africa. The Group also announced its strategic investment in O3b.

By 2010, the Group had more than 40 satellites in operation and celebrated its 25-year anniversary.

In 2012, the Group expanded its fleet through the launch of three new satellites, SES-4, SES-5 and ASTRA 2F.

The ASTRA satellite system has continued to experience audience growth in the 37 countries in its geographic footprint coverage. A growing line-up of digital television and radio channels has increased ASTRA's technical reach. At the end of 2015, ASTRA reached approximately 156 million, or 61 per cent, of all television households in its footprint. These households receive broadcasts via satellite, cable and IPTV, of which satellite served approximately 64 million homes directly, with cable (approximately 64 million) and IPTV (approximately 28 million) serving the remainder.

In June 2013, the Group launched SES-6 and brought it into service in July, replacing the NSS-806 spacecraft at 40.5°W and doubling the available capacity at that orbital position with an incremental 49 transponders. SES-6 is home to Brazilian DTH Pay-TV provider Oi's new, extended DTH package. In September 2013, SES and Panasonic Avionic Corporation signed a major satellite capacity agreement to use the SES-6 satellite and its high-powered Ku-band mobility beams over the Atlantic Ocean to deliver a complete entertainment and communications package to aircraft.

SES-8 was launched on 3 December 2013 and entered into commercial service on 3 February 2014. It has been successfully co-positioned with SES's NSS-6 satellite at the orbital location of 95°E and is now fully operational to serve markets in the Asia-Pacific region.

In addition, ASTRA 2E was launched on 30 September 2013 and entered into commercial service on 1 February 2014. ASTRA 2E delivers next generation broadcast, VSAT and broadband services in Europe, the Middle East and Africa, and carries Ku- and Ka-band payloads at the prime orbital location of 28.2°E/28.5°E.

The procurement of SES-10 was announced on 20 February 2014. The Group has selected Airbus Defence and Space (formerly known as Airbus Military, EADS Astrium and Cassidian) to build this communications satellite. The new satellite will expand SES's capabilities in Latin America and the Caribbean through high-power beams tailored to provide direct-to-home broadcasting, enterprise and broadband connectivity services in the entire region at the orbital location of 67°W. With 55 high-power Ku-band transponders, the satellite will provide replacement capacity for the current satellites, AMC-3 and AMC-4, as well as incremental capacity at the 67°W slot.

In June 2014, SES won the Brazilian spectrum auction for the two orbital positions 48°W and 64°W.

The procurement of SES-12 was announced on 17 July 2014. Airbus Defence and Space has been selected to build this new hybrid communications satellite to serve the fast growing DTH, Data, Mobility and Government markets in Asia. The new satellite will expand SES's capabilities to provide DTH broadcasting, VSAT, Mobility and High Throughput Satellite (*HTS*) data connectivity services in the Asia-Pacific region, including rapidly growing markets such as India and Indonesia. The spacecraft will be positioned at the well-established orbital slot of 95°E, providing incremental as well as replacement capacity with excellent view angles across the Asia-Pacific region. SES-12 will replace NSS-6 and will be co-located with SES-8.

On 4 September 2014, SES announced the continuation of its strategic partnership with EchoStar Corporation at the orbital position of 105°W with the procurement of the new SES-11 satellite. SES-11 will be manufactured by Airbus Defence and Space based on the reliable Eurostar E3000 platform. SES-11 will carry 24 Ku-band transponders as well as 24 C-band transponders. The spacecraft's Ku-band capacity will replace the existing SES satellite AMC-15 at 105°W, an orbital position where EchoStar has been SES's anchor customer since 25 December 2004. The spacecraft's C-band capacity will provide replacement capacity for AMC-18 at 105°W.

On 28 December 2014 ASTRA 2G was successfully launched on ILS Proton from Baikonour in Kazakhstan. ASTRA 2G was built by Airbus Defence and Space in Toulouse, France. ASTRA 2G also delivers next generation broadcast, VSAT and broadband services in Europe, the Middle East and Africa and carries Ku- and Ka-band payloads at the prime dual orbital location of 28.2/28.5°E.

On 16 February 2015 SES announced that it has ordered new satellites SES-14 from Airbus Defence and Space and SES-15 from Boeing Satellite Systems to provide growth capacity in Latin America and North America respectively. Both are powerful hybrid satellites, using Ku-, Ka- and, in the case of SES-14, also C-band in wide-beam and high-throughput technology and a purely electric propulsion system that enhances the satellites' economic efficiency as a result of the enhanced payload that can be carried as a result of the reduction in fuel mass. Both satellites are due to be launched in 2017.

In March 2015, Airbus Defence and Space announced a multi-year capacity agreement with SES to deliver managed satellite communication services for corporate customers in the mining, energy and humanitarian sectors. Airbus Defence and Space will utilise capacity on SES-5, with the potential to take additional Ku-band capacity on ASTRA 2G, ASTRA 4A and NSS-12. In addition, SES will provide teleport services from Luxembourg.

SES's commitment to developing its presence in the Mobility vertical was boosted in March 2015, when Global Eagle Entertainment (*GEE*) contracted Ku-band wide-beam and High Throughput Satellite spot-beam capacity aboard SES-12, SES-14 and SES-15. GEE will take advantage of the combined coverage over North and South America, the Atlantic Ocean, Western Europe, the Middle East and Asia-Pacific to deliver in-flight connectivity and services for commercial airlines.

SES achieved important milestones in accelerating the commercial introduction of Ultra High Definition (*UHD*). In addition to having three UHD demo channels in Europe via three orbital positions (19.2°E, 28.2°E and 5°E) and in North America via 103°W, SES secured a multi-year contract to broadcast Europe's first commercial free-to-air UHD channel in May 2015. In July 2015, Sky Deutschland signed an additional capacity agreement for UHD broadcasts.

SES has continued to develop its business with governments in Europe during 2015, notably with its investment in LuxGovSat, a jointly owned entity of the Issuer and the Luxembourg government. In February 2015, LuxGovSat procured SES-16/GovSat-1 to provide dedicated military frequencies for governmental requirements over Europe, the Middle East and Africa. The Luxembourg government has also pre-committed to a significant amount of the satellite's capacity, which will support its NATO obligations.

SES Government Solutions has signed two new hosted payload contracts, namely the Global-Scale Observations of the Limb and Disk payload on SES-14 and the Wide Area Augmentation Systems satellite payload on SES-15.

In June 2015, StarTimes contracted additional capacity on SES-5 to provide an enhanced TV viewing experience in Africa. StarTimes provides English-language video content to over five million subscribers across 16 African countries and will use the additional capacity to provide additional high-quality content as part of its DTH package.

In September 2015, SES Platform Services unveiled several innovative new products, which will help to shape the future of video distribution across multiple devices. These included FLUID HUB, which provides managed cloud-based services on a variety of video platforms. The service is already supporting over 20 video on demand (VOD) portals for customers such as Fox International Channels Germany, Turner and the INSIGHT UHD channel. In addition, LIQUID VOD distributes VOD content over satellite in areas underserved by terrestrial alternatives and delivers premium content to an increasing number of users, without incremental distribution costs.

In December 2015, Televisa in Latin America contracted three C-band transponders on AMC-9 to broadcast premium channels to millions of homes across Mexico. The combination of premium content and on-going investment in seeding cable head-ends further strengthens SES's video neighbourhood in Mexico

Recent Developments - most significant trends since the end of the 2015 financial year

In January 2016, SES announced the transmission of a record number of TV channels through its satellite fleet as of 31 December 2015. SES's TV channel count grew by 11.3 per cent to 7,268 channels during 2015, compared with an overall growth of 2 per cent for the rest of the industry. The superior development was driven by the continued introduction of new High Definition (**HD**) channels across Europe and North America, as well as the further expansion of SES's Video business across emerging markets. Nearly 60 per cent of all channels on the SES fleet are now broadcast in the MPEG-4 compression standard. The penetration of HD channels across all markets continues to be an important driver of growth for SES. The number of HDTV channels served by SES's fleet of over 50 satellites grew by 18 per cent to 2,230 channels, representing 31 per cent of the total TV channels on SES satellites. In contrast, the number of HDTV channels carried over satellite for the rest of industry grew by 13 per cent to about 6,400 channels.

In February 2016, SES also signed important agreements with Panasonic and Gogo to provide capacity for connectivity services. Panasonic Avionics signed a long-term contract for its highest bandwidth commitment to date of high-powered, HTS spot-beam and wide-beam Ku-band capacity, on the SES-14 and SES-15 satellites. Gogo has signed one of the largest satellite capacity deals ever struck in the aero market to meet growing demand for high-speed in-flight connectivity on travel routes over the Americas, contracting spot-beam and wide-beam capacity aboard SES-14 and SES-15.

On 26 February 2016, SES announced that SES Platform Services will merge with RR Media, a leading provider of global digital media services. RR Media provides scalable, converged digital media services for over 1,000 media customers globally. RR Media uses an optimised combination of satellite, fibre and the internet to deliver global content to viewers of multi-platform TV operators, over 100 VOD platforms, as well as delivering content for online video and DTH service. The new company will offer full continuity and enhanced service to SES Platform Services and RR Media existing customers, leveraging multiple satellite positions as well as a large fibre network and the internet.

On 4 March 2016, the SES-9 satellite was launched into Geostationary Transfer Orbit and is scheduled to reach geostationary orbit in the second quarter of 2016. The satellite carries replacement and expansion capacity for key markets in the Asia-Pacific region.

On 29 April 2016, SES announced it agreed to increase its stake in O3b to a controlling interest of 50.5 per cent. The Issuer intends to exercise the Call Option to purchase the remaining outstanding share capital of O3b, and in connection therewith has carried out the Capital Raise (see section “ – *The Acquisition*”). For more information on O3b, see section “—*O3b*” below.

Industry Overview and Trends

Overview

SES operates in the FSS sector of the satellite industry, which forms an integral part of the global communications infrastructure. According to Euroconsult, revenue of FSS operators reached \$12.3 billion in 2014.

Over the last several years, deregulation and privatisation have significantly reshaped the FSS sector. In addition, the sector has seen an increase in export financing from countries such as China, France and the U.S. that has contributed to the development of national satellite programmes. The sector has also undergone consolidation, with regional and national operators being acquired by larger companies or seeking to partner with other providers.

There are currently three FSS operators in addition to SES that provide services globally. This is increasingly important as broadcasters, enterprises and governments seek global connectivity. In addition, there are a number of operators with fewer satellites that provide regional and/or national services.

Satellite Communication

Satellite operators compete with terrestrial (including wireless) network operators (e.g., cable, DSL, fibre optic, microwave broadcasting and 3G/4G networks) in the market for video, data and voice communication services. Satellite services have several advantages over these competing communication platforms, such as:

- the ability to extend beyond terrestrial network end points, or provide an alternative path to terrestrial infrastructure, thus avoiding points of congestion or unreliability;
- cost-effectiveness and efficiency in content distribution through the ability to broadcast high-quality signals (TV, radio and internet) from a single location to many locations simultaneously;
- fast network deployments, with network performance easily replicated across each site regardless of geography or infrastructure, and efficient centralised control and management;
- the ability to provide ubiquitous coverage over a large geographic region allowing for the addition of sites at a lower marginal cost. Unlike cable and fibre lines, satellites can readily provide broadcast and communication services over large areas and to remote locations where the population density may not be high enough to warrant the expense of building a terrestrial-based communications network;
- superior end-to-end network availability compared to terrestrial networks;
- sufficient bandwidth to support the introduction of new technologies and video and data offerings, such as HD and Ultra HD television; and
- rapid communications capabilities for disaster recovery.

Terrestrial alternatives, such as fibre optic cable, may be more advantageous than satellite in some circumstances and can be used in conjunction with satellite to provide a hybrid network that takes advantage of the inherent abilities of both technologies. Generally, in areas well served by terrestrial networks or for point-to-point communications, terrestrial alternatives may have a cost advantage, while more dispersed, point-to-multipoint communications may be better served by satellite.

In recent years, the growth in both linear and non-linear TV viewing and the demand for the delivery of broadcast and broadband network to subscribers through a single user interface have led to the development of Hybrid Terrestrial-Satellite solutions. This trend of hybridisation combines the satellite's broadcast quality, reach and economics with the interactivity of non-linear and terrestrial networks.

Supply and Demand for Fixed Satellite Services

Supply

The supply of satellite capacity is affected by significant requirements for financial, technical, human, natural and other resources. For instance, there are a limited number of orbital locations and limited radio frequency spectrum available to commercial communications satellite operators. As a result, a limited number of satellites can be placed into service over any particular geographic area. New entrants face the significant capital costs of procuring a satellite and must maintain the financial and highly specialised technical resources required to operate a satellite system and market its services. Other regulatory requirements must also be satisfied before a new entrant can provide services to, from or within a specific country. As such the supply of satellite capacity is also constrained by a number of regulatory requirements at national, regional and supra-national levels.

Available supply of satellite capacity varies significantly by region, frequency and market demand. With respect to video distribution, “neighbourhoods” develop where many thousands or even millions of consumer satellite dishes or cable head-ends are pointed at a specific orbital location or locations. Due to the commercial attractiveness of those neighbourhoods developed over time as a result of significant investments by satellite operators, video distribution networks prefer to secure expansion of satellite capacity from satellites located at the orbital location(s), or neighbourhoods, to which their or their customers’ satellite dishes are already pointed.

Demand

Demand for satellite services is primarily driven by economic growth, both generally and within a particular geographic area, growth in product or service markets, growth in demand for bandwidth-intensive applications, technical advancements and improved regulatory access to new and existing markets. In particular, the Issuer believes the following factors will drive FSS growth in the next decade:

Proliferation of Video content and format

- FSS operators are experiencing strong demand for both video distribution and contribution, evidenced by the continued growth in the number of channels being broadcast. Demand is also driven by the increasing volume of high-quality display formats, including a significant number of HDTV channels, which require two or three times more bandwidth than standard definition channels for a given compression format. Demand for UHD (4K) is expected to develop, driven by the availability of UHD screens in the market and the heightened focus by DTH operators on premium quality which will enable further differentiation among operators. In addition, an increasing number of movies and digital cinema are now shot in UHD. Commercial UHD broadcasts started in 2015 and are expected to become widespread by around 2020. Mobile and fixed telecommunication companies are also turning to satellite as they face significant consumer demand for video content, both as an add-on to complete triple-play bundles as well as embedding satellites in hybrid solutions.

Proliferation of Data-centric applications

The market for data-centric applications is expected to show strong growth, with global industry revenue across the Mobility, Enterprise and Government market verticals projected to nearly double between 2015 and 2024, with compound annual growth rates (*CAGR*) in each region of 6 per cent or more over the same period (source: Northern Sky Research).

- *Mobility.* Applications such as wireless phone services, maritime communications and aeronautical services are fuelling demand for satellite bandwidth. Significant technology advancements are enabling the provision of broadband connectivity to a wide range of commercial passenger aircraft and maritime vessels. The same technologies are also able to furnish these links to manned and unmanned aeronautical platforms and naval ships used by government and/or defence users. Rapid growth in cellular services in developing regions is expected to transition demand for voice-only services to demand for data and video services over time, resulting in increased network bandwidth requirements. Given the low penetration of fixed-line telephone services in developing markets and the introduction of smart phones, tablets and netbooks, internet access in these markets may be primarily served by satellite connectivity. Global Mobility revenues are projected to grow significantly, with a 20 per cent CAGR 2015-2024.
- *Enterprise networks and applications.* Corporate VSAT networks are being widely implemented in developing regions and markets as economic growth and foreign trade expands. Banking is among the sectors driving this growth, along with multinational corporations expanding their presence in the region.

The use of satellite networks has expanded in recent years to support oil and gas extraction and other resource sectors such as mining. In more developed regions such as North America, oil and gas companies increasingly rely on satellite since deposits are often located far from terrestrial infrastructure and the use of remote real-time operations monitoring continues to increase. Demand for satellite capacity has been driven both by growth in this sector as well as an increase in the use of bandwidth-intensive applications by such operations.

Ka- and Ku-band satellite services support broadband internet access for consumers and small businesses. The capabilities of today's high-throughput satellites allow ISPs to offer high-speed internet access comparable to terrestrial alternatives.

A well-developed market vertical, Enterprise is foreseen to deliver a 3 per cent revenue CAGR 2015-2024.

- *Government.* Government digital inclusion projects to bring broadband services to rural and remote communities and those with limited terrestrial infrastructure are an important and growing application being led by civilian agencies in both developed and developing nations. These projects coincide with strong government demand from national broadband programmes for rural connectivity and universal mobile coverage obligations.

Demand for satellite capacity from defence and military agencies around the world continues to grow. The U.S. government remains the single largest user of commercial satellite communications capacity and most of this use relates to U.S. Department of Defense operations.

The sustained growth in the Government vertical is suggesting revenue CAGR of 7 per cent in the period 2015-2024.

Customers and Services

Overview

SES provides its services to customers worldwide, including broadcasters, telecommunications companies, content and internet service providers, mobile and fixed network operators, network integrators and corporate and government customers.

The Group's services fall into two categories:

- *Infrastructure.* This category includes the provision of satellite transponder capacity and directly attributable services, which accounted for 76.7 per cent and 74.3 per cent of the Group's revenue for the year ended 31 December 2014 and the year ended 31 December 2015, respectively.
- *Services.* This category principally includes (i) the provision of products through SES Platform Services, which includes playout and transmission services, (ii) the Group's HD+ platform, (iii) retail broadband two-way internet access provided through SES Techcom (since 2015, following the merger of SES Broadband Services with SES Techcom), (iv) engineering services provided through SES Techcom and (v) SES Government Solutions (partially non-SES fleet related revenue).

SES focuses on four market verticals:

<u>Customer Segment</u>	<u>Key Services Sold</u>
Video	DTH broadcasting including HDTV (7,268 channels) Video contribution and distribution/teleport services Managed digital media services Consumer TV platforms, e.g. HD+
Enterprise	Wide-beam and GEO/MEO HTS capacity and teleport services Network/platform services (e.g. mobile backhaul) Managed networks for consumer/SME applications (e.g. VSAT networks, broadband internet access) Telcos and MNOs
Mobility	Trans-oceanic and landmass wide-beam and GEO/MEO HTS capacity and teleport services Mobility network/platform services (e.g. aeronautical connectivity, maritime connectivity)
Government	Wide-beam and GEO/MEO HTS capacity and secure teleport services communications link C/Ku/Ka and Military frequency capacity Fully managed end-to-end service to the end customer including hosted payloads

Customers

Video vertical – Broadcasters

SES's satellites are the world's leading audiovisual distribution platform and enabled broadcasters to deliver 7,268 television and radio channels (including 2,230 HDTV channels) as of 31 December 2015. Approximately 317 million television households worldwide were reached at the end of December 2015. SES provides DTH broadcasting, feeds for cable networks and digital terrestrial television networks, as well as full-time video contribution services, HD+ and occasional use services, as described in more detail below.

Revenue attributable to the Video vertical accounted for 66 per cent and 67 per cent respectively of the Group's revenue for the year ended 31 December 2014 and the year ended 31 December 2015. No corresponding analysis by vertical is available for periods before 2014. Video vertical revenue included:

- *DTH broadcasting, including HDTV and Ultra HD TV.* DTH service providers use the Group's satellites as a distribution platform for their services, delivering television programming, audio and information channels directly to customers' homes.
- *Video distribution and contribution.* Major broadcasters, cable networks and DTH service providers use the Group's satellites for the full-time transmission of television programming. Additionally, SES provides certain broadcasters and DTH service providers bundled, value-added services that include

satellite capacity, digital encoding of video channels and uplinking and downlinking services to and from the Group's satellites and teleport facilities.

- *HD+*. HD+ is a platform for the reception of the encrypted and unencrypted free to air channels in HD in Germany which SES broadcasts. The line up includes 21 encrypted free to air channels in HD and 30 non-encrypted free to air channels in HD. HD+ market development continued to progress with over 1.8 million subscribers at the end of December 2015.
- *Occasional use services*. Occasional use services comprise the sale of capacity, on a short-term basis, to broadcasters, programmers and special events rights holders for the timely broadcast of video news, sports and live event coverage on a short-term basis enabling broadcasters to conduct on-the-scene transmissions using small, portable antennas.

Mobility and Enterprise verticals - Commercial Enterprises

The Group's global satellite fleet and ground infrastructure, combined with its partner teleports in various countries, ensure that SES customers enjoy high-quality connectivity around the world. SES provides VSAT networks, broadband internet access, mobile backhaul and many more services for corporate and telecommunications customers worldwide.

Revenue attributable to the Mobility and Enterprise verticals were 3 per cent and 15 per cent respectively of Group revenue for the year ended 31 December 2015 compared to 2 per cent and 17 per cent respectively for the year ended 31 December 2014. No corresponding analysis by vertical is available for periods before 2014.

Services provided to Enterprise customers include:

- *VSAT networks*. The Group provides capacity for the operation of VSAT networks which serve thousands of VSAT terminals at customer sites. For some of these customers, SES offers end-to-end services including installation and maintenance of the end user terminal, maintenance of the VSAT hub and provision of satellite capacity.
- *Internet services*. The Group provides satellite capacity to a variety of customers who use it to provide two-way broadband internet services.
- *Telecommunication carrier services*. The Group provides satellite capacity and end-to-end services for data and voice transmission to telecommunications carriers located throughout the world. These services include space segment capacity and terrestrial facilities for GSM (mobile telephony) backhaul and for maritime and aeronautical sectors where connectivity cannot be provided by terrestrial networks.

Government vertical

SES serves the diverse needs of governments and public sector organisations around the globe including the governments of the United States, Germany, the United Kingdom, the Grand Duchy of Luxembourg and the Netherlands, offering secure and reliable communications links. The largest government customer is the U.S. government. The Group delivers vital communications links for civil and military agencies, first responders and educational or medical purposes worldwide.

Services Agreements

The Group provides its satellite transponder capacity and related services under a variety of contract terms. Satellite capacity contracts vary in length and content depending on the type of customer. The Group's contracts are up for renewal at various times in the future. The Group's contracts generally do not have break clauses and therefore must be honoured in full.

- *Broadcasters.* Contracts with broadcasters are generally long-term, with typical durations of ten years (and up to 15 years in certain cases) for customers in North America and Europe, and between five and ten years for customers in developing markets. Such contracts can sometimes be for the whole of a satellite's operational life and can be for single or multiple transponders.
- *Commercial enterprises.* Contracts with commercial enterprises are generally three to five years in length, and the capacity contracted for will generally cover more than one geographic region.
- *Government.* Contracts with government customers are generally no longer than one year in length, as government customers generally cannot pre-empt an annual budget allocation. The Group has multi-year framework agreements with many of its government customers pursuant to which the customer agrees that the contract will be renewed as long as the agency receives the necessary funds. SES has recently signed five-year agreements with U.S. government customers, signalling a move to consider longer-term contracts, to facilitate operational requirements and secure capacity on more favourable terms.

Under the Group's standard capacity allotment agreement, customers must obtain operating licences from the relevant regulatory authorities, comply with regulations governing the content of audiovisual programmes, obtain the rights to operate their earth stations and comply with the Group's technical specifications. The Group may also require a customer to provide a bank or other guarantee as security for payment with regard to allotted capacity and in respect of the customer's contractual obligations.

Principal Markets

The Group's principal markets described below correspond to the Group's four geographic customer-facing commercial groups (Market/Business Verticals) described in section "*Description of the Issuer and Corporate Governance—The Executive Committee*" below. These markets are served by the Group's growing fleet of satellites, many of which cover more than one market. For information on which markets are covered by each of the Group's satellites, see "*Satellite Fleet*" below.

Europe

SES, under the ASTRA brand, is a leading provider of DTH transmission capacity in Europe. The Group's European market includes customers and operations throughout Western, Central and Eastern Europe. Its customers include pay-TV groups (e.g. Sky, Canal+), broadcasters (e.g. BBC, RTL, ARD/ZDF), resellers (e.g. Globecast) and data network service providers (e.g. Airbus Defence & Space). SES offers a broad array of products and services in this market, including television broadcasting in DTH transmission and cable network redistribution.

The Group's fleet carries 2,596 television channels in Europe, reaching approximately 156 million homes as of 31 December 2015.

All major cable networks in Europe retransmit programming broadcast via SES satellites, and approximately 64 million cable homes currently receive ASTRA-delivered television and radio channels. Approximately 64 million homes receive ASTRA transmissions directly via satellite. The HDTV market continues to grow and, as of 31 December 2015, the number of HD channels delivered on ASTRA platforms had increased to 674.

In respect of complementary satellite service activities, particularly in Europe, SES undertakes certain professional services to support customers' use of satellite capacity. These satellite service companies include (i) SES Platform Services, offering specialised ground services activities, especially for Germany and the rest of Western Europe, (ii) SES Techcom, offering a broad array of products and services addressing various areas of broadband internet connectivity by satellite as well as satellite and network systems engineering across Europe

and (iii) HD+, providing a platform that offers viewers in Germany a technical access to TV channels broadcasting in HD quality.

The Americas

This market includes customers in North America, including the U.S. government, and in Latin America. In this market, the Group is a leading provider of satellite transponder capacity and associated services (based on the number of orbital slots and transponders). SES provides these services to broadcasters, cable networks, VSAT applications and DTH platform providers and carries nearly 1,800 TV channels, out of which more than 1,200 are broadcast in HD quality. In addition, SES serves private network providers, internet service providers (*ISPs*), mobile broadband providers, government agencies, educational institutions, telephone companies and other business enterprises.

North America

The Group's fleet reaches more than 84 million households in North America. The Group's two largest U.S. cable neighbourhoods, at the 101°W/103°W/105°W and 129°W/131°W/135°W orbital locations, reach more than 53 million cable households and provide feeds for further distribution to IPTV and DTH households. This includes the DISH Network DTH via Ciel-2, but does not include any households that may also be reached by terrestrial re-transmission. Approximately three-quarters of the utilised transponders serving the U.S. are dedicated to video content providers (cable television, broadcast services and DTH). Due to the importance of these neighbourhoods, virtually every cable head-end in the U.S. has antenna reception facilities dedicated to these prime orbital slots, which further increases the value of the slots and of the available transponder capacity. The two neighbourhoods reach substantially all pay television households in the United States. In addition, SES has the most significant U.S. radio neighbourhood, an education neighbourhood and one of the strongest faith-based broadcast neighbourhoods. In addition, SES holds a 70 per cent interest in Ciel Satellite Limited Partnership (*Ciel*). Ciel operates the Ciel-2 BSS satellite which is wholly contracted by DISH Network and supports DTH satellite services in North America.

U.S. government business is handled by a wholly owned subsidiary of SES. It provides raw satellite capacity to the U.S. government and third-party resellers, and also provides turn-key solutions to the U.S. government. Revenue generated by the U.S. government (and customers serving the U.S. government) represented approximately 10 per cent of the Group's revenue in 2015.

Latin America

The Group's markets in Latin America comprise Mexico, Central America, South America and the Caribbean. The Group's fleet currently reaches approximately 25 million television households in this market.

As of 1 April 2014 SES also wholly owns the Mexican satellite operator QuetzSat S. de R.L. de C.V. (*QuetzSat*). The QuetzSat-1 satellite, launched in September 2011, is wholly contracted by a subsidiary of EchoStar.

Asia Pacific, India and the Middle East

This market includes key markets such as India, the Philippines, Thailand, South Korea, Indonesia, Vietnam, Australia, the Pacific Islands, Saudi Arabia, Kuwait, the UAE and Lebanon. The Group's fleet currently reaches over 44 million television households in the Asia-Pacific region. Customers served (directly and indirectly) include, among others, DishTV, one of the largest DTH operators in Asia, Bharti Airtel, one of the leading telecommunications companies in the world, Hughes Networks, a leader in the provision of VSAT services, Tata Communications, one of the largest telecommunications companies in India and PLDT, the leading telecommunications provider in the Philippines. Capacity provided to DishTV and Airtel is contracted through Antrix Corporation Limited, an Indian government-held company based in India. SES provides capacity in this region for provision of services to pay and free-to-air DTH service operators and VSAT services to banking, e-

government and e-education institutions as well as oil and gas operations. SES is the leader in Asia-Pacific both in terms of the number of channels and the number of subscribers reached by DTH operators using SES's capacity across the region. In the Middle East, the Group predominantly provides data services.

Africa

This market comprises all 54 countries in Africa, where SES provides transponders and value-added services for DTH, video contribution and distribution, VSAT networks, mobile networks, internet trunking and broadband and corporate and government networks.

The Group's fleet currently reaches eight million television households in this market.

The Group's satellite service provisioning companies have been very successful in Africa in recent years. SES's service entity, which is branded under the name "SES Platform Services", complements the satellite bandwidth activities of SES with necessary and highly professional ground service needs of the customer and thus allows the customer to concentrate on running a consumer-oriented business.

Product Development and Management

Overview

In order to ensure an effective client-solutions based approach, SES is building differentiated capabilities in four market verticals where satellites have a predominant usage. Each vertical is addressed by a functional group that develops and deploys commercial solutions and "go-to-market" strategies in their respective verticals. Furthermore, these groups will ensure that developed solutions are fully leveraged across SES's products & services portfolio. The groups act in close collaboration with the various sales, business development and engineering teams of SES.

SES has three service provisioning companies which are organised and structured as individual entities and which play a key role in the execution of the market vertical strategies:

- *SES Platform Services*. Offering specialised DVB ground services such as professional content management, play-out, encryption, encoding, multiplexing and satellite uplinks to SES satellites for and on behalf of television broadcasters. These services are provided principally in Europe, Africa and Asia. The SES Platform Services suite of services includes Smartcast, an in-house developed software platform for decentralised playout offered currently in 50 locations around the world.
- *SES Techcom*. Offering a broad array of products and services addressing various areas of satellite and network systems engineering and infrastructure set-up. These services are provided globally. SES Techcom also offers broadband internet connectivity by satellite via the SES Broadband solution. These services are provided principally in Europe, Africa and the Middle East.
- *HD+*. Providing a broadcast platform from satellites at the Astra 19.2°E position, independent from TV operators, offering viewers access to HD channels via a dedicated receiver or an HD+ conditional-access module and Smart Card. HD+ is active in Germany.

Satellite Fleet

Network and Technology

Network

The Group's global network is comprised of 52 satellites as well as ground facilities, including teleports and leased fibre, which support the Group's commercial services and the operation and control of its satellites. Features of the Group's network include:

- prime orbital locations, reflecting a valuable portfolio of coordinated fixed satellite spectrum rights;
- 99.9999911 per cent space service availability of commercialisable transponders on the SES fleet throughout 2015;
- flexibility, subject to contractual restrictions in some cases, to relocate satellites to other orbital locations, such as when there are changes in demand patterns or requirements of new customers;
- design features and steerable beams on many of the Group's satellites, enabling the Group to reconfigure capacity to provide different areas of coverage and to operate in different frequency bands; and
- multiple satellites serving each region, allowing for alternatives if a satellite anomaly should occur.

Satellite Systems

All of the Group's satellites are geo-synchronous satellites and are located approximately 22,300 miles, or 35,700 kilometres, above the equator. Geo-synchronous satellites can receive radio frequency communications from an origination point, and distribute those signals to a single or multiple receivers within the coverage areas of the satellites' transmission beams.

Geo-synchronous satellites send these signals using different parts of the radio frequency spectrum. The spectrum available for use at each orbital location includes the frequency bands listed below in which most commercial satellite services are offered today:

- C-band – low power, broad beams that require use of relatively large reception antennae; the spectrum least susceptible to weather-related transmission impairments.
- Ku-band – high power, narrow to medium size beams facilitating use of smaller antennae which are favoured by businesses and private end customers; optimal for DTH applications; generally highly reliable and seldom affected by weather-related impairments.
- Ka-band – very high power, very narrow beams facilitating use of very small antennae; considered to be less reliable due to substantial weather-related transmission impairments. The Ka-band is optimised for applications such as broadband services.
- Ka-band (Gov) – specific part of the Ka-band reserved for governmental applications.
- X-band – medium power with medium size beams used exclusively for governmental applications like communications on the move.

All of the Group's station-kept satellites are designed to provide capacity using the C-band and/or Ku-band. An increasing number of satellites also carry Ka-band payloads.

High Throughput Satellites (*HTS*) are satellites configured to optimise the available frequencies, typically Ku-band or Ka-band, via frequency re-use. This is achieved by the re-use of parts of the available frequencies in segregated spot beams, enabling higher data rates to be offered at a lower cost per bit than traditionally configured satellites. HTS are typically used to offer broadband internet connectivity where terrestrial connectivity is limited or absent altogether. SES has taken a prudent approach to serving this market, adding Ka-band payloads on replacement satellites for limited incremental investment. These payloads, which are initially on ASTRA 2E, ASTRA 2F, ASTRA 2G and ASTRA 5B, offer connectivity at speeds of up to 20 Mb/s into the markets they cover. Additional HTS opportunities continue to be evaluated and may be incorporated in the payload of future satellites. On 17 July 2014, SES announced the procurement of SES-12, a hybrid satellite for

the Asia-Pacific region, which will benefit from the dual innovations of an HTS payload and all-electric propulsion.

A geo-synchronous satellite is identified as geostationary (or station-kept) when it is operated in an assigned segment of the geo-stationary arc, which is designated by a specific range of latitudes and longitudes. Geo-stationary satellites revolve around the earth at an angular velocity that corresponds to that of the earth's rotation and thus appear to stay above a fixed point on the earth's surface at all times.

Geo-synchronous satellites that are only station-kept in longitude are said to be in inclined orbit. The daily north-south motion of a satellite in inclined orbit exceeds the specified range of latitudes of its assigned station-keeping box, and the satellite appears to oscillate slowly, moving above and below the equator every day. An operator will typically operate a satellite in inclined orbit toward the end of its service life because significant amounts of propellant will be saved by not controlling the north-south position of the satellite, therefore substantially extending the service life of the satellite. The kinds of services and customers that can access an inclined orbit satellite have traditionally been limited due to the movement of the satellite relative to a fixed ground antenna. However, recent innovations now allow the use of inclined orbit capacity for certain applications. As a result, if these applications are successfully introduced, the Group anticipates that demand for inclined orbit capacity may increase over the next few years. As of the date of this Prospectus, 10 of the Group's satellites were operating in an inclined orbit, with most continuing to earn revenue beyond SES's original estimated life for each of these satellites.

In-Orbit Satellites

The Group's operations and engineering staff are involved from the design stage through to the decommissioning of each satellite procured. The Group's employees work at the manufacturers' and launchers' sites to monitor progress, which enables the Group to maintain close technical collaboration with its contractors during the process of designing, manufacturing and launching a satellite. Extensive monitoring of earth station operations and constant satellite control and network operations support ensure consistent operational quality, as well as timely corrections when problems arise. In addition, the Group has established contingency plans for technical problems that may occur during the lifetime of a satellite.

These features also contribute to the resilience of the Group's network, which enables the Group to ensure the continuity of service that is important for its customers and to retain flexibility in the event that it needs to move customers to alternative capacity. The design flexibility of some of the Group's satellites enables it to meet customer demand and respond to changing market conditions.

As of 31 December 2015, the Group's fleet of 52 satellites had 1,502 36-MHz equivalent transponders available for transmitting in the C-, Ku- and Ka-band. The average system transponder utilisation for the Group's satellites, which represents the percentage of the Group's total available transponder capacity that is in use or that is reserved at a given time (including guaranteed reservations for service), was 72.7 per cent and 72.8 per cent as of 31 December 2014 and 31 December 2015, respectively. The main factors resulting in the trends in system utilisation over this period were primarily related to growth in demand for digital, especially HD, television services, as well as from the supply added by newly launched satellites.

End of Design Life

End of design life is the point beyond which successful operation of the satellite is no longer covered by the manufacturers' qualification programmes and reliability predictions. Various elements are considered in satellite design, such as the length of the mission, equipment reliability and redundancy schemes, limited life terms and impacts of the space environment, as well as required power generation levels. Satellites that have reached the end of their design lives may be de-orbited and placed in a "graveyard orbit" beyond the geostationary orbit, or in some instances, may remain in operation, as in many cases those satellites are launched with enough on-board

propellant to enable station-keeping, or inclined-orbit operations, beyond their design lives. Satellites typically have design lives between 12 and 15 years.

SES's 52 operational satellites have depreciable lives between 10 and 19.5 years, with an average depreciable life currently of 14.7 years. Twenty of the satellites have already reached the end of their depreciable life; for the other satellites the average remaining depreciable life is 8.3 years.

For details of the end of design life of each satellite, see the table in "*Fleet*" below.

Network Operations and Current Ground Facilities

The Group has satellite operations centres in Betzdorf (Grand Duchy of Luxembourg), Princeton (New Jersey), Gibraltar and Woodbine (Maryland), from which the Group controls and operates each of its satellites and payloads (with the exception of QuetzSat-1, SES-7 and the YahLive payload, which are operated by third parties) and manages the communications services for which each satellite is used. These centres utilise a network of ground facilities, including earth stations that provide tracking, telemetry and control (*TT&C*) services for the Group's satellites. This network also includes teleports, leased fibre and network performance monitoring systems. Through these ground facilities, the Group continually monitors signal quality, endeavours to protect bandwidth from any interference and maintains customer-installed equipment and analyses telemetry from the Group's satellites in order to monitor their status and track their location. In the event that one centre is unavailable or disabled, each other centre has the ability to provide instantaneous restoration of services on behalf of the other.

Capacity Sparing and Backup and General Satellite Risk Management

As part of the Group's satellite risk management, the Group continually evaluates and designs plans to mitigate the risks posed to its fleet. The Group attempts to mitigate the risk of in-orbit failure by careful vendor selection, stringent satellite design and test requirements and active procurement oversight and high-quality in-orbit operations. The impacts of such failures on customer service and related revenue are mitigated by an in-orbit backup strategy where customers on an impaired satellite can be transferred to another satellite in the fleet. The Group maintains some form of backup capacity for each satellite designated as being in primary operating service, which may include:

- designated reserve transponders on the satellite or other on-board backup systems or designed-in redundancies;
- co-location of satellites at the same orbital position;
- an in-orbit spare satellite; or
- interim restoration capacity on other satellites.

SES also has satellite control backup capability utilising European and U.S.-based satellite operations centres.

For information on the insurance policies the Group obtains for its fleet, see section "*Insurance*" below.

Fleet

The Group's global fleet of 52 geostationary satellites could enable the Group to offer coverage to 99 per cent of the world's population, delivering reliable and secure connectivity. This vast coverage enables broadcasters to deliver thousands of hours of television content every day, companies to provide broadband network links to remote locations and governments and military organisations to establish secure communications networks.

The table below summarises the orbital location, frequency, launch date, manufacturer, end of design life and coverage of each of the Group's existing satellites.

No.	Satellite	Orbital Location	Frequency	Launch Date	Manufacturer	End of Design Life	Current Coverage
1	AMC-1	129°W	C- and Ku-band	08-Sep-96	Lockheed Martin	**	North America
2	AMC-2	81°W	C- and Ku-band	30-Jan-97	Lockheed Martin	**	South America
3	AMC-3	67°W	Ku-band	04-Sep-97	Lockheed Martin	**	Mexico, Caribbean, Central America
4	AMC-4	67°W	Ku-band	13-Nov-99	Lockheed Martin	**	Latin America
5	AMC-6	72°W	Ku-band	21-Oct-00	Lockheed Martin	**	North America, Latin America
6	AMC-7	135°W	C-band	14-Sep-00	Lockheed Martin	**	North America
7	AMC-8	139°W	C-band	19-Dec-00	Lockheed Martin	**	North America
8	AMC-9	83°W	C- and Ku-band	07-Jun-03	Alcatel	Jul-18	North America
9	AMC-10	135°W	C-band	05-Feb-04	Lockheed Martin	Mar-19	North America
10	AMC-11	131°W	C-band	19-May-04	Lockheed Martin	Jun-19	North America
11	AMC-15	105°W	Ka- and Ku-band	14-Oct-04	Lockheed Martin	Nov-19	North America
12	AMC-16	85°W	Ka- and Ku-band	17-Dec-04	Lockheed Martin	Jan-20	North America
13	AMC-18	105°W	C-band	08-Dec-06	Lockheed Martin	Jan-22	North America
14	AMC-21	125°W	Ku-band	14-Aug-08	Thales Alenia Space	Sep-23	North America
15	ASTRA 1D	47.5°W	Ku-band	01-Nov-94	Boeing Satellite Systems	**	Europe
16	ASTRA 1F	44.5°E	Ku-band	09-Apr-96	Hughes	**	Europe
17	ASTRA 1G	63°E	Ku-band	02-Dec-97	Boeing Satellite Systems	**	Europe
18	ASTRA 1H	47.5°W	Ka- and Ku-band	18-Jun-99	Boeing Satellite Systems	**	Europe
19	ASTRA 1KR	19.2°E	Ku-band	20-Apr-06	Lockheed Martin	Jun-21	Europe
20	ASTRA 1L	19.2°E	Ka- and Ku-band	04-May-07	Lockheed Martin	Jun-22	Europe
21	ASTRA 1M	19.2°E	Ku-band	05-Nov-08	Airbus Defence & Space	Dec-23	Europe
22	ASTRA 1N	19.2°E	Ku-band	06-Aug-11	Airbus Defence & Space	Sep-26	Europe
23	ASTRA 2A	28.2°E	Ku-band	30-Aug-98	Boeing Satellite Systems	**	Europe

No.	Satellite	Orbital Location	Frequency	Launch Date	Manufacturer	End of Design Life	Current Coverage
24	ASTRA 2B	31.5°E	Ku-band	14-Sep-00	Airbus Defence & Space	**	Europe
25	ASTRA 2C	60°E	Ku-band	16-Jun-01	Boeing Satellite Systems	Aug-16	Europe
26	ASTRA 2D	7°E	Ku-band	19-Dec-00	Boeing Satellite Systems	**	Europe
27	ASTRA 2E	28.2°E/28.5°E	Ka- and Ku-band	29-Sep-13	Airbus Defence & Space	Nov-28	Middle East, Europe
28	ASTRA 2F	28.2°E/28.5°E	Ka- and Ku-band	28-Sep-12	Airbus Defence & Space	Nov-27	Africa, Europe
29	ASTRA 3A	177°W	Ku-band	29-Mar-02	Boeing Satellite Systems	**	East Russia
30	ASTRA 3B	23.5°E	Ka- and Ku-band	21-May-10	Airbus Defence & Space	May-25 ¹	Africa, Middle East, Europe,
31	ASTRA 4A (formerly known as Sirius 4)	5°E	Ka- and Ku-band	18-Nov-07	Lockheed Martin	Dec-22	Africa, Europe
32	ASTRA 5B	31.5°E	L-, Ku- and Ka-band	22-Mar-2014	Airbus Defence & Space	May-29	Europe, Russia
33	Ciel-2	129°W	Ku-band	10-Dec-08	Thales Alenia Space	Jan-24 ²	North America
34	NSS-5 (formerly known as NSS-803)	50.5°E	C- and Ku-band	23-Sep-97	Lockheed Martin	**	Africa, Europe, Indian Ocean, Asia
35	NSS-6	95°E	Ka- and Ku-band	17-Dec-02	Lockheed Martin	**	Africa, Europe, Russia, South Asia, Asia Pacific, Indian Ocean, Pacific Ocean
36	NSS-7	20°W	C- and Ku-band	16-Apr-02	Lockheed Martin	**	North America, Latin America, Africa, Europe, Atlantic Ocean
37	NSS-9	177°W	C-band	12-Feb-09	Orbital Sciences Corporation	Mar-24	Russia, Asia Pacific, Pacific Ocean
38	NSS-10 (also known as AMC-12)	37.5°W	C-band	03-Feb-05	Alcatel	Mar-20 ³	North America, Latin America, Africa, Europe, Atlantic Ocean
39	NSS-11	108.2°E	Ku-band	02-Oct-00	Lockheed Martin	**	South Asia, Asia Pacific, Pacific Ocean, Indian Ocean
40	NSS-12	57°E	C- and Ku-band	29-Oct-09	Space Systems Loral	Dec-24	Africa, Europe, Russia, South

<u>No.</u>	<u>Satellite</u>	<u>Orbital Location</u>	<u>Frequency</u>	<u>Launch Date</u>	<u>Manufacturer</u>	<u>End of Design Life</u>	<u>Current Coverage</u>
							Asia, Asia Pacific, Indian Ocean
41	NSS-806	47.5°W	C- and Ku-band	28-Feb-98	Lockheed Martin	**	North America, Latin America, Europe
42	QuetzSat 1	77°W	Ku-band	29-Sep-11	Space Systems Loral	Oct-26	Mexico, North America, Central America
43	SES-1	101°W	C- and Ku-band FSS and Ka-band BSS	24-Apr-10	Orbital Sciences Corporation	May-25	North America
44	SES-2	87°W	C- and Ku-band FSS and Ka-band BSS	20-Sep-11	Orbital Sciences Corporation	Oct-26 ⁴	North America
45	SES-3	103°W	C- and Ku-band FSS and Ka-band BSS	15-Jul-11	Orbital Sciences Corporation	Aug-26 ⁵	North America
46	SES-4	22°W	C- and Ku-band	14-Feb-12	Space Systems Loral	Mar-27	North America, Latin America, Africa, Europe, Atlantic Ocean, Middle East
47	SES-5	5°E	L-, C-, Ka- and Ku-band	10-Jul-12	Space Systems Loral	Jul-27	Africa, Europe, Atlantic Ocean
48	SES-6	40.5°W	C- and Ku-band	03-Jun-13	Airbus Defence & Space	Jul-28	North America, Latin America, Europe, Atlantic Ocean
49	SES-7*	108.2°E	Ku-band	16-May-09	Boeing Satellite Systems	Jun-24	South Asia, Asia Pacific
50	SES-8	95°E	Ku-band FSS and Ka-band BSS	3-Dec-13	Orbital Sciences Corporation	Jan-29	South Asia, Asia Pacific
51	YahSat 1A*	52.5°E	Ku-band	22-Apr-11	Thales Alenia Space	May-26	Middle East, Africa, Europe, Southwest Asia
52	ASTRA 2G	28.2°E	Ka- and Ku-band	28-Dec-14	Airbus Defence & Space	Dec-29	Africa, Europe

(1) For ASTRA 3B, the end of fuel life is currently estimated to be Sep-2024

(2) For Ciel-2, the end of fuel life is currently estimated to be Oct-2023

(3) For NSS-10, the end of fuel life is currently estimated to be Jan-2020

(4) For SES-2, the end of fuel life is currently estimated to be May-2026

(5) For SES-3, the end of fuel life is currently estimated to be Oct-2024

* Only the Ku-band payload is owned by the Group.

** These satellites have reached the end of their design lives and have been fully depreciated.

The table below sets out the six satellites that are scheduled for launch between the date of this Prospectus and the end of 2017 and SES-9, which was launched from Cape Canaveral, Florida, on 4 March 2016 and will enter into service by the third quarter of 2016. The seven new satellites will increase available capacity by 180 net transponders, or 12 per cent of total available capacity, while capacity in the International geographic segment will grow by 21 per cent (all as compared to the position as of 31 December 2015). In addition, three of these satellites (SES-12, SES-14 and SES-15) will carry a total of 36 GHz of HTS capacity in aggregate.

No.	Satellite	Orbital Location	Frequency	Launch Date	Manufacturer	End of Design Life	Current Coverage
1	SES-9 ⁶	108.2°	Ku-band	04 March 2016	Boeing Satellite Systems	2031	Asia Pacific
2	SES-10	67°W	Ka- and Ku-band	H2, 2016	Airbus Defence & Space	2031	Latin America
3	SES-11	105°W	C- and Ku-band	H2, 2016	Airbus Defence & Space	2031	North America,
4	SES-12 ⁶	95°E	Ka- and Ku-band	H2, 2017	Airbus Defence & Space	2033	Asia-Pacific
5	SES-14 ⁶	47.5°W	C- and Ku-band	H2, 2017	Airbus Defence & Space	2033	Latin America
6	SES-15 ⁶	129°W	Ku- and Ka-band	H1, 2017	Boeing Satellite Systems	2033	North America
7	SES-16/GovSat-1 ⁷	21.5°E	X-band and military Ka-band	H1, 2017	Orbital ATK	2033	Europe/MENA

(6) SES-9, SES-12, SES-14 and SES-15 are to be positioned using electric orbit raising, with entry into service typically four to six months after launch

(7) Procured by LuxGovSat

Investment Programme

Current investment programme

SES has implemented a substantial multi-year investment programme to expand and renew its existing fleet of satellites and its network of teleports.

The six satellites SES-10, SES-11, SES-12, SES-14, SES-15 and SES-16/GovSat-1 are scheduled for launch between the second half of 2016 and the end of 2017. Together with SES-9, they are expected to boost the net transmission capacity of the SES fleet by approximately 12 per cent as compared to the position as of 31 December 2015.

This new capacity is also expected to enhance opportunities for both customers and users. The majority of the additional capacity on these new satellites is intended to serve fast-growing economies in Asia, Africa, the Middle East and Latin America, where it will enable new services and improve coverage.

The financing of ongoing satellite procurement programmes is through a mix of available resources, cash flow from operations, and drawings under existing funding arrangements where needed.

Investment activities over the previous three years

For 2013 the Board of Directors of the Issuer did not approve any satellites procurements.

SES-10

In February 2014, SES announced that it has selected Airbus Defence and Space to build SES-10. The new satellite will expand SES's capabilities in Latin America and the Caribbean through high-power beams tailored to provide direct-to-home broadcasting, enterprise and broadband connectivity services in the entire region.

SES-10's comprehensive coverage includes Mexico, Central America and South America, as well as the Caribbean. The satellite is scheduled to be launched in the second half year of 2016 and will be positioned at the 67°W orbital position, pursuant to an agreement between the Andean Community (Bolivia, Colombia, Ecuador and Peru) and SES, which provides for use of the Andean Community's Simon Bolivar 2 satellite network.

SES-12

In July 2014, SES announced the procurement of SES-12, to deliver both replacement and new capacity. The new hybrid communications satellite will be built by Airbus Defence and Space to serve the fast growing DTH, data, mobility and government markets in Asia. SES-12 is scheduled to be launched in the second half of 2017 and will expand the Group's capabilities to provide DTH broadcasting, VSAT, mobility and HTS data connectivity services in the Asia-Pacific region.

SES-11

In September 2014, SES announced the continuation of its strategic partnership with EchoStar Corporation at the orbital position of 105°W with the procurement of the new SES-11 satellite. SES-11 will be manufactured by Airbus Defence and Space. The satellite is planned to be launched in the second half of 2016 and will cover North America.

SES-14 and SES-15

In February 2015, SES announced that it had ordered the SES-14 hybrid satellite to capture growth opportunities across the Americas and the North Atlantic region. The new satellite will be built by Airbus Space and Defence, is scheduled for launch in the second half of 2017 and will operate at 47.5/48°W.

In February 2015, SES announced that it had ordered the SES-15 hybrid satellite to provide growth capacity in North America. SES-15 is being built by Boeing and due to be launched in the first half of 2017. It will open up a new orbital location, 129°W to serve North America. The satellite will be equipped with an electric propulsion system for orbit raising and in-orbit manoeuvres and will solidify SES's positioning in the aeronautical mobility and government markets, providing fresh capacity and coverage over major airline routes across the continent.

SES-16/GovSat-1

In February 2015 SES announced the procurement of a new satellite, SES-16/GovSat-1, by LuxGovSat, an entity jointly incorporated by SES and the Luxembourg government. The satellite is being built by the satellite manufacturer Orbital ATK, Inc. and is scheduled for launch in the first half of 2017. SES-16/GovSat-1 is a multi-mission satellite using dedicated military frequencies (X-band and military Ka-band) to provide high-powered and fully steerable spot beams for multiple government-specific missions. The satellite will cover Europe, the Middle East and Africa.

In March 2016 SES announced the successful launch of SES-9 into space on a SpaceX Falcon 9 rocket from Cape Canaveral Air Force Station, Florida. SES-9 is planned to commence its services in the third quarter of 2016. SES-9 is SES's largest satellite to serve the Asia-Pacific region. SES-9 will be collocated with another SES satellite, SES-7, at the prime orbital location of 108.2°E, and will replace the NSS-11 spacecraft at that position. SES-9 was built by Boeing Satellite Systems International.

SES expects to continue to invest in satellites, both to replace existing satellites before their end of life, and to make available new capacity at new or existing orbital positions to meet growing demand. Total capital expenditure for satellites for the year of 2016 is expected to be approximately €740 million. Projected capital expenditure for 2017 is €570 million, €475 million for 2018 and 2019, and €500 million for 2020, calculated using a EUR/USD exchange rate of 1.10.

Future Satellites

The Group expects to replace other existing satellites, as necessary, with satellites that satisfy customer requirements and demonstrate a compelling economic rationale. The Group periodically conducts evaluations to determine the current and anticipated value of the Group's existing and planned satellites and also guide the Group in redistributing satellite resources as appropriate.

Procurement Contracts

The Group regularly enters into satellite construction contracts to procure satellites from manufacturers. The typical time required to manufacture and launch a satellite is approximately 30-36 months. These contracts generally provide for payments to be made at certain milestones. In addition, the manufacturer may have to pay damages to the Group in the event that construction of the satellite is not completed on time.

Launch Agreements

All current SES satellite procurement programmes (including SES-16/GovSat-1), have been assigned to a launch provider (Arianespace or SpaceX). The Issuer enters into launch agreements from time to time for a number of launchers and has not entered into a multi-year agreement with a launcher provider.

Satellite Health

The Group's fleet is diversified by manufacturer and satellite type, which reduces the likelihood of widespread technical problems and therefore any substantial negative impact on the Group's customers and operations. The anomalies experienced to date have had little long-term impact on the overall transponder availability in the Group's fleet, due to an ability to deploy back-up transponders or satellites to ensure adequate coverage. All of the Group's satellites have been designed to withstand an expected rate of equipment failure with adequate redundancy to meet or exceed their orbital design lives with a probability of 75 per cent or more. The Group has contingency plans in place that are tailored to a number of factors, including the mission, the strategic importance of the satellite, the location of the satellite and the type of anomaly. After anomalies, SES has usually been able to restore service on the affected satellite, provide alternative capacity on another satellite in its fleet or provide capacity purchased from another satellite operator.

Satellites Operating Beyond the End of Their Design Life

Several of the Group's satellites are operating beyond the end of their design lives and have experienced certain anomalies. Such anomalies could materially impact the ability of the satellites to perform current or future missions.

Some satellites have already completed the primary missions for which they were designed and have been redeployed for secondary missions until the end of their propellant lives. Satellites in secondary missions are used for various reasons, such as developing new orbital locations, safeguarding spectrum rights and/or providing redundant capacity for satellites in their primary missions.

These satellites' respective technical capabilities do not generally need to be fully utilised in operating their secondary missions, which potentially mitigates the effects of further technical failures.

Solar Array Circuit Failures

Eleven of the Group's Lockheed Martin A2100 satellites (AMC-4, AMC-6, AMC-7, AMC-8, AMC-10, AMC-11, AMC-15, AMC-16, NSS-6, NSS-7 and NSS-11) have experienced and will continue to experience technical problems with their solar array circuits. The extent of the problem varies depending on the satellite but may reduce the operational life of the satellite and the number of transponders that can be used. While further solar

array power losses may result in a reduction of available capacity on the affected satellites, they are not expected to result in a catastrophic loss of any of the satellites.

Specifically, the NSS-6, AMC-8, AMC-10, AMC-15 and AMC-16 satellites experienced further solar array degradation in 2015, which impaired power generation. In the cases of AMC-10 and AMC-16, this degradation led to a reduction in commercial capacity. Such failures on any of the affected satellites can also impair SES's ability to maintain pricing levels and to place new customers on 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. As mitigation, SES-8, launched in December 2013, is acting as a partial replacement for NSS-6. Risks on NSS-11 are partially mitigated by the presence of SES-7 at the same location and the fact that the Group has launched SES-9 as a replacement for the satellite. A certain amount of inter-satellite backup capability exists to mitigate losses of capacity on satellites in the U.S. Western Arc including AMC-7, AMC-8, AMC-10 and AMC-11. AMC-7 was relocated in June 2015 from 137°W to 135°W where it is collocated with AMC-10, acting as a backup for this satellite. Additionally, certain customers were proactively moved from the U.S. Western Arc to satellites in the U.S. Centre of the Arc. Past risks on AMC-6 were mitigated by transferring the majority of its C-band traffic to other satellites. Mitigation of future risks on AMC-6 by transferring its Ku-band traffic to other satellites is currently under consideration.

Risks on AMC-15 are mitigated by the ongoing construction of SES-11, which will act as a replacement satellite.

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

Other Anomalies

The Group's Lockheed Martin A2100 satellites have also experienced battery cell failures, leading to a reduced battery capacity. However, these anomalies have so far not resulted in any net reduction of payload capacity.

Several of the Group's other satellites (AMC-4, ASTRA 1G, ASTRA 1H, ASTRA 1KR, ASTRA 1M, ASTRA 2B, NSS-7, SES-3 and QuetzSat-1) have experienced various other anomalies including the matters described below.

- Technical failures have resulted in a reduction in the operational life of ASTRA 1H. SES considers that there is no risk of a recurrence of these issues on this satellite.
- Available capacity on ASTRA 1G has been reduced during the eclipse season due to battery problems. ASTRA 1G's primary mission has in any event been completed. There is no risk of a recurrence of these issues on this satellite.
- As indicated above, 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, such an event is judged unlikely and the risk is mitigated by the additional capacity at this orbital position provided by ASTRA 2F, which was launched in September 2012 and the deployment of additional backup capacity provided by ASTRA 2E, launched in September 2013.
- 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, the Issuer believes that

the possibility of such an event happening is unlikely and risks have been mitigated by the uploading of a software patch which allows the partial restoration of the on-board redundancy.

Insurance

SES maintains launch and initial in-orbit insurance (i.e., one policy typically covers the launch and an initial period (usually one year) after the launch), as well as third party liability insurance for its satellites. SES also maintains in-orbit insurance for its satellites that have book value. 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 of the insured causing the loss or failure of satellites; and
- terrorism.

Insurance policies also contemplate technical margins and deductibles relating to the propellant lifetime and solar array power generating capability of the satellites.

The Group generally purchases insurance with reputable insurers having S&P's and AM-best ratings of A- or better. The Group may, in limited instances, use unrated or less than A- rated insurers.

It is the Group's policy to obtain launch insurance for its satellites. Launch plus one year (*L+1*) insurance provides coverage from the moment of launch until one year in orbit thereafter, in an amount equal to the fully capitalised cost of the satellite, which generally includes the construction costs, the L+1 insurance premium, the cost of the launch services, project management costs, non-reusable ground segment costs and capitalised interest (but may exclude any unpaid incentive payments to the manufacturer and portions of the ground segment which may be reused in case of launch failure).

Upon expiration of their L+1 policies, the Group's satellites, excluding certain satellites owned through joint ventures, are insured through the Group's fleet insurance policy. SES has adopted a policy of limited self-insurance by which SES self-insures a chosen deductible and external insurance covers losses in excess of the deductible up to a certain limit of insurance. In-orbit insurance premiums are paid to a wholly owned subsidiary and only a portion of the risk is reinsured with external insurance companies.

In-orbit insurance coverage, which may initially be for an amount comparable to launch insurance levels, generally decreases over time and is typically based on the declining book value of the satellite. The Group does not currently insure against lost revenue in the event of a total or partial loss of a satellite.

As of 31 December 2014, two satellites in orbit were covered by the L+1 policies and 34 of the satellites in the Group's fleet with book value were covered by in-orbit insurance.

As of 31 December 2015, no satellite in orbit was covered by an L+1 policy and 32 of the satellites in the Group's fleet with book value were covered by in-orbit insurance.

The Group also procures in-orbit third party liability insurance for all its satellites. Such insurance is renewed annually and provides a yearly combined single limit of €500 million of coverage.

Sales and Marketing

The Group's global headquarters are located in Betzdorf (Grand Duchy of Luxembourg). It operates worldwide through dedicated regional teams in local sales, technical, marketing and customer support offices in key locations around the world for the markets it serves.

SES's regional presence is expanding to be closer to the customers in geographical areas where the Group is deemed to have growth or development potential. The Group's multi-functional teams enable SES to be more aligned with market trends and better positioned to build long-term business relationships with strategic customers. SES uses a range of direct and wholesale distribution methods to sell its services depending upon the region, applicable regulatory requirements and customer application.

The Issuer believes that its global presence combined with its way of working differentiates it from the Group's competitors. In video services, SES has a history of working with the consumer electronics industry to facilitate the development of new broadcast technologies. The development of DTH and HDTV and the recent launch of Sat>IP, a technology that brings satellite television to every screen in the home including tablets, laptops and mobile phones, are clear examples. With this approach, the Group is taking the initiative to keep satellite applications at the cutting edge of home entertainment. In enterprise services, the Group's global experience allows it to respond to market trends and develop new solutions, including mobility services for aeronautical and maritime where demand for data services continues to grow.

SES combines local experience close to its customers and a commercial approach focused on taking initiative in its markets. Its collaborative way of doing business delivers solutions that facilitate success for customers and market partners.

O3b

O3b operates a constellation of 12 High Throughput Satellites (*HTS*) in a Medium Earth Orbit (*MEO*) around 8,000 kilometres from Earth. O3b delivers low-cost, "fibre in the sky" connectivity to businesses and their end consumers. The system is designed to provide wide bandwidth and high throughputs so as to offer fibre-like connectivity for trunking and backhaul services for telecommunications and ISPs, with a focus on energy, maritime, government and mobile backhaul services.

Since beginning commercial operations in September 2014, O3b has become the fastest growing satellite network in terms of capacity contracted. As of 31 March 2015 O3b had a contract backlog of approximately \$350 million.

O3b's initial constellation of MEO satellites rotate the globe approximately four times per day and feature steerable 700-km diameter Ka-band beams. Each beam is connected to a high-throughput teleport, with multiple layers of redundancy, to give operators a reliable, high-speed service. O3b provides throughputs and low-latency backhaul compatible with all forms of last-mile solutions, including 2G, 3G, 4G, WiMAX and LTE, which allows O3b to deliver high-quality voice and data. O3b is the first operator able to deliver 1.6 Gigabits per second of bandwidth over a single transponder. The high-throughput O3b service provides uncongested, single-hop connectivity to a global IP backbone.

O3b's corporate headquarters are located in the Channel Islands, Jersey, and its operational headquarters are in The Hague. It also has an engineering office in Manassas, Virginia and sales offices in Dubai, Singapore, Washington, D.C. and Rio de Janeiro.

O3b Satellite Fleet

O3b's constellation is considerably closer to the Earth (approximately 8,000 kilometres) than a geostationary orbit (approximately 36,000 kilometres). As a result, the signal delay is significantly reduced and is comparable with that of terrestrial fibre networks. O3b's target service area is located between 45°N and 45°S of the Equator, with a specific focus on emerging markets and insufficiently connected regions in developed markets. The satellites are capable of delivering up to 1.6 Gbps of throughput per beam, with ultra-low latency of less than 150 milliseconds, a significant improvement over geostationary connectivity. O3b's satellite beams are steerable, which allows for greater flexibility of coverage.

O3b's first four satellites experienced payload anomalies which caused the satellites to be declared a constructive total loss for insurance purposes. Currently, three of the four satellites have been removed from operations, and are classified as back-up satellites. The fourth satellite was less affected by the anomaly and is currently part of the operational O3b constellation.

The second group of four satellites was launched in July 2014 and as of the date of this Prospectus this second group of four satellites is operating nominally. With eight satellites in orbit, O3b started full commercial operations on 1 September 2014.

The third group of four satellites was successfully launched on 18 December 2014. O3b plans to have launched 20 satellites by 2020 (including three satellites flying at in-orbit back-up). To fulfil this plan, O3b expects to launch an additional four satellites in each of the first half of 2018 and the second half of 2019.

O3b's satellites utilise the same reaction wheel as Globalstar 2, which has experienced early-life anomalies with approximately 10 per cent of its reaction wheels. O3b has implemented a robust screening and testing process that is aimed at reducing the likelihood of similar problems within its fleet and is also developing software to allow the system to be operated even with multiple wheel anomalies on a single satellite.

Customers and Products

O3b serves more than 40 customers across 31 countries and is growing its customer base. Over 50 per cent of O3b's customers have upgraded their initial service commitments.

O3b offers a suite of products to customers across three market verticals: Enterprise, Mobility and Government.

Enterprise

Enterprise is O3b's largest vertical, accounting for 70 per cent of its revenue in 2015. Key Enterprise customers include Our Telekom, Digicel Group, SpeedCast, airtel, Timor Telecom and Norfolk Telecom. Products offered under the Enterprise vertical include:

- *Trunk.* O3b's IP trunking product features flexible, direct connectivity to the global internet with high speed and performance through latency comparable to long-haul fibre. Its scalable data rates from 100Mbps to 1.6Gbps. O3b's trunk product can be deployed rapidly and has full in-orbit redundancy and fully redundant ground network architecture.
- *Cell.* O3b's cell offering is its mobile backhaul product, which features the lowest cost per bit passed through the network and high voice quality and download speeds over satellite. O3b is the first satellite system fully compliant with ITU and 3GPP performance specifications (G1010 and G114). O3b's MEO download speeds for end users are up to four times greater than networks backhauled over GEO.

Mobility

O3b's Mobility vertical accounted for 24 per cent of its revenue in 2015. This vertical includes energy products aimed at oil and gas customers and maritime products aimed at cruise operators. Key Mobility customers include Royal Caribbean Cruises and RigNet.

Products offered under the Mobility vertical include:

- *Energy.* O3b's energy products have latency of less than 150 milliseconds, which provides the highest quality voice and video in the satellite industry, and unlimited bandwidth through O3b's system designed for availability of unlimited bandwidth for long-term IT roadmap planning. O3b's energy products also provide higher data rates and low latency, which results in faster internet access. They are also capable of supporting cloud-based applications and real-time monitoring of process, safety and security sensors and systems on remote platforms.
- *Maritime.* O3b's maritime products feature high-capacity throughput, enabling high-speed terminals capable of delivering data rates up to 500Mbps that support more users with higher data rates and offload business processes from ships to shore data centres. This product is advantageous for cruise line operators by providing broadband connectivity directly to passengers' own mobile devices. Low round-trip latency of less than 150 milliseconds allows for faster internet response time and higher throughput per session. O3b's satellites also feature steerable beams that can follow a ship on its cruise and update in real time if a ship's course changes.

Government

O3b's Government vertical accounted for 6 per cent of its revenue in 2015. In this vertical O3b offers secure solutions for fixed government sites and maritime users. O3b's affordable, scalable bandwidth up to and beyond 1Gbps meets existing government requirements at lower costs and emerging requirements within existing budgets. O3b offers latency of less than 150 milliseconds, which provides the highest quality voice and video in the industry. Key customers in the government vertical include the U.S. National Oceanic and Atmospheric Administration and other customers of SES Government Solutions. O3b's government products are capable of providing reachback in support of cloud-based applications, big data and analysis of ISR sensor data and support real-time, secure HD video conferencing and sensor feeds. They can also support military and commercial encryption without spoofing.

Principal Markets and Opportunities

O3b has a vast coverage area, including emerging markets and insufficiently connected regions in developed markets. O3b's principal markets and opportunities for growth within each region are described below.

Asia Pacific

O3b has become the largest satellite provider in the Pacific Region by Gbps sold. The Pacific Region is characterised by demand for low-latency capacity to grow economies. In recent years, this need has increased as a result of an increase in new mobile licences being issued. Present fibre routes are increasingly seeking backup capacity. Asia has also experienced an increase in 3G/4G services and increased data demand in some countries, including Thailand. The geography of some of the countries in the region, such as Indonesia, has led to reliance on satellite for high-capacity IP Trunking.

The Issuer believes that there is further potential for O3b in the Asia Pacific region because of the region's fragmented fibre infrastructure and high connectivity costs, particularly in areas outside hubs such as Hong Kong, Singapore, Tokyo and Seoul, where there is a need for 3G cellular backhaul across large distances.

Americas

Large areas across Latin America are characterised by low population densities, poor fibre infrastructure and high connectivity costs. O3b has as a result provided millions of consumers and businesses with reliable, low-cost, low-latency broadband connectivity for the first time. In addition, the Issuer believes that there is potential for O3b in rural areas of the United States that currently have limited connectivity to cellular towers.

Upgraded 3G and new 4G networks in Latin America have led to an increase in data usage in recent years. Further, events like the 2014 FIFA World Cup in Brazil increased the need for coverage, particularly in remote areas in the region, and O3b expects that the upcoming 2016 Summer Olympics to be held in Rio de Janeiro will continue this trend.

Africa & Middle East

Currently, approximately 20 per cent of trunking traffic across the Middle East and Africa is delivered via standard geostationary satellites, which is generally offered at a price several times higher than that offered by O3b. O3b's services deliver higher-capacity, lower-latency and lower-cost broadband access to millions of African and Middle Eastern consumers, business and other organisations. In addition, mobile network operators have begun deploying more 3G in response to a shift towards high growth in data revenues. In the Middle East, Pakistan is currently preparing for 3G and in Iraq trunking demand is growing. There is also an increasing Enterprise demand, especially in the energy industry.

O3b's Future Growth Investment

Going forward, O3b expects to continue to invest in satellites, including launch, insurance and capitalised interest of satellites nine to 20, resulting in a cost of \$80 million per satellite. O3b's satellites have an expected design life of 12 years. Normalised CapEx (applied to 20 operational satellites with a design life of 12 years) is anticipated to be \$130 million.

O3b's committed CapEx for the period 2016 to 2020 are detailed in the table below.

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
	(€ in millions)				
Committed CapEx	170	100	30	10	--
Ground CapEx	<u>25</u>	<u>15</u>	<u>15</u>	<u>10</u>	<u>10</u>
Total	195	115	45	20	10

Funding of O3b

As O3b started commercial operations in September 2014 substantially all of its funding requirements have been met through a combination of equity and loans from its shareholders as well as external borrowings.

As of 31 December 2015, O3b's loans, before the deduction of deferred financing costs, amounted to \$1,215.4 million (2014: \$1,160.1 million) provided within the framework of the following agreements:

1. Compagnie Française d'Assurance pour le Commerce Extérieur (**COFACE**) loans - \$680.0 million outstanding as of 31 December 2015 (2014: \$680.0 million)
2. Mezzanine loans - \$275.8 million outstanding as of 31 December 2015 (31 December 2014: \$239.7 million)

3. Original Term loans - \$115.0 million outstanding as of 31 December 2015 (31 December 2014: \$115.0 million)
4. Contingent loans - \$24.3 million outstanding as of 31 December 2015 (31 December 2014: \$21.5 million)
5. Shareholder support facility loan - \$120.3 million outstanding as of 31 December 2015 (31 December 2014: \$103.9 million)

COFACE loans

O3b had \$680.0 million of loans outstanding from Thales and Arianespace which are guaranteed to the extent of 95 per cent by COFACE as at 31 December 2015. Of this amount, as at 31 December 2015, \$580.0 million was at fixed rates of between 3.97 per cent and 4.98 per cent and \$100.0 million was at floating rates of either LIBOR + 1.95 per cent or LIBOR + 2.50 per cent. Debt drawdowns under the COFACE loans are generally disbursed directly to either the satellite manufacturer or the launch service provider. The drawn COFACE loans mature in 2021. In 2015, O3b secured an additional \$184.0 million COFACE loan facility increasing the total such facility to \$864.0 million. No drawings were made on this additional COFACE loan as at 31 December 2015.

Mezzanine loans

Two mezzanine loans of, in aggregate, \$145.0 million were obtained by O3b in 2010 with an aggregate amount outstanding, including accumulated interest thereon of \$275.8 million as of 31 December 2015 (31 December 2014: \$239.7 million). As of 31 December 2015, the mezzanine Tranche A loan of \$194.3 million including accrued interest (2014: \$168.0 million) was bearing interest of 10 per cent, with specified rate increases up to 16 per cent at 1 January 2022. As of the same date, the mezzanine Tranche B loan had an outstanding total amount of \$81.5 million (2014: \$71.7 million) was bearing interest of 8 per cent at the end of 2015, with specified rate increases up to 14 per cent at 1 January 2022. The two mezzanine loans will mature in 2023.

Original Term Loans

In 2010, O3b negotiated \$115.0 million of Original Term Loans comprising an \$85.0 million development financial institutions (*DFI*) commercial tranche and a \$30.0 million DFI standby tranche. As at 31 December 2015, \$115.0 million was outstanding on these loans, which bore interest of between 7.52 per cent and 8.69 per cent and will mature in 2021. The 2015 financing increased the available Term loans by \$31 million to \$146 million. This additional Term loan facility was not drawn as of 31 December 2015.

Contingent Loans

In 2010, certain O3b investors agreed to provide a loan of US\$50.0 million to O3b (*Contingent Loan*). The granting of the Contingent Loan was triggered by the delay of the launch of O3b's satellites five through eight that created an anticipated lack of liquidity as judged by O3b management which would impair O3b's ability to run its business or meet certain cash payment requirements.

The Contingent Loan has no specified interest rate and is repayable at the lender's request only after all of O3b's operating costs, borrowing costs and capital expenditures have been paid, and all outstanding amounts of principal and interest under the COFACE loans, mezzanine loans, Original Term Loans, and the Shareholder Support Facility have been repaid.

As the Contingent Loan bears no interest and has no fixed repayment term, the loan balance reflects the fair value of the loan at 31 December 2015 and 2014. It is measured at fair value using an estimated market interest rate. The loan discount, which was the \$31.7 million difference between the fair value of the loan and the \$50.0 million received at the time the loan was funded, was then treated as an additional equity contribution from the

participating shareholders. Net of this discount, the loan principal is \$18.3 million – to which accumulated interest of \$6.0 million has added resulting in a carrying value of \$24.3 million as at 31 December 2015, compared to \$21.5 million as at 31 December 2014.

Shareholder Support Facility

The \$100.0 million Shareholder Support Facility (*SSF*) was obtained in conjunction with a refinancing undertaken by O3b in 2014. As of 31 December 2015, there was \$120.3 million outstanding under the SSF.

The SSF bears interest at 15 per cent per annum. Interest is accrued and added to the outstanding principal of the SSF on 15 June and 15 December of each year. The principal and accrued interest is due in October 2024, subject to full discharge of all senior debt and mezzanine debt obligations. \$20.3 million of interest has been accrued and added to the SSF as of 31 December 2015 (2014: \$3.9 million).

In consideration for their participation in the SSF, O3b agreed to issue 6,885 Series G preference shares and 7,821 Series G preference share warrants (*SSF Fee Shares*) to a group of O3b investors. The SSF Fee Shares were valued at \$10.5 million, and this amount was recorded as a deferred financing cost during 2014.

Strategic Investments

Investment in YahLive

Overview

The Group, through its subsidiary SES Finance S.à r.l, holds a 35 per cent interest in Al Maisan Satellite Communications LLC, UAE (*Al Maisan*), a company formed in 2009 with YahSat based in Abu Dhabi. YahSat holds the remaining 65 per cent interest.

Al Maisan operates under the brand name “*YahLive*” and was formed to create a DTH satellite platform in the Middle East, North Africa and Western Asia. YahLive is an independent company and is utilising 23 Ku-band transponders, which were successfully launched on YahLive 1A in April 2011, providing capacity for DTH broadcasting in Middle East, North Africa and Western Asia.

Shareholders’ Agreement

YahLive is governed by a shareholders’ agreement between SES Finance S.à r.l and YahSat dated 1 October 2011. Under the agreement, SES has the right to appoint three of the company’s five board members and to appoint its chief executive officer. The control arising under such right (*control*) may not be transferred by SES Finance S.à r.l to another party. However, control shall transfer to YahSat in the event of a change of control at the SES level, cessation of business by SES Finance S.à r.l or SES Finance S.à r.l’s shareholding falling below 25 per cent.

In the event that financing is needed for any payments or expenditure contemplated in YahLive’s investment plan, and one party does not agree to third-party financing, both parties shall contribute the required amounts in the form of shareholder loans in proportion to their shareholdings in the company.

The shareholders’ agreement also contains customary provisions in relation to competition, rights of first refusal, tag along rights, transfers to third parties and change of control.

Accounting

Because SES has management control of YahLive, SES fully consolidates the company’s results into its financial statements.

Other Investments

For a complete list of the Group's minority investments, see note 22 to the 2015 Financial Statements.

Competition

The Group competes in the communications market for the provision of satellite communications services to broadcasters, content and ISPs, mobile and fixed network operators and corporate and governmental customers worldwide. Communications services are provided using various communications technologies, including satellite networks, which provide services as a substitute for, or as a complement to, the capabilities of terrestrial networks. The Group's main competitors are other major international satellite operators, such as Intelsat, Eutelsat and Telesat as well as many regional operators active across Asia, the Middle East, Latin America, Africa, North America and Europe. All these providers of FSS provide a combination of point-to-multipoint and point-to-point services. The Group also faces competition from suppliers of terrestrial communications capacity which may be transcontinental, regional, national or metropolitan in scope, and delivered via fibre-optic, leased-line or coaxial cables, as well as via microwave systems. All of the above may also be provided by re-sellers, who purchase FSS or non-satellite capacity and then resell it in the market.

In Europe, the Group's principal competition is from terrestrial distribution technologies and competing satellite operators. SES's main competitor in the European space market is Eutelsat, a French satellite operator. Other competitors include smaller operators in the region such as HispaSat, Telenor, Hellas Sat, Arabsat, Turksat and Spacecom.

In North America, the Group's principal satellite competitor is Intelsat, with Telesat, Eutelsat and some others also providing capacity in the market. DTH television in North America has long been a service provided by vertically integrated companies such as DirecTV and EchoStar, both of whom own their own satellite fleets. SES supplies EchoStar and affiliated companies with transmission capacity to supplement that of EchoStar's own fleet.

In the rest of the world, there are several other, well established, regional satellite operators that compete with SES, the most prominent being StarOne of Brazil, AsiaSat, APT and China Satcom of China, MEASAT of Malaysia, ISRO of India, RSCC of Russia, JSAT of Japan, Arabsat of Saudi Arabia and SingTel-Optus of Singapore/Australia. Competitors vary according to the region being served.

A more recent development has been the widespread use of export credit financing from China's EXIM Bank, COFACE and the U.S. Ex-Im Bank to fund national satellite programmes. Russian satellite manufacturers have also offered attractive terms and vendor financing to developing countries. Together, they have engendered a second wave of national satellite programmes in countries such as Venezuela, Kazakhstan, Vietnam, Nigeria, Pakistan, Ukraine, Belarus, Bolivia, Laos, Sri Lanka and several others. This is adding to the supply of satellite capacity in many regions of the world.

Please also see section "*Industry Overview and Trends*" above.

Property, Plant and Equipment

Offices

The Group's administrative headquarters are located in Luxembourg. These headquarters also house one of the Group's main offices and one of the prime satellite operations centres. The land that underlies these buildings is partially owned and partially leased on a long-term basis from the Grand Duchy of Luxembourg government pursuant to a lease that expires in 2029. The Group also has additional key offices in The Hague (the Netherlands), Princeton (New Jersey), McLean (Virginia), Washington (DC), Unterföhring (Germany),

Johannesburg (South Africa) and Singapore. In total, the Group has more than 60 offices and satellite services centres in nearly 40 countries around the world, a substantial majority of which it leases.

Assets

The Group's principal assets are its satellites, its teleports and its ground network.

The Group uses a worldwide ground network to operate its satellite fleet and to manage the communications services that it provides to its customers. The ground infrastructure network is mainly composed of TT&C sites and communications systems monitoring (*CSM*) sites. Excluding SES Government Solutions sites, this network comprises 30 TT&C sites worldwide, of which seven are owned by the Group and 23 are leased from third parties. The network also comprises 28 CSM sites (excluding SES Government Solutions sites). The earth service stations in the Group's ground network provide commercial TT&C and beam-monitoring services. The Group owns teleports in the United States, Luxembourg, Germany and Gibraltar and leases facilities at more than 50 other locations for satellite/commercial operations worldwide (excluding SES Government Solutions sites and SOHO (Small Office / Home Office) type offices). The Group also contracts with the owners of some of these facilities for the provision of additional services. The Group's network also consists of the leased communications links that connect the teleports to its satellite operations centres.

The leases relating to the Group's teleports, points of presence and office space expire at various times. SES does not believe that any such properties are individually material to the Group's business or operations, and expect that the Group could find suitable properties to replace such locations if the leases were not renewed at the end of their respective terms.

Employees

As of 31 December 2015, the Group employed 1,314 individuals worldwide (counted in full time equivalents (*FTEs*) rounded to whole numbers), including 462, 405, 357 and 90 FTEs in the Grand Duchy of Luxembourg, the rest of Europe, the United States and the rest of the world, respectively.

SES negotiates union contracts with Teamsters Union Local 111 for U.S.-based union members. The Group maintains good employee relations and has not experienced any material labour-related work stoppages.

Arrangements involving the employees in the capital of the Issuer

SES offers several stock-based compensation plans to employees and executives. The purpose of the plans is to enhance the competitiveness of the Group in attracting and retaining the best global executive talent, and to position SES as a global employer of choice.

Moreover, the plans are designed to make sure that SES employees and executives become shareholders of the Issuer, feel a sense of ownership and benefit from their contribution to increasing shareholder value.

Executives are eligible to participate in two plans, the Equity Incentive Compensation Plan (*EICP*) and the Long Term Incentive Plan (*LTIP*). Under the EICP, stock options are granted annually at market value to all eligible executives. Options vest in quarters over four years and have a 10-year life. Under the LTIP, shares are granted in the form of restricted shares and performance shares annually at market value to all eligible executives. The shares cliff vest after three years. Vesting of the performance shares is contingent on the employees' positive personal performance and the Issuer achieving positive economic value added.

Employees are eligible to participate in the Stock Appreciation Rights (*STAR*) Plan. Under this plan, stock options are granted annually at market value. Options vest in thirds over three years and have a seven-year life.

Intellectual Property

SES has a significant portfolio of international patents managed by its patent board and internationally registered trademarks and service marks to operate its business worldwide. The Group protects its proprietary business information, products, services and branding in a variety of ways, including relying on trade secret, patent and trademark laws, entering into confidentiality and non-disclosure agreements, including confidentiality and data protection clauses in commercial agreements and following internal corporate policies and procedure in relation to intellectual property.

SES is not aware of any breach of its intellectual property by any party and, to its knowledge, is not infringing the intellectual property of others.

Environmental Matters

The Group's operations are subject to various laws and regulations relating to the protection of the environment. The Group, as an owner or operator of property and in connection with current and historical operations at some of its sites, could incur significant costs, including clean-up costs, fines, sanctions and third-party claims, as a result of violations of or liabilities under environmental laws and regulations. For instance, some of the Group's operations require continuous power supply, and, as a result, current and past operations at its teleport and other technical facilities have included fuel storage and batteries for back-up power generators. However, the Group believes that its operations are in compliance with environmental laws and regulations.

In addition, the Group is committed to further limiting the environmental impact of its activities, such as by designing and building new technical facilities according to the imperatives of sustainability and energy efficiency. The Group also regularly conducts carbon footprint measurements in order to monitor and control the greenhouse gas emissions generated by its operations. Compared to 2012, the Group's carbon dioxide emissions increased by 16 per cent in 2013 due to the change of the calculation method and decreased in 2014 compared to 2013 by 9 per cent. The Group also seeks to apply best practices to minimise the environmental impact of outsourced activities, including the manufacture and launch of spacecraft.

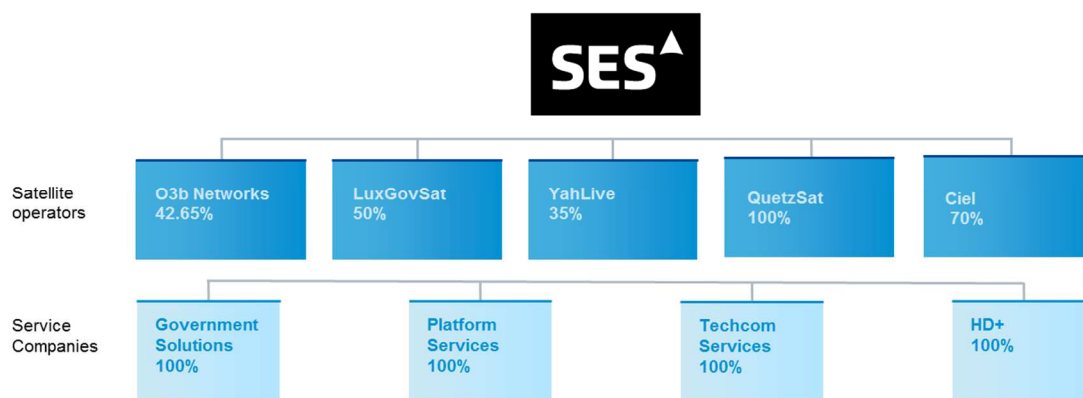
Governmental, Legal or Arbitration Proceedings

Neither the Issuer nor any member of the Group has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the twelve (12) months preceding the date of this Prospectus which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Issuer and/or the Group.

ORGANISATIONAL STRUCTURE OF THE GROUP

As of 31 March 2016 the Group comprised the Issuer and its subsidiaries, along with its associates, and includes the following types of entities, a substantial portion of which are wholly owned:

- Operating companies (21 entities), which perform substantially all of the Group’s satellite operations. These companies have historically owned the bulk of satellites, orbital slot licences and/or ground infrastructure. They are also responsible for a substantial portion of the Group’s payroll for employees in all fields of satellite operations. Operating companies are the market-facing entities of the Group, entering into customer contracts and providing the Group’s core satellite communication services and value-added services to external customers.
- Single satellite companies (30 entities), each of which is individually insured for in-orbit failures with the Group’s captive insurance company.
- Marketing companies (12 entities), which give the Group a local marketing presence in key markets and are often associated with local affiliates. Marketing affiliates do not enter into customer contracts.
- Engineering companies (6 entities), which supports the SES Engineering function.
- Holding companies (23 entities), which hold the Group’s financial assets. Historically, many of these companies were established for management reporting purposes and/or corporate organisational reasons.
- Regulatory companies (14 entities), which are incorporated in those jurisdictions that do not permit foreign entities to sell capacity to local customers or obtain licences, enter into concession agreements or acquire landing rights.
- Finance companies (7 entities), are responsible for the Group’s captive finance and insurance operations. Finance companies perform centralised funding, cash management, foreign exchange and interest rate hedging and insurance activities for Group entities. They also play important roles in external or internal funding or cash flows of the Group.



SES's subsidiaries and affiliates at 31 December 2015 were:

	Economic interest (%)
SES ASTRA S.A., Luxembourg	100.00
SES GLOBAL-Americas Inc., U.S.A.	100.00
SES GLOBAL Americas Holdings General Partnership, U.S.A.	100.00
SES GLOBAL Africa S.A., Luxembourg	100.00
SES Participations S.A., Luxembourg	100.00
SES Finance S.à r.l. Switzerland	100.00
SES Holdings (Netherlands) B.V., Netherlands	100.00
SES ASTRA Services Europe S.A., Luxembourg	100.00
SES Latin America S.A., Luxembourg	100.00
SES Belgium S.p.r.l, Belgium	100.00
SES Insurance International S.A., Luxembourg	100.00
SES Insurance International Re S.A., Luxembourg	100.00
SES Lux Finance S.à r.l. Luxembourg	100.00
SES NL Finance S.à r.l. Luxembourg	100.00
Ciel Satellite Holdings Inc., Canada	100.00
Ciel Satellite Limited Partnership, Canada	70.00
Northern Americas Satellite Ventures, Inc., Canada	100.00
SES Techcom S.A., Luxembourg	100.00
SES-15 S.à r.l., Luxembourg	100.00
SES Digital Distribution Services AG, Switzerland	100.00
SES Digital Distribution Services S.à r.l. Luxembourg	100.00
Redu Operations Services S.A., Belgium	48.00
Redu Space Services S.A., Belgium	52.00
HD Plus GmbH, Germany	100.00
SES ASTRA Real Estate (Betzdorf) S.A., Luxembourg	100.00
SES Platform Services GmbH, Germany	100.00
SES Digital Distribution Services GmbH, Germany	100.00
Virtual Planet Group GmbH, Germany	100.00
SmartCast GmbH, Germany	100.00
SmartCast Technologies Ltd, Thailand	100.00
PT Smart Cast Indonesia, Indonesia	100.00
SmartCast Asia Ltd, China	100.00
ASTRA Deutschland GmbH, Germany	100.00
ASTRA Iberica S.A., Spain	100.00
ASTRA France S.A., France	100.00
ASTRA (GB) Limited, United Kingdom	100.00
ASTRA Benelux B.V., The Netherlands	100.00
SES ASTRA CEE Sp. z o.o, Poland	100.00
SES ASTRA Italia S.r.l., Italy	100.00
SES ASTRA (Romania) S.à r.l., Romania	100.00
SES Satellites Ghana Ltd, Ghana	100.00
SES ENGINEERING (Luxembourg) S.à r.l., Luxembourg	100.00
SES ASTRA AB, Sweden	100.00
Sirius Satellite Services SIA, Latvia	100.00
SES SIRIUS Ukraine, Ukraine	100.00

	Economic interest (%)
SES ASTRA 1KR S.à r.l. Luxembourg	100.00
SES ASTRA 1L S.à r.l. Luxembourg	100.00
SES ASTRA 1M S.à r.l. Luxembourg	100.00
SES ASTRA 3B S.à r.l. Luxembourg	100.00
SES ASTRA 5B S.à r.l. Luxembourg	100.00
SES ASTRA 1N S.à r.l. Luxembourg	100.00
SES ASTRA 2E S.à r.l. Luxembourg	100.00
SES ASTRA 2F S.à r.l. Luxembourg	100.00
SES ASTRA 2G S.à r.l. Luxembourg	100.00
SES 10 S.à r.l. Luxembourg	100.00
LuxGovSat S.A. , Luxembourg	50.00
SES Satellite Leasing Ltd, Isle of Man	100.00
Al Maisan Satellite Communications LLC, UAE	35.00
Satellites Ventures (Bermuda), Ltd, Bermuda	50.00
SES ASTRA Africa (Proprietary) Ltd, South Africa	100.00
SES AMERICOM, Inc., U.S.A.	100.00
SES AMERICOM PAC, Inc., U.S.A.	100.00
SES AMERICOM International Holdings, Inc., U.S.A.	100.00
SES AMERICOM (Brazil) Holdings, LLC, U.S.A.	100.00
SES AMERICOM do Brasil Servicos de Telecomunicacoes, Ltda, Brazil	100.00
SES Government Solutions, Inc., U.S.A.	100.00
Sistemas Satelitales de Mexico S. de R.L. de C.V., Mexico	100.00
Socios Aguila S.de R.L de C.V., Mexico	49.00
Columbia Communications Corporation, U.S.A.	100.00
SES Satellites International, Inc., U.S.A.	100.00
SES Satellites (Gibraltar) Ltd, Gibraltar	100.00
SES AMERICOM Colorado, Inc., U.S.A.	100.00
AMC-1 Holdings LLC, U.S.A.	100.00
AMC-2 Holdings LLC, U.S.A.	100.00
AMC-3 Holdings LLC, U.S.A.	100.00
AMC-5 Holdings LLC, U.S.A.	100.00
AMC-6 Holdings LLC, U.S.A.	100.00
AMC-8 Holdings LLC, U.S.A.	100.00
AMC-9 Holdings LLC, U.S.A.	100.00
AMC-10 Holdings LLC, U.S.A.	100.00
AMC-11 Holdings LLC, U.S.A.	100.00
SES AMERICOM (Asia 1A) LLC, U.S.A.	100.00
AMERICOM Asia Pacific LLC, U.S.A.	100.00
AMC-12 Holdings LLC, U.S.A.	100.00
SES AMERICOM California, Inc., U.S.A.	100.00
AMC-4 Holdings LLC, U.S.A.	100.00
AMC-7 Holdings LLC, U.S.A.	100.00
AMC-15 Holdings LLC, U.S.A.	100.00
AMC-16 Holdings LLC, U.S.A.	100.00
SES-1 Holdings, LLC, U.S.A.	100.00
QuetzSat Directo, S. de R.L. de C.V., Mexico	100.00

	Economic
	interest (%)
SES ENGINEERING (U.S.) Inc., U.S.A.	100.00
AOS Inc., U.S.A.	100.00
SES-2 Holdings LLC, U.S.A.	100.00
SES-3 Holdings LLC, U.S.A.	100.00
QuetzSat S. de R.L. de C.V., Mexico	100.00
Satellites Globales S. de R.L. de C.V., Mexico	100.00
SES Satelites Directo Ltda, Brazil	100.00
SES DTH do Brasil Ltda, Brazil	100.00
SES GLOBAL South America Holding S.L., Spain	100.00
New Skies Satellites, Inc., U.S.A.	100.00
New Skies Satellites Mar B.V., The Netherlands	100.00
New Skies Satellites Ltda, Brazil	100.00
New Skies Networks, Inc., U.S.A.	100.00
SES ENGINEERING (Netherlands) B.V., The Netherlands	100.00
New Skies Satellites B.V., The Netherlands	100.00
New Skies Asset Holdings, Inc., U.S.A.	100.00
SES NEW SKIES Marketing B.V., The Netherlands	100.00
New Skies Satellites Argentina B.V., The Netherlands	100.00
New Skies Networks Australia B.V., The Netherlands	100.00
New Skies Satellites Australia Pty Ltd, Australia	100.00
New Skies Satellites Licensee B.V., The Netherlands	100.00
SES Asia S.A., Luxembourg	100.00
SES Finance Services AG, Switzerland	100.00
O3b Networks Ltd, Jersey, Channel Islands	42.65
SES World Skies Singapore Pte Ltd, Singapore	100.00

REGULATION

Introduction

SES's business is regulated by a number of national and international regulatory authorities. SES is subject to the regulatory authority of the Grand Duchy of Luxembourg, the United States, the Netherlands, Germany, the United Kingdom, Gibraltar, the Isle of Man, the Bailiwick of Jersey (*Jersey*), Mexico, Canada, Sweden, the EU, Bermuda, the Andean Community, Brazil and other countries and regions in which it operates, as well as the radio regulations and frequency coordination process of the ITU.

The regulation of the Group's business can be divided into three broad categories:

- Rules governing the operation of the Group's satellite system, which can in turn be divided into four areas:
 - launch and operation of satellites;
 - allocation and licensing of space orbital locations and associated electromagnetic spectrum;
 - licensing of ground infrastructure; and
 - licensing of communications services;
- Antitrust and competition laws, anti-bribery and anti-corruption laws which are generally applicable to national and international businesses; and
- Other regulations, including rules restricting the export of satellite-related equipment and technology, regulations related to sanctions and other provisions applicable to the Group's business.

Countries vary in their approaches to satellite licensing. Some countries grant licences based on orbital locations and frequencies, while others grant licences based on a specific satellite at a particular orbital location and the associated frequencies. In addition, SES is subject to the laws and regulations of countries to, from or within which it provides services or offers satellite capacity. Numerous markets in which SES does business require some form of market access approval or authorisation prior to SES offering capacity or services in those markets. SES seeks such approvals or authorisations as required, but cannot be certain that all such approvals or authorisations will be granted in a timely manner or at all. Such approvals and authorisations may also be subject to conditions that constrain operations.

Countries or regulatory authorities may adopt new laws, policies or regulations, or change their interpretation of existing laws, policies or regulations, that could cause existing authorisations to be changed or cancelled, require SES to incur additional costs or otherwise adversely affect operations or revenue. Any regulatory approvals are subject to modification, rescission and renewal.

If SES fails to obtain or maintain particular approvals, including for market access, on acceptable terms, such failure could delay or prevent the offering of some or all of its services and adversely affect the results of its operations, business prospects and financial condition. In particular, SES may not be able to obtain all of the required regulatory approvals for the construction, launch and operation of any future satellites, or for use of the orbital positions planned for these satellites. Even if SES is able to obtain the necessary approvals and orbital positions, the licences obtained may impose significant operational restrictions or permit interference by others that could affect the use of the satellites.

Regulation of the Group's Satellite System

Luxembourg

SES ASTRA (a subsidiary of the Group) holds its rights to operate from Luxembourg pursuant to a concession agreement granted by the Grand Duchy of Luxembourg, pursuant to Article 20 of the 1991 Law of Electronic Media as amended (*la loi du 27 juillet 1991 sur les médias électroniques*), and an associated term sheet (*cahier des charges*). The concession agreement, which was amended in 1998, 2001, 2004 and 2010, is in effect until 31 December 2021 (the *Concession Agreement*).

Under the Concession Agreement, SES ASTRA has the right to set up and operate a satellite system in the Ku-band and the Ka-band at the following orbital slots: 19.0°-19.2° East, 23.0°-24.2° East, 28.0-28.2° East and 31.0-31.5° East. The concession may be extended to orbital positions at other orbital slots upon two months prior notice to the Luxembourg government (the *Government*). The Government may object to any extension by sending written notice one month prior to the expected date for the commencement of operations at that slot.

The concession includes the right to make satellite capacity available to users for the transmission of electronic media and other electronic communications services. It also includes the right to establish, on Luxembourg territory, mobile or fixed earth stations to operate the satellites, to perform telemetry, tracking and command operations and to provide communications links with the satellites.

Under the concession, SES ASTRA is required, within a typical timeframe, to regularly improve its services to users through the implementation of economically justifiable new techniques whose financing could legitimately be expected from SES ASTRA. SES ASTRA may not abandon or interrupt the exploitation of the concession other than in exceptional circumstances, as a result of *force majeure* or after prior written approval of the Government.

The concession is not transferable and expires on 31 December 2021 but may be renewed. Good faith negotiations on the renewal of the concession are to commence at the request of either party starting in 2018. If no agreement is reached by 1 January 2020, the concession will automatically be extended on a non-exclusive basis for the operational life of any of the existing SES satellites. SES is not aware of any reason why the concession would not be renewed.

SES ASTRA has a priority right in the event that the Government contemplates granting rights to third parties to establish and operate a satellite system using Luxembourg frequencies. If SES ASTRA cannot reach an agreement with Luxembourg on those rights, Luxembourg can grant those rights to third parties on terms and conditions similar to those offered to SES ASTRA.

Customers

The Concession Agreement authorises SES ASTRA to enter into agreements for the use of satellite capacity with customers on such commercial and other terms as SES ASTRA may agree so long as:

- the customers agree to comply with all relevant conditions of the *cahier des charges*;
- the customers are required to comply with the relevant national legislation and any applicable international conventions; and
- the Government does not object to the operations of the relevant customer.

Any total or partial transfer to a third party by a customer of its satellite capacity is subject to the written and prior approval of SES ASTRA and the absence of objection by the Government. To date, the Government has not exercised its right to object to a customer or any transferee that SES ASTRA has approved. If a customer seriously breaches either its transponder agreement or the provisions of the associated term sheet and continues

to do so notwithstanding any notice that SES ASTRA may have given to it, the Government can require SES ASTRA to suspend transmission of that customer's services. If a transponder contract is suspended for such a breach, neither SES ASTRA nor the Government is liable to the customer for any compensation for the cessation of the transmissions. Similarly, SES ASTRA is not indemnified by the Government for any losses incurred as a result of a justified/legitimate interruption of transmission. To date, the Government has not required SES ASTRA to suspend a customer's transmissions.

Government Supervision

Pursuant to the Concession Agreement, the Government is entitled to appoint up to three commissioners to supervise SES ASTRA's compliance with the Concession Agreement and associated term sheet. Currently, Luxembourg has one appointed commissioner who may participate in general meetings of SES ASTRA's shareholders and meetings of the Board of Directors or any of its committees. The commissioner may oppose any measure taken or envisaged by SES ASTRA that would, amongst others, be contrary to Luxembourg law or international conventions applicable to the Government, or compromise the exploitation of the concession or the public order of Luxembourg. The commissioner may oppose and suspend any measure taken by SES ASTRA. SES ASTRA has five (5) days to appeal against any suspension failing which the suspension becomes a permanent veto. Appeals are to the cabinet of the Government which is required to decide any appeal within twenty-one (21) days.

The articles of incorporation of SES ASTRA may not be modified without the Government's prior written approval. The Government may only oppose any modifications of the articles of incorporation of SES ASTRA in the case where such changes (i) will be contrary to national law or international conventions or (ii) will compromise the exploitation of the concession. In addition, under the Concession Agreement, certain allocations or transfers of shares of SES ASTRA require the Government's written approval.

Modification of the Concession Terms

The Government can unilaterally amend the terms and conditions of the Concession Agreement, as set out in the *cahier des charges*. If a modification adversely affects the financial and commercial benefits of the Concession Agreement, the Government must indemnify SES ASTRA for any detriment and loss of income SES ASTRA suffers, failing which (or if such indemnification is not reasonably acceptable) SES ASTRA can terminate the concession on twelve (12) months' notice without liability for compensation and without prejudice to SES ASTRA's right to claim damages. Any modification of the *cahier des charges* which permanently disrupts the financial and commercial balance between the Government and SES ASTRA will be treated as a withdrawal (after a prior notice of twelve (12) months) of the concession and the Government will be liable to indemnify SES ASTRA for losses incurred and other damages, including consequential damages such as any depreciation in value of assets, reduced ability to repay debts and fulfil other obligations, and loss in future earnings.

The Government is not responsible for any loss that SES ASTRA suffers (not attributable to the Government or to SES ASTRA) if the conditions under which it operates change dramatically in a manner which could not have been reasonably foreseen at the time the concession was granted. However, if such a change occurs, SES ASTRA has the right to require that the *cahier des charges* be revised to reflect the new circumstances. If the Government refuses or if SES ASTRA reasonably considers the proposed amendment to be insufficient, it may terminate the concession on twelve (12) months' notice without liability to the state for indemnification.

Withdrawal or Suspension of Concession

The concession may be withdrawn in whole or in part if SES ASTRA remains in serious breach of the Concession Agreement or associated term sheet after two successive notices from the Government to remedy the specified breach within a reasonable time set by the state. A withdrawal requires the Government to request SES ASTRA and the commissioner to present their views in writing. The Government may also deprive SES

ASTRA of all or part of the exclusive rights if SES ASTRA fails to continuously and regularly exploit the concession at an optimum level to obtain long-term maximum financial profitability. The procedure applicable is the same as for a withdrawal.

Upon the withdrawal of the concession by reason of a serious breach of the Concession Agreement or associated term sheet, SES ASTRA will forfeit all rights associated with the concession and the Government may seek to become the owner of the ASTRA satellites, control facilities and other equipment and be substituted as a party to any agreements necessary for the exploitation of the concession. SES ASTRA will be entitled to fair and equitable indemnification before any property rights are so transferred. If the Government decides to withdraw the concession in whole or in part for any reason other than serious breach by SES ASTRA of its obligations, it must give SES ASTRA twelve (12) months' notice and indemnify SES ASTRA for all damages SES ASTRA suffers, including consequential damages such as any depreciation in value of assets, reduced ability to repay debts and fulfil other obligations, and loss in future earnings.

SES ASTRA has no reason to believe that the Government intends to withdraw the SES ASTRA concession.

The United States

FCC Regulation and Licences

SES AMERICOM holds FCC authorisations for the following operational satellites at the following nominal orbital locations utilising the specified frequency bands:

Nominal Orbital Slot	Operational Satellite(s)	Frequency Bands
37.5°W.L.	NSS-10 (also known as AMC-12)	C-band
67°W.L.	AMC-3 and AMC-4	Ku-band and TT&C in C-band
72°W.L.	AMC-6	C- and Ku-bands
81°W.L.	AMC-2	C- and Ku-bands
83°W.L.	AMC-9	C- and Ku-bands
85°W.L.	AMC-16	Ka-band
87°W.L.	SES-2	C- and Ku-bands
101°W.L.	SES-1	C- and Ku-bands
103°W.L.	AMC-1	C- and Ku-bands
103°W.L.	SES-3	C- and Ku-bands
105°W.L.	AMC-15	Ka- and Ku-bands
131°W.L.	AMC-11	C-band
135°W.L.	AMC-10	C-band
137°W.L.	AMC-7	C-band
139°W.L.	AMC-8	C-band

For details of the Group's satellites located in these orbital slots, see "*Business—Satellite Fleet—Fleet.*"

SES AMERICOM's FCC licences are subject to compliance with the terms and conditions therein. SES AMERICOM must obtain prior FCC approval before modifying its licenced operations. The licences are also subject to modification by the FCC on its own motion under Section 316 of the U.S. Communications Act of 1934, as amended (*Communications Act*), but only after reasonable notice to the licensee and an opportunity to protest. The burden of justifying any such modification is on the FCC. FCC licences may not be assigned or transferred to another party without prior FCC approval.

The FCC typically issues each space station licence for an initial term expiring 15 years after the commencement of the operation of a satellite. Typically the FCC allows a space station licensee to replace an operational satellite that is about to reach the end of its useful life with a new satellite, without facing competing applications for the orbital and frequency rights from other parties, assuming the licensee continues to meet the FCC's legal, technical and financial requirements. At the end of a licence term, a satellite typically is allowed to continue operations for additional time based on remaining fuel life, either through an extension of the licence term or temporary authority granted by the FCC. The FCC also generally will grant temporary authority for a satellite to be moved to a vacant orbital position after launch of its replacement so that it can be operated until the end of its useful life.

SES AMERICOM also holds various FCC authorisations to operate earth station facilities in the U.S. These earth station licences are granted on a relatively routine basis, subject to FCC rules regarding transmission to or reception from satellites, and interference coordination with other parties.

SES AMERICOM is required to submit periodic reports to the FCC providing information about its operations.

FCC Regulatory Fees

SES AMERICOM is required to pay annual fees with respect to many of its FCC licences and other operations. In 2015, the FCC decided to decrease the regulatory fees payable by satellite licensees by 3 per cent over the fees paid in 2014 and implemented a slight increase in the fees payable by earth station licensees. The FCC has signalled that it intends to continue reviewing its annual fees across multiple communications sectors, including the satellite sector, with the prospect of higher fees for some sectors in the future. SES will continue to engage in the FCC process, but cannot be certain that increased FCC regulatory fees will not raise the Issuer's cost of doing business in 2016 and beyond.

U.S. Market Access

Both New Skies Satellites B.V. (*New Skies*) and SES Satellites (Gibraltar) Inc. (*SES Gibraltar*) have been granted U.S. market access by the FCC for a number of satellites licenced by the Netherlands and/or the United Kingdom on behalf of Gibraltar. They include:

Nominal Orbital Slot	Operational Satellite(s)	Frequency Bands
20°W.L.	NSS-7	C- and Ku-bands
22°W.L.	SES-4	C- and Ku-bands
40.5°W.L.	SES-6	C- and Ku-bands
47.5°W.L.	NSS-806	C- and Ku-bands
105°W.L.	AMC-18	C-band
125°W.L.	AMC-21	Ku-band

Nominal Orbital Slot	Operational Satellite(s)	Frequency Bands
177°W.L.	NSS-9	C-band

For details of the Group’s satellites located in these orbital slots, see “*Business—Satellite Fleet—Fleet*”.

In addition, both QuetzSat-1 and Ciel-2 are authorised to serve the U.S. market through blanket earth station licences held by a customer.

Foreign Ownership Restrictions

Section 310(a) of the Communications Act precludes a foreign government or representative thereof from directly holding any FCC radiofrequency licence. The FCC is aware of SES AMERICOM’s foreign ownership, including partial ownership by the government of Luxembourg, and does not consider SES AMERICOM to be a foreign government or representative thereof for purposes of Section 310(a).

Section 310(b) of the Communications Act imposes restrictions on foreign ownership of FCC common-carrier, broadcast and aeronautical service licensees. SES does not currently hold any such licences, and therefore is not directly subject to the restrictions in Section 310(b). For SES’s FCC licences, the FCC retains general discretion to consider foreign ownership issues as part of its public interest analysis. While SES is not aware of any current legislative proposals to change U.S. foreign ownership restrictions, there is no certainty that such proposals will not arise in the future. Depending on the nature of such proposals, SES may be required to change its ownership structure, including reducing the levels of non-U.S. ownership by private or government entities.

Universal Service Fund

Section 254 of the Communications Act, as amended, establishes a Universal Service Fund (*USF*) to subsidize the provision of basic telecommunications service to rural and other high-cost areas. To fund this subsidy, a USF contribution is levied on all “providers of interstate telecommunications” (with limited exceptions). The USF contribution factor (or rate) is a percentage of gross revenue received from the provision of U.S.-interstate and U.S.-international telecommunications. The “telecommunications” on which USF contributions are levied include certain satellite services but not bare transponder capacity. Broadband Internet access is also currently exempt from contributions, pending new FCC rules on how such services are to be treated under the USF scheme upon their reclassification as “telecommunications.” This factor changes quarterly and is 17.9 per cent for the second quarter of 2016. SES currently pays USF contributions but does not receive any subsidy from the USF.

Since 2010, the FCC has taken a number of steps to reform the USF subsidy scheme, including expanding it to subsidise broadband services and capping the overall size of the fund. In April 2012, the FCC released a Notice of Proposed Rulemaking to reform the USF contribution scheme, which included potential ways to broaden the USF contribution base and a new method of calculating USF contributions based on something other than revenue (e.g., telephone numbers or IP addresses and/or number of connections). In February 2015, the FCC reclassified broadband Internet access as a common carrier service. The FCC, however, forbore from immediately applying existing USF rules to broadband Internet access revenues, pending its consideration of broader USF reforms. It is uncertain how the FCC’s proposed USF reforms will impact SES’s business but it is possible that SES may have to pay more in USF contributions if the FCC were to re-define the range of services subject to USF contributions, eliminate certain exemptions, or revoke its forbearance.

FCC Satellite Competition Report

In December 2011, the FCC issued a report on competition in the satellite industry, including the FSS industry. As part of that report, the FCC recounted allegations of anticompetitive conduct in the government contracting

context by Intelsat that were based on more general allegations about the lack of competition in the satellite industry. While the FCC acknowledged that the record was too limited for it to make definitive findings about the allegations and that the evidence it had to date had mixed implications, the FCC nevertheless signalled its intent to commence a follow-up inquiry into these allegations.

The FCC initiated a follow-up inquiry in June 2013 by seeking public comment on allegations of warehousing and vertical foreclosure in the satellite industry. The FCC closed the proceeding in 2014 and found that the record did not justify further action or inquiry into the issues.

U.S. Law Enforcement and National Security Requirements

In the U.S., the Exon-Florio Amendment to the Defense Production Act (***Exon-Florio***), as amended, gives the U.S. President the authority to review the acquisition of control by a foreign person of a U.S. person to determine whether the acquisition raises any national security concerns. This authority enables the U.S. President to block or restrict a transaction if it presents national security concerns. The U.S. President has delegated review authority to the CFIUS. There is no legal obligation to notify CFIUS of a transaction. SES is a foreign person within the meaning of Exon-Florio.

SES has requested CFIUS review and has received clearance for certain previous U.S. transactions, including SES's acquisitions of SES AMERICOM in 2001 and New Skies in 2006. In February 2016, SES requested review of its acquisition of a greater interest in O3b. As of the date of this Prospectus, the review is still pending. As part of these processes, the foreign ownership of SES, including partial ownership by the government of Luxembourg, was disclosed to CFIUS. CFIUS's prior approval of the SES AMERICOM and New Skies transactions provides a "safe harbor" from further challenge under that provision. Future U.S. acquisitions may be subject to CFIUS review.

Proxy Agreement and Defense Security Clearances

As a result of U.S. national security laws and regulations, SES Government Solutions, Inc. (***SESGS***), (formerly AMERICOM Government Services (***AGS***)), a wholly-owned subsidiary of SES AMERICOM, is subject to a proxy agreement with the U.S. Department of Defense (***DOD***). SES, SES AMERICOM, SESGS and the DOD are all party to the proxy agreement (the ***Proxy Agreement***).

A proxy agreement is an instrument intended to negate or mitigate the risk of foreign ownership, control or influence when a foreign person acquires or merges with a U.S. entity that has a facility security clearance. A proxy agreement conveys a foreign owner's voting rights to proxy holders, comprising the proxy board. Proxy holders are cleared U.S. citizens approved by the U.S. government.

The DOD's Defense Security Services (***DSS***) required that SESGS enter into a proxy agreement because SESGS is indirectly owned by SES, a foreign company, and SESGS has classified contracts with DOD which contain certain proscribed information. The Proxy Agreement enables SESGS to participate in classified contracts with the U.S. government. The Proxy Agreement can be terminated prior to the end of its five-year period if DSS determines that it is no longer necessary, if there has been a violation of its terms or if requested by SES AMERICOM and SESGS. The Proxy Agreement is subject to renewal upon agreement with DSS in 2019.

As a result of the Proxy Agreement, strict limitations are placed on the information that may be shared and the interaction that may occur between SESGS, SES AMERICOM and SES. DSS monitors compliance with the Proxy Agreement by, at a minimum, reviewing SESGS's activities on an annual basis.

Security clearances must be sought and maintained with the issuing authority in order to participate in classified U.S. government programmes. Failure to maintain security clearances, material violations of the terms of security clearances or loss of required security clearances or of the Proxy Agreement may result in SESGS's

inability to satisfy existing obligations under any classified U.S. government contracts, termination by the U.S. government of classified contracts with SESGS and the inability to participate in new classified programmes. Any material violations of U.S. law by SES or its subsidiary holding security clearances could prevent SES and its subsidiaries from holding security clearances and could result in SES and its subsidiary being barred from U.S. government contracts, including unclassified contracts and SES could be subject to civil or criminal enforcement actions and penalties.

U.S. Export Controls and Sanctions Regulations

The U.S. Commerce Department regulates the export and re-export of commercial communications satellites and most satellite-related components, subsystems, software and technology under the Export Administration Act following the implementation of export control reform in November 2014. The Commerce Department also regulates exports of certain network equipment, including earth stations. Exports of these items and related technology from the U.S., and their subsequent re-transfer outside the U.S. may require licensing by the Commerce Department. For overseas launches of U.S. satellites and foreign-manufactured satellites containing regulated U.S.-origin components, the launch location and launch-related technical arrangements require approval by the U.S. Department of State pursuant to the Arms Export Control Act. The timing of the receipt of licences from the Commerce Department or State Department can be difficult to predict. Licences are often issued with commercially significant conditions and restrictions, and some launch locations that may have pricing or other advantages may not be approved.

These licensing requirements affect technical cooperation among SES entities. They also affect SES's satellite procurement and launch activities. In engaging in satellite-related export activities in the U.S. and in sourcing satellites, satellite-related hardware, technology and services in the U.S., there can be no guarantee that requisite export licences will be obtained in a timely fashion, that those licences will permit transfer of all items requested, that launches will be permitted in locations that the Group may prefer or that licences, when granted, will not contain conditions or restrictions that pose significant commercial or technical problems. Such occurrences could delay the launch of future satellites.

As an international company with subsidiaries in its countries of operations, SES is subject to the financial and export sanctions laws of the jurisdictions where it operates, including the following:

- the Arms Export Control Act, implemented by ITAR and administered by the U.S. State Department;
- the Export Administration Act/International Emergency Economic Powers Act, implemented by the Export Administration Regulations (**EAR**) and administered by the U.S. Commerce Department; and
- the trade sanctions laws, executive orders and related regulations, including those administered by the U.S. Treasury Department's Office of Foreign Assets Control (**OFAC**).

These laws impose restrictions on SES's ability to provide services in, or export hardware to, certain countries or specific entities (**Specially Designated Nationals**). In certain cases, SES may be able to obtain authorisation from the relevant sanctioning country in order to provide service that would otherwise be subject to sanctions; however, there is no guarantee that such authorisation will be granted. As a result, SES may be required to forgo commercial opportunities that are subject to sanctions.

U.S. sanctions laws and regulations administered by OFAC apply directly to the activities of the Group's U.S. subsidiaries and U.S. persons employed by the Group. Certain of the Group's U.S. subsidiaries have customers in jurisdictions where sanctions apply, but in each case the activities are carried out pursuant to licences granted by OFAC and other relevant U.S. government authorities or in compliance with U.S. sanctions laws and regulations. In addition, the activities of the Group's non-U.S. subsidiaries directly or indirectly in sanctioned countries or with persons named on the Specially Designated Nationals list maintained by OFAC (the **SDN list**) could put the Group at risk for any resulting violation of such laws and regulations. The Group has policies and

systems in place designed to monitor the Group's activities and to prevent the Group from engaging in prohibited activities or dealing with entities on the SDN list.

Failure to obtain or maintain required export or sanctions authorisations or failure to comply with applicable export control and sanctions laws and regulations could have a material adverse effect on business. This may render it difficult or impossible to obtain the necessary licences for exports related to satellites, launch services, TT&C, and equipment. Additionally, failure of SES's vendors or suppliers to obtain the necessary export authorisations could affect SES and its subsidiaries' and affiliates' ability to acquire, launch or operate satellites.

Within the last five years, SES and its subsidiaries have filed four voluntary disclosures with the U.S. State Department's Directorate of Defense Trade Controls (*DDTC*) regarding possible violations of the ITAR. All four matters have been closed by DDTC without penalty.

SES has also submitted a voluntary self-disclosure report to OFAC on 26 November 2013, the circumstances relating to which are described below. This report remains under review by OFAC. A finding by OFAC that the Group violated any U.S. sanctions regulations could expose the Group to fines and penalties.

Through non-U.S. subsidiaries and without the involvement of U.S. employees, SES provided satellite-based communications services to certain customers located in Iran. During 2012 and 2013 SES wound down this Iranian business and the underlying contracts and services. SES stopped receiving payments related to these Iranian customers during 2012 and the contracts were terminated in 2013. These services did not constitute a violation by SES of OFAC sanctions. However, SES identified that certain payments in U.S. dollars were received from such customers by SES subsidiaries outside the United States. Payments from these customers constituted less than 0.15 per cent of SES's total annual revenue during each of 2010, 2011 and 2012. No further payments were received from these customers. SES also identified certain payments related to an Iranian customer that were made by a non-U.S. subsidiary to a sales agent in U.S. dollars. The U.S. dollar-denominated payments from these customers and to the agent may have been processed either through correspondent accounts at U.S.-based financial institutions or through a U.S. branch of a non-U.S. financial institution. There is therefore a risk that the involvement of the U.S. banks in question could expose the Group to liability for having caused or contributed to a violation of OFAC sanctions.

In the self-disclosure report, SES also reported to OFAC that certain of its non-U.S. subsidiaries had a small number of Iranian customers (included among those referenced in the preceding paragraph) to whom they provided satellite communication services who were on or affiliated with or were reselling services to persons on the SDN list. Two of these SDN-listed persons have been sanctioned for human rights abuses. Services provided by SES to such customers consisted of provision of satellite capacity for private networks and broadcast services. In the case of one of these entities, SES suspended provision of service before the customer was designated a human rights abuser and placed on the SDN list. SES stopped receiving payments related to these Iranian customers during 2012 and the contracts were terminated in 2013. SES has not identified business with any other persons that are on or affiliated with persons on the SDN list.

SES also reported to OFAC that it identified two instances in which its direct customers in non-sanctioned third countries had resold portions of the satellite capacity supplied by New Skies for use by third-country embassy sites located in Cuba. In both cases, it appeared that certain of the payments received from the direct customers of New Skies were specific to the provision of services to the embassy sites in Cuba and were denominated in U.S. dollars.

Aside from the circumstances described above, SES has not identified unauthorised transactions involving any other sanctioned countries or SDNs under OFAC jurisdiction or other applicable U.S. sanctions programs. To the extent permitted under applicable laws and regulations, SES may decide to pursue business in Iran, but does not currently have contracts with any Iranian customers.

The Netherlands

On 16 November 1998, the government of the Netherlands issued New Skies Satellites N.V. (in 2004 changed to New Skies Satellite B.V. or *New Skies*) a Licence Letter setting forth the rights of New Skies to exploit geostationary arc orbital locations and associated frequencies in accordance with ITU obligations, including the ITU Radio Regulations. Pursuant to the most recent version of Attachment 1 to the Licence Letter, as periodically updated, in compliance with applicable laws and regulations of the Netherlands and countries in which services are provided, New Skies has established and has operational satellites at the following orbital locations:

Nominal Orbital Slot	Frequency Bands
2°E.L.	Ku-band
20°W.L.	C- and Ku-bands
22°W.L.	C- and Ku-bands
40.5°W.L.	C-, Ku- and Ka-bands
50.5°E.L.	C- and Ku-bands
57°E.L.	C- and Ku-bands
95°E.L.	Ku- and Ka-bands
177°W.L.	C- and Ku-bands

For details of the Group's satellites located in these orbital slots, see "Business—Satellite Fleet—Fleet". New Skies operates the NSS-5 satellite in the C- and Ku-bands at 50.5°E.L. subject to a commercial arrangement with Thaicom Public Company Limited (*Thaicom*) under a permission letter granted to Thaicom by the Administration of Thailand and pursuant to a licence issued by the Dutch authority.

New Skies is subject to the provisions of the Netherlands Telecommunications Act as amended (the *NTA*). The *NTA* does not require a licence for the operation of activities that New Skies performs in the Netherlands and for the exploitation of satellite frequencies. New Skies notifies the Netherlands government and requests updates to the Licence Letter in advance of the launch or modification of satellites at particular orbital locations. There is no guarantee that the Netherlands government will approve such requests. Denial of such requests could have a material adverse effect on SES's business. The Radiocommunications Agency (Agentschap Telecom) regulates the New Skies licence under the *NTA* and may impose penalties, or revoke or amend the New Skies licence. New Skies is not aware of any infringements and has no reason to believe that it is in violation of any part of its licence.

The Space Activities Act (Wet Ruimtevaartactiviteiten) effective 1 January 2008 regulates space activities falling under Dutch jurisdiction. New Skies operates under a licence effective 19 December 2008 pursuant to Article 3 of this Act. The Space Activities Act licence requires New Skies to ensure communications with, control of and sufficient power to operate the space object. It also requires that New Skies operate the space object so that it will not damage the environment in outer space and that, at the end of the object's life, adequate fuel supply is on board to transport the object to a proper decommissioning orbit. The Act also requires that New Skies maintain third party liability insurance coverage of €500 million per incident with the Netherlands government as a beneficiary. Additionally, New Skies must have the financial security to guarantee continuity of its space activities. New Skies is required to inform the Netherlands government in advance of launch, relocation or decommissioning of a space object or should there be technical or other changes related to the licence, including changes of control or composition of the legal entity (licensee).

Compliance with the terms of the Space Activities Act licence is also regulated by the Radio Communications Agency. The Radio Communications Agency conducts audits of New Skies' operations every four years to ensure compliance with the licence. The first audit concluded in December 2008. The 2012 audit was successfully concluded during July 2012. The next audit is planned for 2016, and is expected to occur in the second or third quarter.

The Space Activities Act enables the revocation of the licence if New Skies fails to comply with the Space Activities Act or the terms of the licence. The licence may also be revoked for failure to comply with a treaty or binding decisions of an international institution, or if there is good reason to believe that maintenance of the licence will jeopardise the safety of persons or goods, the space environment, public order or national security. The regulator also has authority to amend the licence rather than revoke it, and may require certain actions prior to revocation to ensure safety of people, goods and the environment. Failure to comply with the licence may result in financial penalties of up to €450,000 or 10 per cent of the annual sales of New Skies, whichever is greater. The penalty is required to be commensurate with the seriousness of the violation, degree of fault and duration of the infringement. There is a five-year statute of limitations on infringements and the Space Activities Act provides for a process under which parties may contest penalties or administrative actions against them. New Skies has no reason to believe that it is in violation of its licence and is not aware of any infringements.

Germany

On 17 December 2004, SES ASTRA and T-Systems International GmbH (at that time an affiliate of Deutsche Telekom AG) entered into a cooperation agreement for the development, operation and commercialisation of certain German orbital frequency rights at 23.5°E.L then held by Media Broadcast (as successor to T-Systems International GmbH) under assignments for these frequencies issued by the German “Bundesnetzagentur für Elektrizität, Gas, Telekommunikation, Post und Eisenbahnen” (BNetzA). Under said cooperation agreement, Media Broadcast granted an exclusive right of use of the related orbital frequency rights to SES ASTRA.

On 6 December 2005, SES ASTRA and T-Systems Business Services GmbH (at that time an affiliate of Deutsche Telekom AG) entered into a framework cooperation agreement, inter alia, for the use by SES ASTRA of certain German orbital frequency rights at 28.5°E.L. then held by Media Broadcast (as successor to T-Systems Business Services) as of October 4, 2013. Under this framework cooperation agreement, Media Broadcast granted, with BNetzA's approval, an exclusive right of use of the related orbital frequency rights to SES ASTRA.

On 10 July 2014, all of Media Broadcast's orbital frequency rights at 23.5°E.L and 28.5°E.L. were assigned to SES ASTRA rendering the above cooperation agreements inoperative. The BNetzA approved this assignment on 13 May 2014 and SES ASTRA now directly holds the corresponding assignment of frequencies.

SES ASTRA has operations at 23.5°E.L. with ASTRA 3B using German rights and Luxembourg rights. In addition, SES has procured and operates six satellites at 28.2°E.L./28.5°E.L.

Nominal Orbital Slot	Frequency Bands
23.5°E.L.	Ku-band
28.2-28.5°E.L.	Ku and Ka-band

For details of the Group's satellites located in these orbital slots, see “Business—Satellite Fleet—Fleet”.

The United Kingdom and Gibraltar

On 5 March 1998, the Gibraltar Regulatory Authority (**GRA**) issued a Class III Teleport Facility Licence (Ku-band) to SES Gibraltar, a company formed under the laws of Gibraltar, and a wholly owned, indirect subsidiary

of SES AMERICOM. The licence authorises SES Gibraltar to perform TT&C of authorised Ku-band satellites from its Gibraltar satellite control centre. This licence is valid for 25 years from the date of issue.

On 12 July 2006, the government of Gibraltar issued a Class II Teleport Facility Licence (C-band) to SES Gibraltar. This licence authorises SES Gibraltar to perform TT&C of authorised C-band satellites from its Gibraltar satellite control centre. This licence is valid for 25 years from the date of issue.

SES Gibraltar has established and has operational satellites at the following orbital slots and associated frequency bands under the GRA Class III and Class II Teleport Facility Licences:

Nominal Orbital Slot	Frequency Bands
86.5°W.L.	Ku-band
105°W.L.	C-band
108.2°E.L.	Ku-band
125°W.L.	Ku-band

For details of the Group's satellites located in these orbital slots, see "Business—Satellite Fleet—Fleet".

The satellite licensing procedures followed by Gibraltar are substantially similar to the procedures followed by the U.K. Like the U.K., Gibraltar does not issue space station licences. Rather, the U.K. and Gibraltar defer to the international frequency coordination process dictated by the ITU Radio Regulations. The Teleport Facility Licence granted to SES Gibraltar is therefore the only authorisation of any kind that Gibraltar will issue for communication with a satellite until just prior to launch.

SES Gibraltar also holds licences issued by the GRA pursuant to the Outer Space Act of 1986 (*OSA*) (a U.K. statute extended to Gibraltar by the Outer Space Act of 1986 (Gibraltar) Order 1996). The OSA licences authorise the launch and/or operation of the satellite. The OSA as applied to Gibraltar is intended to secure compliance with the U.K.'s international obligations with respect to the launching and operation of space objects and the carrying on of other activities in outer space by persons connected with Gibraltar. More specifically, the OSA requires a finding that a licence will not:

- jeopardise public health or the safety of persons or property;
- be inconsistent with the international obligations of Gibraltar; or
- impair the national security of Gibraltar.

A licence issued pursuant to the OSA is not a radio-communication licence and does not grant authority to use particular orbital positions or ITU-registered frequencies. Rather, the authority to use particular orbital locations is granted by the Teleport Facility Licence. The OSA licence allows the regulatory authorities of Gibraltar to conduct due diligence on, for example, the relevant contracts with the satellite manufacturer, launch services provider and insurer(s), in order to ensure that the satellite to be launched will be in accordance with the U.K.'s international treaty obligations, and that the satellite conforms to the relevant ITU filings for the satellite. An OSA licence is conditioned upon maintaining adequate third party liability insurance coverage for the satellite. The GRA requires that primary TT&C must be located in Gibraltar.

Because Gibraltar is an overseas territory of the U.K., satellites licenced by Gibraltar are notified to the ITU by the U.K. Except for its notification role, the U.K. government does not regulate the provision of service by SES. SES may not launch a satellite, operate a satellite or conduct any other activity in outer space from Gibraltar

without a licence from the GRA. Licences generally contain various conditions. Failure to comply with these conditions could result in a loss of the licence.

SES Gibraltar has received an OSA licence from Gibraltar to launch and operate a satellite, currently known as the NSS-11 satellite (formerly known as GE SATCOM-1A, AAP-1, and WSAT-1) at the 108.2°E.L. orbital location. It has also received a licence to operate its SES-9 satellite at the 108.3°E.L. orbital location. Both satellites are operated by SES Gibraltar. The licences are revocable upon breach of their terms and conditions and will expire at the end of the life of the respective satellite. The GRA waived for one year the requirement that the primary TT&C for SES-9 must be situated in Gibraltar.

SES Gibraltar has also received an OSA licence from Gibraltar to operate the SES-7 satellite (formerly ProtoStar-2) at the 108.2°E.L. orbital location. The SES-7 satellite was procured in orbit by SES and subsequently relocated to 108.2°E.L. SES-7 is operated at that orbital location by SES Gibraltar. The GRA waived the requirement for SES-7 that the primary TT&C must be situated in Gibraltar. The licence is revocable upon breach of its terms and conditions. The licence will expire at the end of the life of the satellite.

SES Gibraltar has received OSA licences from Gibraltar to operate the AMC-18 satellite at the 105°W.L. orbital location, the AMC-21 satellite at the 125°W.L. orbital location, and NIMIQ-1 at the 86.5°W.L. orbital location. AMC-18 and AMC-21 are operated at their respective orbital locations by SES Gibraltar. Each of the licences is revocable upon breach of its terms and conditions. Each licence will expire at the end of the life of the respective satellite. OSA licences are not required for NIMIQ-1 because it is licenced by Canada.

Isle of Man

SES, through its Isle of Man entity SES Leasing, has obtained various launch licences from the United Kingdom Space Agency (*UKSA*). Prior to the satellite launch that it has procured, SES Leasing must obtain a licence from the UKSA pursuant to the OSA (the U.K. statute extended to the Isle of Man by the Outer Space Act 1986 (Isle of Man) Order 1990), which authorises the launch of the satellite. The OSA as applied is intended to secure compliance with the international obligations of the U.K. with respect to the launch of space objects and the carrying on of other activities in outer space by persons connected with the Isle of Man. More specifically, the UKSA will not issue a licence unless it is satisfied that activities authorised by the licence will not:

- jeopardise public health or the safety of persons or property;
- be inconsistent with the international obligations of the U.K. or Isle of Man; or
- impair the national security of the U.K. or Isle of Man.

The licence issued pursuant to the OSA is not a radio-communication licence and does not grant authority to use particular orbital slots or frequencies.

In order to obtain an OSA licence, SES Leasing may need to provide the UKSA with access to relevant documents such as the contracts with the satellite manufacturer, the launch services provider and the insurer(s). This is in order to ensure compliance with the U.K.'s international treaty obligations (particularly with respect to launch, maintenance in orbit and disposal of satellites and their associated risks).

SES Leasing may not launch (or procure the launch of) a satellite, operate a satellite or conduct any other activity in outer space from the Isle of Man without appropriate licences which generally contain various conditions. Failure to comply with these conditions could result in a loss of the licence.

Bermuda

In 2013, the Bermuda Ministry of Economic Development and the Bermuda Regulatory Authority (the *BRA*) granted to SES Satellites (Bermuda) Ltd. (known as Satellite Ventures (Bermuda) Ltd. (*SVBL*)) from 30

January 2014), an SES affiliate incorporated under the laws of Bermuda, the rights to occupy the orbital position 96.2°W.L. and develop the corresponding Ku-band BSS frequency bands (12.2-12.7 GHz, 17.3-17.8 GHz). The 96.2°W.L. orbital position is assigned to Bermuda pursuant to the Appendix 30/30A Region 2 Plan of the ITU and the associated rights were granted to SVBL as a result of an application by SVBL to the BRA. SVBL is obliged to report regularly to the BRA on the development and use of spectrum at the 96.2°W.L. orbital position and to make fee payments based on the use of spectrum. The right of Bermuda and SVBL to occupy and develop the Ku BSS frequency bands at the 96.2°W.L. orbital position has been historically disputed by a third party, Spectrum Five LLC. SES and SVBL have successfully defended all such claims and the party providing satellite facilities to SVBL has received permanent authority from the US telecommunications regulator to operate EchoStar VI at the location. SES is not aware of any current activities by Spectrum Five to continue the dispute, however, there can be no assurance that Spectrum Five will not take such actions in the future.

SVBL's operations at 96.2°W.L. are subject to the applicable provisions of a Licence, a Certificate of Compliance, a Certificate of Competence, a Certificate of Coordination issued by the BRA, an Orbital Resource Use Agreement entered into between Bermuda and SVBL, Bermuda's Telecommunications Act 1986, the Satellite Network Notification and Coordination Regulations 2007, as well as the Radio Regulations of the ITU, international treaties, laws, resolutions, orders, bulletins, agreements, decrees, standards and other applicable regulatory, legal and administrative instruments.

Because Bermuda is an overseas territory of the U.K., satellites licenced by Bermuda are notified to the ITU by the U.K. Except for its notification role, the U.K. government does not regulate the provision of service by SVBL.

Mexico

In 2004, Mexico's Secretariat of Communications and Transport (*SCT*) granted to QuetzSat, a SES affiliate incorporated under the laws of Mexico, a concession to occupy orbital position 77°W.L. and develop its corresponding frequency bands (12.2-12.7 GHz, 17.3-17.8 GHz) in the Broadcasting Satellite Service (Ku-BSS), including the rights to broadcast and receive signals (all such rights under the concession hereinafter referred to as "landing rights"). The 77°W.L. orbital position is assigned to Mexico pursuant to the Appendix 30/30A Region 2 Plan of the ITU, and the related concession was awarded to QuetzSat following its successful bid at auction. The concession is for a renewable term of 20 years.

QuetzSat's operations at 77°W.L. are subject to the applicable provisions of the following: its concession, including the conditions set forth in the concession and its technical annexes; Mexico's Federal Law of Telecommunications and Broadcasting as amended in 2013 (see below) and Regulations of Communication via Satellite of Mexico; the Political Constitution of the United Mexican States; the Radio Regulations of the ITU; international treaties; laws; resolutions; orders; bulletins; agreements; decrees; official Mexican standards and other regulatory, legal or administrative provisions issued by the Mexican government.

On January 16, 2013, Mexico adopted a major reform of its Federal Telecommunications Law. Pursuant to the new Federal Law of Telecommunications and Broadcasting, all concessions for the use of radio-frequencies are to be issued by the newly created Federal Institute of Telecommunications (*Ifetel*) (formerly the Federal Commission of Communications or *Cofetel*). The reform included a relaxation of foreign investment limitations in telecommunications, from 49 per cent to 100 per cent. The 49 per cent foreign investment limitation remains in place for foreign investment in broadcasting only. QuetzSat's concession is considered a telecommunications service under the new law so 100 per cent of foreign investment is authorised.

Pursuant to its concession QuetzSat is required to make semi-annual payments for fees based on the use of frequencies for the provision of service under the concession and file annual audited financial statements. Moreover consistent with the conditions established under the concession, QuetzSat reserves a portion of

satellite capacity in each frequency band for use by the state for national security networks and for social services, with coverage of all of the national territory.

With respect to system operations, QuetzSat must provide SCT with any information or resources required to conclude the international coordination process or any other process required for operation of the satellite system. QuetzSat assumes responsibility for satellite control and operations. As required by the concession, the main and alternate satellite system control and operation centres are established and maintained in Mexican territory. Such centres are capable of limiting or interrupting satellite transmissions upon Ifetel's request. QuetzSat is also obligated under the concession to maintain continuity and quality of service and to provide coverage of national territory.

Majority ownership in QuetzSat is held by Satélites Globales, S. de R.L. de C.V. (Satélites Globales), a Mexican entity.

In December 2013, QuetzSat notified the regulator that SES Global South America Holdings, S.L. (holder of 49 per cent of the shares of Satélites Globales) and SES Latin America, S.A., both wholly-owned subsidiaries of SES S.A., sought to acquire the remaining 51 per cent of shares in Satélites Globales, which shares were held by Mexican citizens. Ifetel authorised such transfer in May 2014 and upon transfer of such Mexican-owned shares, QuetzSat became a 100 per cent foreign-owned entity.

In 2001, the SCT granted to Sistemas Satelitales de Mexico, S. de R.L. de C.V. (*SSM*), an affiliate of the Issuer incorporated under the laws of Mexico, a concession for rights to transmit and receive frequencies associated with foreign satellites that cover and provide service within Mexican territory, for a term of 10 years. This authorisation was renewed in 2011 for a term of 10 years. To date, 25 satellites in the SES fleet are authorised for use in Mexico under this concession.

Consistent with Mexican law prior to the recent reform, majority ownership in SSM is held by a Mexican entity. SSM complies with obligations to make monthly reports on the use of satellite capacity on each of the satellites listed on its concession, and to make semi-annual payments for fees based on the use of frequencies for the provision of service under the concession. Pursuant to its concession, SSM files annual audited financial statements.

The QuetzSat and SSM concessions authorise landing rights only and do not authorise provision of end-user services. Rather, QuetzSat and SSM must each ensure that it contracts only with duly authorised holders of concessions or other authorisations to provide services to end-users. Contracts for the provision of space segment to customers must be approved in advance by the regulator Ifetel.

QuetzSat and SSM are subject to the laws and regulations of Mexico, as well as the laws and regulations of countries from or within which QuetzSat or SSM provide services. Such laws and regulations may limit or prohibit QuetzSat's or SSM's ability to sell services in certain markets.

Mexico, the countries served by QuetzSat or SSM, or their regulatory authorities may adopt new laws, policies or regulations, or change their interpretation of existing laws, policies or regulations, which could cause existing authorisations to be changed or cancelled, require QuetzSat or SSM to incur additional costs or otherwise adversely affect operations or revenue. If QuetzSat or SSM fails to remain compliant with the terms of its concession or should QuetzSat or SSM be unable to obtain any necessary government approvals, such failure could delay or prevent QuetzSat or SSM from offering some or all of its services.

Brazil

In 2014, Brazil's National Telecommunication Agency (*Anatel*) granted SES DTH do Brasil Ltda., a SES affiliate incorporated under the laws of Brazil, concessions to occupy orbital positions 48°W.L. and 64°W.L.,

and develop the corresponding FSS and BSS frequency bands. The related concessions were awarded to SES DTH do Brasil following its successful bid at an auction. Both concessions are for a renewable term of 15 years.

SES DTH do Brasil's operations at 48°W.L. and 64°W.L. are subject to the following: its concession, including the conditions set forth in the concession and its technical annexes; applicable provisions of Brazil's Federal Telecommunications Law and Regulations of Communication via Satellite of Brazil; the Radio Regulations of the ITU; laws; resolutions; orders; agreements; and other regulatory, legal or administrative provisions issued by the Brazilian government.

With respect to system operations, SES DTH do Brasil must provide Anatel with any information or resources required to conclude the international coordination process or any other process required for operation of the satellite system. SES DTH do Brasil assumes responsibility for satellite control and operations. As required by the concession, the main satellite system control and operation centres will be established and maintained in Brazil. Such centres will be capable of limiting or interrupting satellite transmissions upon Anatel's request. SES DTH do Brasil is also obligated under the concessions to maintain continuity and quality of service, to provide coverage of national territory and to dedicate to the Brazilian territory 25 per cent of the total transponders of the satellite that will occupy the 48°W.L. orbital position and 50 per cent of the total transponders of the satellite that will occupy 64°W.L. orbital position. SES-14 will be located at 48°W.L. and its launch is scheduled for Q4 2017. SES must locate a satellite at 64°W.L. no later than until August 2020.

In addition, New Skies Satellites B.V., SES Americom Inc. and SES Astra AB, through New Skies Satellites Ltda (*New Skies Ltda*), a Brazilian entity, have been granted Brazil market access for the following operational satellites at the following orbital locations:

Satellite Operator	Operational Satellite	Orbital Slot	Frequency Bands
NEW SKIES SATELLITES B.V.	NSS-7	20°W	C and Ku
	SES-4	22°W	C and Ku
	SES-6	40.5°W	C, Ku and C (AP30B)
SES ASTRA AB	SES-5	5°E	C
SES Americom Inc.	AMC-12	37.5°W	C

New Skies Ltda is obligated to make semi-annual reports on the use of satellite capacity at the authorised orbital positions listed above and to make annual payments for fees based on the maintenance of licences in Brazil. SES DTH do Brasil will be subject to the same requirements once the satellites are operational at 48°W.L. and 64°W.L.

The concessions held by SES DTH do Brasil and New Skies Ltda authorise landing rights only and do not authorise provision of end-user services. Rather, SES DTH do Brasil and New Skies Ltda must each ensure that it contracts only with duly authorised holders of concessions or other authorisations to provide telecommunication services to end-users.

Brazilian regulatory authorities may adopt new laws, policies or regulations, or change their interpretation of existing laws, policies or regulations, which could cause existing authorisations to be changed or cancelled, require SES DTH do Brasil or New Skies Ltda to incur additional costs or otherwise adversely affect operations or revenue. If SES DTH do Brasil or New Skies Ltda fails to remain compliant with the terms of its concession, such failure could delay or prevent SES DTH do Brasil or New Skies Ltda from offering some or all of its services.

Canada

Ciel is a limited partnership organised under the laws of the Province of Ontario, Canada that is indirectly majority-owned by SES. Ciel holds Canadian spectrum licences (previously referred to as “radio licences”) permitting operation by Ciel of the Ciel-2 Ku-BSS satellite at the 129°W.L. orbital position, the Ciel-5i Ka-BSS payload on SES-2 at the 86.5°W.L. orbital position and the Ciel-6i Ka-BSS payload on SES-3 at the 103°W.L. orbital position. Ciel has filed applications with Industry Canada to develop satellites at the following three orbital positions:

Nominal Orbital Slot	Frequency Bands
86.5°W.L.	Ka-BSS
103°W.L.	Ka-BSS
138°W.L.	Ku-BSS

For details of Ciel’s satellites located in these orbital slots, see “*Business—Satellite Fleet—Fleet*”.

Ciel is subject to the laws of Canada and regulation by authorities of the Canadian government, primarily Industry Canada and the Canadian Radio-television and Telecommunications Commission (**CRTC**). Ciel’s operations are subject to regulation and licensing by Industry Canada pursuant to the Radiocommunication Act (the **Radio Act**). The Radio Act empowers Industry Canada to regulate the orderly development and efficient operation of radio communications in Canada. Industry Canada has the authority to issue licences, establish standards, assign Canadian orbital slots and plan the allocation and use of the radio spectrum, including the radio frequencies upon which satellites and earth stations depend.

Ciel requires licences issued by the Minister of Industry pursuant to the provisions of the Radio Act to operate satellites and develop radio spectrum. The Minister has broad discretion to issue these licences, to fix terms and conditions on such licences, to amend those terms and conditions and to suspend or revoke such licences. Terms of the licences with which Ciel must comply in order to operate the Ciel-2 satellite include public benefit commitments, the payment of annual fees, satellite coverage of all areas of Canada visible from the orbital slot and compliance with foreign ownership restrictions applicable to holders of radio licences. Industry Canada issues guidelines and procedures on the spectrum licensing process which provide a framework within which decisions under the Radio Act are made.

Sweden

SES, through its wholly-owned Swedish subsidiary SES ASTRA AB, holds the rights to use Swedish orbital locations at 5.0°E.L. and 13°W.L. and their associated frequencies. SES ASTRA AB is permitted by PTS to operate in the C-, Ku- (FSS and BSS) and Ka-frequency bands on the ASTRA 4A and SES-5 satellites. SES ASTRA AB has a space activities licence for the ASTRA 4A satellite and its frequency bands (Regeringsbeslut N2007/8282/FIN). It also has a licence for space activities for the SES-5 satellite including the L-, Ku- (FSS and BSS), C- and Ka-frequency bands (Regeringsbeslut U2011/3375/F).

The Swedish National Space Board, acting on the mandate of the Ministry of Education, acts as the regulator for the launch of Swedish space objects. Outer space activities are governed by the Swedish Law on Outer Space (Lag (1982:963) om Rymdverksamhet) of 1982. A Swedish satellite operator is required to have a licence for space activities and to place objects in outer space. A licence for space activities is granted to a Swedish satellite operator on a per satellite basis. The definition of a Swedish satellite operator is, however, at the discretion of the Swedish National Space Board; it is not defined in the Law on Outer Space. A licence may be subject to conditions to be determined upon issuance of the licence and may be revoked if the licensee violates the terms of the licence, which are also at the discretion of the Swedish National Space Board.

A licence is required to (i) perform activities towards outer space (i.e., TT&C) and (ii) to place objects in outer space. However, a licence is not required to receive signals from outer space.

The PTS, mandated by the Ministry of Enterprise, Energy and Communications, is the official regulator of satellite communications and frequency use in Sweden. Currently, frequencies are coordinated with PTS in accordance with a document entitled “Routines for Frequency Coordination,” a non-binding set of guidelines outlining the basic procedures for coordination and allocation of satellite frequencies. The guidelines specify among other rights and remedies that in order to submit frequency filings through the PTS, such company must be a Swedish legal entity.

No Swedish definition of a satellite operator exists. The factors contributing to SES ASTRA AB’s status as a Swedish satellite operator are at the discretion of the PTS and the Swedish National Space Board.

Andean Community

On 11 December 2009, the Andean Community authorised New Skies to use the Ku-band frequencies in the SIMON BOLIVAR 2 satellite network filing at the 67°W.L. orbital location for an initial term of 30 years. The Colombian Administration (on behalf of the Andean Community) is the notifying administration responsible for the international coordination of, interference protection of and interference resolution for the SIMON BOLIVAR 2 ITU network filing.

The applicable conditions for use of the satellite are set forth in Decisions 654 and 725 of the Andean Community. Decision 725 (“*Community Authorisation for Operation and Commercialisation for Member Countries’ Orbit-Spectrum Resources at the 67° West Orbital Location*”) granted New Skies authorisation for commercial use of the orbit-spectrum resources of the Andean Community member states at the 67°W.L. orbital location. Decision 725 mandates that New Skies determine prices, terms and conditions for the provision of capacity and services from the 67°W.L. orbital location, and that New Skies has the right to retain all revenue for such capacity and services. Decision 654 (the “*Regulatory Framework for Commercial Utilisation of Member Countries’ Orbit-Spectrum Resources*”) authorises the Andean Community Secretary General to enter into an agreement with New Skies and provides that the authorisation granted becomes null and void upon failure of New Skies to comply with its terms.

In February 2010 SES signed a contract as provided in Decision 725. The contract requires that SES reactivate the SIMON BOLIVAR 2 network by placing a satellite at the 67°W.L. orbital location before July 31, 2010. SES fulfilled this requirement by redeploing the AMC-4 satellite to 67°W.L. SES deployed a second satellite, AMC-3, to that orbital location in early 2012. Under the contract, the Andean Community is responsible for coordinating the operation of satellites at the orbital location under ITU procedures and SES must participate in all coordination activities related to satellites at the orbital location.

A February 2014 amendment to the contract provides that SES has the right, but not the obligation, to place a satellite meeting certain specified technical parameters at the 67°W.L. orbital location before 30 June 2017. An April 2012 amendment to the contract allows the Andean Community to terminate the contract, upon 30 days’ notice, in the event that SES does not place a qualifying satellite at 67°W.L. by the specified date, with allowances for any delay due to force majeure in meeting this date.

In consideration for the authorisation and pursuant to the terms of the contract, SES must provide Andean Community Member States with a portion of the Ku-band orbit/spectrum resource at the 67°W.L. location, in a manner consistent with technical specifications set forth in the contract. The contract terms include requirements to provide training to telecommunications sector officials of the Member States and to provide a small amount of C-band capacity on an SES satellite at a separate location.

The European Union

Telecommunications Regulations & Audiovisual Regulations

The EU's regulatory Framework for Electronic Communications (***Telecoms Package***), adopted in 2002 and substantially amended in 2009 covers EU spectrum policies, licensing, access/interconnection issues and consumers' rights. Key provisions of the Telecoms Package also include technology neutrality in spectrum management and the importance of the Radio Regulations of the ITU. SES's and its customers' activities are governed by the principles of the Telecoms Package, in particular those regarding spectrum policy and those related to the procedures and conditions to authorise the delivery of wireless services including satellite services. The Telecoms Package is now under further review, with new proposed amendments due out in the autumn of 2016.

The Radio Spectrum Policy Programme (***RSPP***), adopted in March 2012, is consistent with the Telecoms Package. The RSPP outlines for the period from 2011 to 2015 at a strategic level how using spectrum can contribute to the most important political objectives of the European Union. The RSPP specifies the need to release spectrum for mobile wireless broadband in various frequency bands specifically below 6 GHz, including the 3.4-3.8 GHz band, provides guidance on the application of spectrum management principles (*e.g.*, efficiency, neutrality, trading) and clarifies the EU Commission's role in harmonisation of rules (*e.g.*, on tradable frequencies or on coordination at the EU external borders with non-EU countries). It remains unclear whether a new RSPP will be adopted or all spectrum matters will be covered under the newly amended Telecoms Package.

The EU sets up principles of freedom to establish and freedom to receive and retransmit audiovisual media within the EU with the Audiovisual Media Services (***AVMS***) Directive. In the EU, the "country of origin principle" applies to the distribution of traditional TV broadcasts and on-demand services. Because satellite transmissions are often international in nature (*i.e.*, uplinked from one country and received in another or several other countries), the country of origin principle avoids the cumulative burden on satellite broadcasters (or service providers) of complying with the laws and regulations of multiple Member States.

The AVMS Directive is also important to SES's business. The Directive, which applies to linear (*i.e.*, traditional television) and non-linear (*e.g.*, video on demand) TV-like services, sets up common standards regarding programme content which EU Member States are required to impose on service providers whose transmissions originate from an EU Member State's territory. The AVMS Directive provides that audiovisual services properly licenced in one EU Member State can be retransmitted in other Member States without a further licence. To the extent the service providers whose content are transmitted via SES's satellites are appropriately licenced in an EU Member State, there are no additional broadcasting licensing requirements for SES. SES undertakes to confirm that broadcasters (or service providers) transmitting via its satellites have all necessary licences.

Sanctions Regulations

Certain EU sanctions regulations restrict SES's ability to provide services in, or export hardware to, certain countries or specific persons or entities. In certain cases, SES may be able to obtain authorisation from an EU Member State in order to provide service that would otherwise be subject to sanctions. However, there is no guarantee that such authorisation will be granted. As a result, SES may be required to forgo commercial opportunities that are subject to sanctions. Failure to obtain or maintain required sanctions authorisations or failure to comply with applicable sanctions laws and regulations could have a material adverse effect on its business.

On 28 November 2012, New Skies made a voluntary disclosure to the Dutch Ministry of Finance concerning certain unregistered or unauthorised payments related to its business with Iranian persons not identified on the

EU sanctioned parties list. These payments represented less than 0.25 percent of New Skies' total annual revenue for 2010, 2011 and 2012. No further payments were received. On 13 June 2013, the Dutch Ministry of Finance concluded its review of the matter by issuing a warning to New Skies and advised that a sanctions compliance audit would take place in 2014. No fine or other penalty was assessed. New Skies has not yet been contacted concerning an audit. Under the then effective EU sanctions rules, the payment service provider is responsible for requesting registration or authorisation of payments related to New Skies' business with Iranian persons. It is possible that certain payments to or from the Group were not registered. This could expose the Group to claims by the payment service providers in question. SES has informed the payment service providers with which it holds accounts of pertinent Iran transactions. SES continues to work cooperatively with the payment service providers to enable compliance with applicable EU regulations.

International Telecommunication Union Filings and Coordination Procedures

International Regulation

The Grand Duchy of Luxembourg, the U.S., the Netherlands, Brazil, Canada, Colombia, Mexico, Sweden and the U.K. are members of the ITU. The ITU, a specialized agency of the United Nations of which most countries in the world are members, establishes rules and regulations relating, among other things, to the coordination of the international use of the radio frequency spectrum and orbital positions. All members of the ITU have the same rights as other members to use frequency spectrum and corresponding orbital positions. The Group is required to comply with all provisions of the ITU Convention, including its Radio Regulations, and other applicable international treaties to which the aforementioned countries are parties.

Allocation of Frequency

Through the Radio Regulations, which are in part designed to prevent harmful interference, the ITU supervises the use of orbital positions and associated frequencies. The Radiocommunication Bureau is the ITU's body which administers the ITU's Radio Regulations. Each ITU member nation is required to register its proposed use of orbital slots with the ITU's Radiocommunication Bureau.

Once spectrum at an orbital slot has been requested by a country and the Radiocommunication Bureau is notified, other countries may inform the Radiocommunication Bureau of any conflicts with their present or proposed use of the spectrum at that orbital location. When a conflict or potential conflict is noted, countries must negotiate in an effort to coordinate the proposed uses and resolve any interference concerns. The Radiocommunication Bureau may be asked to assist in resolving any dispute arising in connection with proposed uses of frequencies and orbital locations. However, no binding dispute resolution mechanism applies, and, if there is no agreement, a satellite system will not be entitled to protection from interference under international law. Any country may place a satellite or earth station in operation without coordination and notification. However, if it does so the satellite or earth station is not entitled to registration in the ITU's Master International Register and the associated protections from harmful interference associated with such registration.

The governments of the Grand Duchy of Luxembourg, the U.S., the Netherlands, Brazil, Canada, Colombia, Mexico, Sweden and the U.K. are each responsible for filing and coordinating SES's or its affiliates' applications for the use of frequencies at specified orbital locations with the Radiocommunication Bureau under the provisions of the ITU Convention. When a conflict or potential conflict is noted in the Group's use of an orbital slot or affecting a satellite it operates, the relevant filing administration is responsible for negotiating to resolve any intended use or interference concerns. In many instances these governments delegate authority to the operator, SES ASTRA, New Skies, SES AMERICOM, SES Gibraltar, Ciel, SES DTH do Brasil or QuetzSat, to coordinate use of the spectrum at an orbital location directly with other potentially affected operators. Agreements reached with other operators are forwarded to their respective governments for ratification. Coordination between SES AMERICOM and other U.S.-licensed operators is not subject to the ITU Radio Regulations, as it is considered a domestic U.S. matter. As a British Overseas Territory, Gibraltar is not a

member of the ITU. Therefore, to forward a request to the ITU to coordinate the use of certain frequencies in connection with a satellite network, the Group must make the request to the Office of Communications (*Ofcom*) in the U.K. through the GRA, in accordance with the international obligations of the U.K. as set out in the Radio Regulations of the ITU.

The operation of satellites at all orbital slots is done in accordance with the ITU Convention and its Radio Regulations.

Other

Regulation of Earth Stations

SES, its subsidiaries and its affiliates operate earth stations in a number of jurisdictions including but not limited to the U.S., the Grand Duchy of Luxembourg, Canada, Sweden, Gibraltar, Bermuda and Belgium. SES or its subsidiaries and affiliates hold the relevant earth station licences in these jurisdictions. Fees are paid in connection with these antenna applications and licences. Renewal fees and/or annual regulatory fees are also assessed on earth stations. Violations of rules applicable to earth station licensing may result in sanctions, fines, loss of authorisations and denials of authorisations for new earth stations and for renewals of existing authorisations.

Spectrum Reallocation

The ITU and a number of national governments have announced or commenced efforts to find more spectrum to support projected growth in demand for terrestrial broadband services. Typically these efforts focus on spectrum below the frequencies that SES deploys on the Group's satellites. In some countries, however, parts of the C-band frequencies (3.4-3.8 GHz) have been designated for shared terrestrial use, thereby inhibiting use by the Group's satellites and limiting growth of services using these bands in those countries. It is expected that pressure to designate C-band or parts of the C-band for terrestrial broadband will continue, which could further limit the use of satellite services in this band. More recently, there have been attempts to introduce or increase terrestrial "sharing" of the Ku- and Ka-band frequencies the Group uses for satellite services.

The fact that the Group, and the satellite industry generally, use this spectrum extensively on its satellites to provide services to its customers may be a bulwark against arbitrary reallocation, especially in major markets. However, the Group cannot be certain that some countries in which it does business will not reallocate the satellite spectrum that it uses today in favour of terrestrial services or introduce constraints on the Group's operations through spectrum sharing.

Spectrum Auctions and Spectrum Fees

A small number of countries today use, or have proposed to introduce, an auction mechanism to assign spectrum for the provision of satellite services in their national territory. A number of other countries have introduced, or are considering, market-based spectrum fees (*e.g.*, based on "opportunity cost" pricing) for all spectrum use, including satellite spectrum use. The Group cannot be certain that the use of such auctions and/or fees will not increase. If they do, they could create significant barriers to entry and significantly increase the Group's costs of doing business in those countries.

Insurance

The Group is required by certain governments to purchase third-party liability insurance to cover damage that may be caused by its satellites. In its insurance policy, the Group designates the governments of the Grand Duchy of Luxembourg, the U.S., the Netherlands, Sweden, the U.K., Gibraltar, the Isle of Man, Mexico, and Canada as additional insured parties and pays premiums for coverage broad enough to cover these parties against liability as a "launching state" under international conventions.

Market Access and Authorisations of Other National Authorities

Legal and regulatory restrictions and requirements governing satellite service vary among countries. As a provider of satellite services and capacity, SES is subject to the many national communications, space and broadcasting laws and regulations in each of the jurisdictions in which it operates. Many countries have liberalized their regulations to permit entities to provide voice, data or video services using non-domestic satellites. This trend accelerated with the implementation of commitments made by many WTO members, in the context of the 1997 WTO Agreement on Basic Telecommunications Services, to open their home satellite markets to greater or full competition on defined schedules. For these countries, often no approval or licence is required or, alternatively, an approval or licence is required but typically granted to the satellite operator.

Other countries require the satellite operator to obtain a licence to provide satellite services or capacity within their national boundaries, or otherwise place legal or *de facto* restrictions on market access by a foreign satellite operator. In such markets, the provision of service from foreign-licensed satellites may be complicated or prohibited altogether.

Some of these countries require SES to obtain licences, authorisation or approval before SES may offer satellite services or capacity in those countries. As SES launches or relocates satellites, it seeks the requisite licences, authorisations or approvals. There is no guarantee that such licences, authorisations or approvals will be timely or ever granted. This would delay or prevent market access by SES.

Sometimes the only means to access a market is by selling through a third-party provider in that country. In order to provide its services and capacity in these countries, SES must negotiate sales of service or capacity agreements with these third parties. Third party service providers using satellites operated by SES are also required to obtain local approvals necessary to transmit to or receive from these satellites.

In addition, the laws, regulations and practices of some countries may make it harder to compete against a domestic or regional satellite system operator from that country. Obtaining and maintaining regulatory approvals involves significant time and expense.

Antitrust and Competition Laws

SES is subject to and must comply with applicable competition laws and regulations in the jurisdictions in which it does business. Based on market conditions and SES's commercial interests in a particular country, these laws and regulations may limit SES's ability to provide service in a country. In certain cases, SES may be required to obtain approval from the relevant governmental authority in order to provide service or complete a transaction, merger, joint venture or other activity in which it would have a controlling interest. In connection with the 50.5 per cent Acquisition, the parties will be required to submit a request for antitrust review under the Hart-Scott-Rodino Act. Depending on how any relevant market is defined, SES may be deemed to operate in a highly concentrated market and hold strong market positions in several countries.

As a result, there is no guarantee that competition authority approval will be granted for such transaction or activity. In some circumstances, competition authorities may allow a venture or activity to proceed but would place limitations or conditions upon SES's activities. SES may be required to forego commercial opportunities should competition authorities not allow a transaction, merger, joint venture or other activity to proceed or should the limitations imposed by that authority be determined to be overly burdensome.

In its SES/DPC merger control decision in December 2004, the German Competition Authority (Bundeskartellamt) found that SES held a dominant position in the market for the provision of satellite capacity for DTH services in Germany (or the German-speaking territory). The Bundeskartellamt concluded that SES's satellite transponder business in Germany must comply with special, more stringent competition rules for dominant companies. In particular, the Group must not discriminate against business partners, refuse to supply

satellite capacity without objective reasons, enter into exclusive purchase agreements with or grant loyalty rebates to customers, or tie the sale of satellite capacity and other services.

O3b

O3b is subject to the regulatory authority of Jersey and the United Kingdom. As a British Crown Dependency, Jersey's space and ITU activities are handled by the U.K. Accordingly, the UKSA is responsible for licensing O3b's space activities under the OSA. The UKSA has issued the licence to O3b for O3b's first twelve satellites. O3b's use of spectrum is regulated by Ofcom. The U.K. does not issue licences for satellite use of spectrum.

O3b brought into use its assigned frequencies prior to the deadline of 23 October 2014.

O3b's gateways in Hawaii, Greece, Australia (Perth) and Peru perform TT&C as well as communications functions for the O3b satellite system. Each of these gateways has received applicable licences and permits.

In the 18.8-19.3 GHz and 28.6-29.1 GHz band, O3b must coordinate with all prior filed satellite networks. O3b expects to be able to coordinate to prevent harmful interference. In the 17.8-18.6 GHz and 27.6-28.4 GHz bands, O3b must protect geostationary satellite networks irrespective of O3b's ITU filing dates. O3b must coordinate with all non-geostationary Ka-band satellite networks filed ahead of it regardless of the frequency bands being used. According to Ofcom procedures, O3b must also complete coordination with operators that have U.K. ITU filings. In most of these cases, there is a mixed priority situation where both parties have ITU priority over the other for some of their filings.

In some countries, terrestrial operators use some parts of O3b's Ka-band spectrum. However, the risk of material delay of commercial operations is mitigated because such use is taken into account for antenna site selection and terrestrial coordination, and O3b's frequency plan is compliant with ITU frequency allocations.

DESCRIPTION OF THE ISSUER AND CORPORATE GOVERNANCE

The Issuer

The corporate name of the Issuer is SES and its business name is SES. The Issuer was incorporated under the laws of the Grand Duchy of Luxembourg on 16 March 2001 as a public limited liability company (*société anonyme*) and is registered with Luxembourg Trade and Company Register under number B 81.267. The Issuer is governed by Luxembourg law. SES's registered address is Château de Betzdorf, L-6815 Betzdorf (Grand Duchy of Luxembourg) and its telephone number is + 352 710 725-1. The Issuer is incorporated for an unlimited term.

Share Capital

The Issuer has issued two classes of shares: Class A Shares and Class B Shares. Although they constitute separate classes of shares, Class A Shares and Class B Shares carry the same rights except that (i) the Class B Shares, held by the Grand Duchy of Luxembourg and by two entities wholly-owned by the Grand Duchy of Luxembourg, entitle their holders to only 40 per cent of the dividend, or in case the Issuer is dissolved, to 40 per cent of the net liquidation proceeds paid to holders of Class A Shares and (ii) that the Class B Shares are entitled to a preferential subscription right for all capital increases of the Issuer. Each Share, whether of Class A or B, is entitled to one vote. In accordance with the Issuer's articles of association (the *Articles of Association*), no shareholder of Class A Shares may acquire shares by whatever means, directly or indirectly, in a way which would make that shareholder's holding cross a 20 per cent, 33 per cent or 50 per cent threshold in terms of such shareholder's proportional ownership of the Shares unless it has obtained prior approval from the General Meeting of Shareholders. Such threshold is calculated by taking into account the shares of all classes held by a shareholder of Class A. For the number of issued shares of each class as of 26 May 2016 (being the latest practicable date prior to the publication of this Prospectus) see "*Principal Shareholders*" below.

All the Shares issued by the Issuer are fully paid and represent capital. The Issuer has not issued convertible securities exchangeable securities or securities with warrant.

There are no acquisition rights and or obligations over authorised but unissued capital of the Issuer or any undertaking to increase the capital.

Shares in the Issuer held by or on behalf of the Issuer itself

On 30 April 2016 the Issuer held 6,819,786 FDRs, with no par value, and with a carrying value in accordance with Luxembourg GAAP of €188,646,582.06.

History of the share capital of the Issuer on the last 3 financial years

On 2 April 2015 the extraordinary shareholders' meeting of the Issuer has authorised the Board of Directors to issue within the authorised share capital amounting to € 644,250,000 a maximum of 6,200,000 new Class A Shares and of 3,100,000 new Class B Shares. On the same date, the Board of Directors has approved the issue of 6,000,000 new Class A Shares and 3,000,000 new Class B Shares and has mandated the Chairman's Office to accept the relevant subscriptions. On 1 June 2015, the share capital of the Issuer was increased by issuing 9 million new shares (6 million of Class A Shares and 3 million of Class B Shares. For further details see page 125 of the annual report for the 2015 financial year.

On 7 April 2016 the extraordinary shareholders' meeting of the Issuer has authorised the Board of Directors to issue, from time to time, up to 61,848,000 Shares (i.e 41,232,000 new Class A Shares and 20,616,000 new class B Shares). On 7 April 2016 the Board of Directors has approved the issue of up-to 39,857,600 new Class A Shares and of up-to 19,928,800 new Class B Shares and has mandated the Chairman's Office to accept the relevant subscription. On 31 May 2016, the share capital of the Issuer was increased by issuing 59,786,400 new

shares (39,857,600 of Class A Shares and 19,928,800 of Class B Shares), and the B Shareholders contributed the total aggregate amount of €137,854,500 and 716020 existing FDRs.

As of the date of this Prospectus the authorised share capital of the Issuer including the issued share capital is €721,560,000 and as of 31 May 2016 the subscribed capital of the Issuer was set at €718,983,000 consisting of 575,186,400 Shares with no par value, all of which are fully paid up and divided into two categories of Shares, 383,457,600 Class A Shares and 191,728,800 Class B Shares.

Dividend policy

The Issuer is committed to maintain a progressive dividend policy as part of its current use of cash policy, which will be validated annually. There are no restrictions on dividend distributions other than as provided for by Luxembourg company law.

Description of the rights preferences and restrictions attaching to each class of existing shares

Class A Shares and Class B Shares constitute two separate classes of shares in the Issuer but rank *pari passu* in all respects save as specifically provided herein.

The Class A Shares and the Class B Shares are freely transferable.

No shareholder of Class A may hold, directly or indirectly, more than 20 per cent, 33 per cent or 50 per cent of SES's Shares unless he has obtained prior approval from the General Meeting of Shareholders. Such limit shall be calculated by taking into account the Shares of all classes held by a shareholder of Class A.

In case of an increase of the share capital of the Issuer by a contribution that is either in kind or in cash, the shareholders of Class B Shares have a preferential subscription right for additional Class B Shares in order for the proportion of one issued Class B Share for two issued Class A Shares to be maintained at all times.

Class B Shares are issued each time for an issuing price equal to 40 per cent of the issuing price of a share of Class A.

The economic rights of one Class B Share compared to one Class A Share are 40 per cent.

The Issuer does not have any preferred shares of the Issuer outstanding and the Articles do not provide for the issuance of such shares by the Issuer.

Actions necessary to change the rights of holders of the Shares

A change of the rights of the holders of the Shares requires an amendment of the Articles of Association. Amendments of the Articles of Association require shareholder consent in accordance with the Articles and article 67-1 of the Luxembourg Company Law.

Description of any provision of the Articles of Association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the issuer.

No shareholder of class A may hold, directly or indirectly, more than 20 per cent, 33 per cent or 50 per cent of the Shares unless he has obtained prior approval from the General Meeting of Shareholders. Such limit will be calculated by taking into account the Shares of all classes held by a shareholder of Class A Shares. It will not apply to the shareholders issuing fiduciary certificates in agreement with the Issuer.

Pursuant to the Articles of Association, a shareholder or a potential shareholder who plans to acquire by whatever means, directly or indirectly, more than 20 per cent, 33 per cent or 50 per cent of the Shares must inform the Chairperson of the Board of Directors of such intention.

The Chairperson of the Board of Directors will then inform the government of the Grand Duchy of Luxembourg of the planned acquisition, which may only be opposed by the government within three months of receiving such information, should it determine that such an acquisition is against the general public interest.

In case of no opposition from the government, the Board of Directors shall convene an extraordinary meeting of Shareholders, which may decide at a majority provided for in article 67-1 of the Luxembourg law of 10 August 1915, as amended, regarding commercial companies (the *Luxembourg Company Law*), to authorise the shareholder or potential shareholder to acquire more than 20 per cent, 33 per cent or 50 per cent of the Shares. If the demanding party is a shareholder of the Issuer, it may attend the General Meeting of Shareholders and will be included in the count for the quorum but may not take part in the vote.

In the event of a breach of such ownership threshold or restrictions by a person or a group of persons acting together or under the control of one person, the ownership of Shares above the thresholds or in breach of the relevant restriction may not be enforced vis-à-vis the Issuer and no right, including voting rights or entitlements to dividends and other distributions will be recognised to such Shares. For the purposes of this restriction, the method of acquisition of the Shares is irrelevant.

An indication of the articles of association, statutes, charter or bylaws provisions, if any, governing the ownership threshold above which shareholder ownership must be disclosed.

In accordance with article 8 of the Luxembourg law of 11 January 2008 as amended, on transparency obligations for issuers of securities, any shareholder or FDR holder acquiring or disposing of shares or FDRs respectively, is required to inform the Issuer and the *Commission de Surveillance du Secteur Financier* within four trading days of the proportion of voting rights held as a result of such acquisition or disposal where that proportion reaches, exceeds or falls below the thresholds of 5 per cent, 10 per cent, 15 per cent, 20 per cent, 25 per cent, 33 1/3 per cent 50 per cent or 66 2/3 per cent.

Pursuant to the Articles of Association, a shareholder or a potential shareholder who plans to acquire by whatever means, directly or indirectly, more than 20 per cent, 33 per cent or 50 per cent of the Shares of the Issuer must inform the Chairperson of the Board of Directors of such intention.

Description of the conditions imposed by the memorandum and articles of association statutes, charter or bylaws governing changes in the capital, where such conditions are more stringent than is required by law.

In case of an increase of the share capital of the Issuer by a contribution that is either in kind or in cash, the shareholders holding Class B Shares have a preferential subscription right for additional Class B Shares in order for the proportion of one issued B Share for two issued Class A Shares to be maintained at all times.

Objects and Purposes

According to Article 2 of the Articles of Association, SES's objects and purposes are to take generally any interest whatsoever in electronic media and to be active, more particularly, in the area of communications via satellite. In this context, SES's purpose is the holding of participations, in any form whatsoever, in Luxembourg companies and foreign companies, and any other form of investment, the acquisition by purchase, subscription, or in any other manner as well as the transfer by sale, exchange or otherwise of securities of any kind, and the administration, control and development of its portfolio. In addition, the Issuer may conduct all kinds of commercial, industrial and financial business, with movable as well as with immovable assets, which it may deem useful in the accomplishment of its purpose. The Issuer may also hold any kind of interest, in any form, by way of participations, guarantees or otherwise, in any Luxembourg or foreign enterprise, company or association likely to further SES's purpose to the best use.

General Meetings

Under Luxembourg Company Law, the Issuer's annual and/or extraordinary general meetings of Shareholders represent the entire body of shareholders of the Issuer. 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 over by the Chairman of the Board of Directors or, in his absence, by one of the Vice Chairmen of the Board of Directors or, in their absence, by any other person hereto appointed by the meeting. Any shareholder who is recorded in the Issuer's shareholder register the 14th day before the meeting at 24 hours (Luxembourg time) 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.

Each registered shareholder receives written notice of a General Meeting of Shareholders, including the time of the meeting, the agenda and the draft resolutions, at least 30 days prior to the meeting. Holders of FDRs are represented at the meeting by Banque et Caisse d'Epargne de l'Etat acting as Fiduciary. Each FDR represents one Class A Share. If a holder of FDRs wants to attend the General Meeting of Shareholders in person, that shareholder needs to convert at least one FDR into a Class A Share. In order to facilitate the attendance of the meeting by FDR holders, the Issuer pays the applicable charge for a conversion of up to 10,000 FDRs for a short period prior to the annual general meeting for any FDR holder who is not yet a shareholder of the Issuer.

Notice of the meeting and of the proposed agenda is published in the press. The Fiduciary circulates the draft resolutions to both international clearing systems, Euroclear and Clearstream, allowing FDR holders to give their voting instructions to the Fiduciary in time for the meeting. At the same time, the draft resolutions are made available on the Issuer's website. Unless the Fiduciary has received specific instructions from the FDR holder, the Fiduciary must vote in favour of the proposals submitted by the Board of Directors. One or more shareholders owning together at least 5 per cent of the shares of the Issuer have the right to request to add items on the agenda of the General Meeting of Shareholders 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 made in writing (via mail or e-mail) and received no later than the twenty-second day preceding the General Meeting of Shareholders and will need to include a justification or draft resolution to be adopted at the General Meeting of Shareholders. The written request must include a contact address to which the Issuer can confirm receipt within 48 hours from the receipt of the request. The Issuer will then, at the latest fifteen days preceding the General Meeting of Shareholders publish a revised agenda.

The meeting may deliberate validly only if at least half of the Class A Shares and at least half of the Class B Shares are represented. In the event that the required quorum is not reached, the meeting must be reconvened in accordance with the form prescribed by the Articles of Association. 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 Issuer. A French version of the General Meeting of Shareholders minutes and the results of the shareholders' votes are published on the Issuer's website within 15 days after the General Meeting of Shareholders. With the exception of the procedure described above (in respect of a shareholder intending to hold more than 20 per cent, 33 per cent or 50 per cent, respectively, of the shares of the Issuer), all the resolutions of the meeting are adopted by a simple majority vote except if otherwise provided for by Luxembourg Company Law.

Extraordinary General Meetings

In case of no opposition from the Government of Luxembourg, the Board of Directors shall convene an extraordinary meeting of Shareholders which may decide at a two-thirds majority as provided for in article 67-1

of the Luxembourg Company Law, to authorise the shareholder or potential shareholder to acquire more than 20 per cent, 33 per cent or 50 per cent of the Shares.

Without prejudice to the quorum requirements, the Articles of Association may be amended with a two-thirds majority in accordance with article 67-1 of the Luxembourg Company Law.

Annual General Meetings

The annual general meeting is held on the first Thursday in April of each year at 10.30 a.m., or if such day is a legal holiday, on the preceding business day.

Board of Directors

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

The Board of Directors is composed of 18 non-executive directors, five of them female. In accordance with the Articles of Association, two-thirds of the Board of Directors members represent holders of Class A Shares and one-third of the Board of Directors members represent holders of Class B Shares. The mandates of the current Board of Directors members will expire at the annual General Meeting of Shareholders in April 2017, 2018 and 2019 respectively.

On 1 January 2015 Mr. Romain Bausch, President and CEO until 3 April 2014 has assumed the position of Chairman of the Board of Directors. Mr. Bausch is currently assisted by two Vice Chairmen, Messrs François Tesch and Jean-Paul Zens, each one elected on the basis of proposals submitted by Board of Directors members representing shareholders of Class A and of Class B shares, respectively.

In the event of a vacancy on the Board of Directors, the remaining Board of Directors members 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 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 of Directors members must be independent Directors. A Board of Directors member is considered independent if he or she has no relationship of any kind with the Issuer or management which may impact his or her judgment. Independence for these purposes is defined as:

- not having been a Director for more than 12 years;
- not having been an employee or officer of the Issuer over the last five years;
- not having had a material business relationship with the Issuer in the last three years; and
- not representing a significant shareholder owning directly or indirectly more than 5 per cent of SES's shares.

Nine of the current Board members are considered independent: Mr. Marc Beuls, Mr. Marcus Bicknell, Mr. Victor Casier, Mrs. Bridget Cosgrave, Mrs. Tsega Gebreyes, Mr. Conny Kullman, Mr. Ramu Potarazu, Mr. Marc Speeckaert and Mrs. Katrin Wehr-Seiter.

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

The following table sets forth the name, age and position of each member of the Board of Directors as of the date of this Prospectus.

Name	Age	Position	Term of mandate
Mr Romain BAUSCH	62	Non-executive Chairman	2019
Mr. François TESCH	65	Non-executive Vice-Chairman	2019
Mr. Jean-Paul ZENS	63	Non-executive Vice-Chairman	2017
Mr. Serge ALLEGREZZA	56	Non-executive Director	2018
Mr. Marc BEULS	59	Independent Non-executive Director	2017
Mr. Marcus BICKNELL	68	Independent Non-executive Director	2017
Mr. Victor CASIER	42	Independent Non-executive Director	2019
Mrs. Bridget COSGRAVE	54	Independent Non-executive Director	2017
Mr. Hadelin DE LIEDEKERKE BEAUFORT	61	Non-executive Director	2018
Mr. Jean-Claude FINCK	60	Non-executive Director	2016
Mrs. Tsega GEBREYES	46	Independent Non-executive Director	2019
Mr. Conny KULLMAN	65	Independent Non-executive Director	2018
Mr. Ramu POTARAZU	54	Independent Non-executive Director	2017
Mrs. Anne-Catherine RIES	43	Non-executive Director	2017
Mr. Jean-Paul SENNINGER	56	Non-executive Director	2018
Mr. Marc SPEECKAERT	65	Independent Non-executive Director	2018
Mrs. Pascale TOUSSING	46	Non-executive Director	2019
Mrs. Katrin WEHR-SEITER	46	Independent Non-executive Director	2018

The business address of the members of the Board of Directors is Château de Betzdorf, L-6815 Betzdorf, (Grand Duchy of Luxembourg) and its telephone number is + 352 710 725-1.

Board Practices

According to Article 9 of the Issuer's the Articles of Association, the Issuer is managed by the Board of Directors. General Meeting of Shareholders elects the Board of Directors and determines the number of Board of Directors members, their remuneration and term of office (which may not exceed six years). The Board of Directors members shall be natural persons but need not be shareholders.

The Board of Directors is composed of a number of directors, based on a list of candidates submitted by the Nomination Committee and representing the shareholders of Class B Shares, that is equal to one third of the total number of members of the Board of Directors and a number of Directors, based on a list of candidates submitted by the Nomination Committee and representing the shareholders of Class A Shares, that is equal to the difference between the total number of Board of Directors members and the number of Board of Directors members representing the shareholders of Class B Shares. The shareholders may submit to the Nomination Committee a number of candidates at least equal to the number of posts to be filled for their classes.

The Board of Directors members shall be elected among the candidates presented on the list by the Nomination Committee and shall be appointed and may be removed at any time with or without cause by a simple majority vote of the Shares present or represented at the General Meeting of Shareholders, without considering abstentions.

According to Article 10 of the Articles of Association, the Board of Directors may grant special powers and delegate the daily management of the Issuer, as well as the representation of the Issuer in relation to this management, to one or several Directors, managers or other agents, shareholders or not, acting alone, jointly or in a committee. The Board of Directors may create from time to time, one or several committees composed of Board of Directors members and/or external persons and to which it may delegate powers and roles as appropriate.

According to Article 11 of the Articles of Association, the Board of Directors elects from among its members a Chairperson. The Board of Directors shall further choose two vice-chairpersons of the Board of Directors, one of whom shall be chosen from among the Directors nominated by the shareholders of Class A Shares, and one from among the Directors nominated by the shareholders of Class B Shares. In the case of a tie, the Chairperson has no casting vote.

Pursuant to Article 12 of the Articles of Association, the Board of Directors shall meet every time when required by the Issuer's business, but generally once in a quarter. The Board of Directors shall further meet upon the written demand of two Directors. The Board of Directors may deliberate or act validly only if a majority of the Directors are present or represented. If such quorum is not achieved at a first meeting, the Board of Directors may validly deliberate at a second meeting convened in accordance with the above formalities, whatever the number of Directors present or represented.

Pursuant to Article 13 of the Articles of Association, the resolutions of the Board of Directors are passed by a simple majority of votes of the voting Directors present or represented, without considering abstentions. In addition, 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 per cent of the shares of the Issuer is subject to a prior authorisation by the Board of Directors. It is specified that, each Director who has a direct or indirect interest contrary to the Issuer's interest in a matter submitted to the approval of the Board of Directors, must inform the Board of Directors. Such Director may not deliberate or vote on this matter.

Committees

The Board of Directors governs through clearly identified board committees to which it delegates certain powers. The Issuer's committees include the Chairman's Office, the Remuneration Committee, the Audit and Risk Committee and the Nomination Committee, as well as the Executive Committee, which is responsible for the day-to-day management of the Issuer. These committees are properly authorised under the Articles of Association to make decisions and act on behalf of the Issuer's Board of Directors within the parameters laid down by the Board of Directors. The Board of Directors is kept fully informed of the work of these committees. Any issues requiring resolution must be referred to the full 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 Board of Directors meetings, allowing the Vice Chairmen to coordinate the preparation of board meetings with the Directors of their share class. Current members are: Mr. Romain Bausch, Mr. François Tesch and Mr. Jean-Paul Zens.

The Remuneration Committee

In accordance with general corporate governance standards, the Board of Directors 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 Issuer. It also makes a recommendation to shareholders as to the remuneration of members of the Board of Directors, which is determined by shareholder vote at the Issuer's annual general meeting. The Remuneration Committee reports to the Board of Directors at each meeting through its chairman. The Remuneration Committee is composed of six members, at least a third

of who are independent Board of Directors members in line with the Issuer's internal regulations. The committee is chaired by Mr. Conny Kullman (independent) and the other members are Mr. Romain Bausch, Mr. Marcus Bicknell (independent), Mr. Hadelin de Liedekerke Beaufort, Mr. Jean-Claude Finck and Mr. Jean-Paul Zens.

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 Issuer (with the President and Chief Executive Officer of the Issuer having to hold shares worth two years of his salary).

The Audit and Risk Committee

As part of its overall corporate governance, the Board of Directors established an Audit and Risk Committee, which assists the Board of Directors 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 of Directors.

The Audit and Risk Committee is composed of six members, four of whom are independent Board of Directors members. The Audit and Risk Committee is chaired by Mr. Marc Speeckaert (independent), and the other members include Mr. Marc Beuls (independent), Mr. Serge Allegrezza, Ms. Bridget Cosgrave (independent), Mr. Jean-Claude Finck and Mrs. Katrin Wehr-Seiter (independent).

The Nomination Committee

In line with best practice in corporate governance, the Board of Directors established a Nomination Committee whose role is to identify and nominate suitable candidates for the Board of Directors 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 a third of who are independent Board of Directors members in line with the Issuer's internal regulations. The Nomination Committee is chaired by Mr. Jean-Paul Zens, and the other members include, Mr Romain Bausch, Mr. Marcus Bicknell (independent), Mr. Conny Kullman (independent), Mrs. Ries and Mr. François Tesch.

The Executive Committee

The Executive Committee, which is the senior decision-making body in the Group's corporate governance framework, reviews the Group's financial reporting and generates proposals for the allocation of company resources which are submitted to the Board of Directors, ensuring that the strategic interests of the Group are coordinated and prioritised at the highest executive level.

The Executive Committee is comprised of the following executives who lead the Group's five primary business functions:

1. the President and Chief Executive Officer;
2. the Chief Commercial Officer;
3. the Chief Development Officer;
4. the Chief Financial Officer; and
5. the Chief Technical Officer.

This organisational and management structure supports streamlined and efficient decision-making and has delivered operational synergies as well as enhanced business development.

The Group has five customer-facing commercial groups, each of which is headed by a senior vice president:

1. Europe;
2. the Americas;
3. Asia-Pacific, India and the Middle East;
4. Africa; and
5. Product Development and Management.

These commercial groups are supported by four Market Solutions Centres (*MSCs*), which develop new products and solutions to enhance the customer experience across the four market verticals.

While the Issuer generates management reporting for the sales performance of the different areas above, the current financial reporting does not, for example, attempt to match these revenue streams to the relevant direct and indirect operating expenses and underlying assets.

In analysing overall revenue and allocating both human and capital resources, the Group matches the revenue to the downlink region rather than according to sales organisation.

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 SES for approval by the Board of Directors. It may approve intra-group transactions, irrespective of the amount, provided that they are consistent with the consolidated annual budget of the Issuer as well as specific transactions with third parties for an amount up to €10 million per project. It informs the Board of Directors 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 €30 million. The Executive Committee may approve any external credit facilities or external guarantees, pledges, mortgages and any other encumbrances of SES, or any wholly-owned affiliate, for as long as the Issuer will not lose its investment grade rating as a result of such facility or guarantee. It may approve increases of up to 5 per cent in the capital expenditure budget for a satellite procurement already approved by the Board of Directors, it being understood that the Internal Rate of Return will need to comply with certain specific thresholds defined by the Board of Directors. The Executive Committee must inform the Board of Directors at its next meeting of each such increase.

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

The Executive Committee is in charge of implementing all decisions taken by the Board of Directors and by the committees specially mandated by the Board of Directors. The Executive Committee may, in the interests of SES, 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 coordinates the activities of its members, who report directly to him. In order to facilitate the implementation by the Board of Directors of its overall duty to supervise the affairs of SES, the Chairman of the Executive Committee informs the Chairman of the Board of Directors on a regular basis of SES's activities. The latter receives the agenda and the minutes of all meetings of the Executive Committee in due time.

- (i) Composition

The Executive Committee is made up of non-directors who are elected by the Board of Directors upon a proposal of the Nomination Committee.

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

The following persons are members of the Executive Committee: the President and Chief Executive Officer, who assumes the chairmanship of the Executive Committee, the Chief Financial Officer, the Chief Commercial Officer, the Chief Development Officer and the Chief Technology Officer. The Executive Committee is made up of non-directors who are elected by the Board of Directors upon a proposal of the Nomination Committee.

Name	Age	Position
Mr. Karim Michel SABBAGH	52	President and Chief Executive Officer
Mr. Padraig McCARTHY	55	Chief Financial Officer
Mr. Martin HALLIWELL	57	Chief Technology Officer
Mr. Ferdinand KAYSER	57	Chief Commercial Officer
Mr. Christophe DE HAUWER	45	Chief Development Officer

The chairmanship of the Executive Committee is assumed by the President and Chief Executive Officer.

The business address of the members of SES's Executive Committee is Château de Betzdorf, L-6815 Betzdorf, (Grand Duchy of Luxembourg) and its telephone number is + 352 710 725-1.

Biographical information – Board of Directors

Mr. Romain Bausch

Born on 3 July 1953, Mr. Bausch has been President and CEO of the Issuer from May 1995 to April 2014, following a career in the Luxembourg civil service (Ministry of Finance). Before joining the Issuer 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 was appointed to the Board of Directors in April 2013 and he is Vice Chairman of the Board of Directors of O3b and a Director of SES ASTRA. Mr Bausch is Chairman of the Board of Directors of SES. He is also a member of the Boards of Directors of Aperam, BIP Investment Partners Compagnie Financière La Luxembourgeoise and the Luxembourg Future Fund, as well as the Chairman of the CNFP (Conseil National des Finances Publiques) of Luxembourg. 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. He is a member of the Remuneration Committee and of its Nomination Committee.

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

Mr. François Tesch

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

Mr. Jean-Paul Zens

Born on 8 January 1953, Mr. Zens became a director on 7 May 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 the Chairman of the Nomination Committee and a member of its Remuneration Committee.

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

Mr. Serge Allegrezza

Born on 25 October 1959, Mr. Allegrezza became a director on 11 February 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 part-time lecturer at the IAE/University of Nancy 2, has a Master in economics and a PhD. in applied economics. Mr. Allegrezza is a member of the Audit and Risk Committee of SES.

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

Mr. Marc Beuls

Born on 15 September 1956, Mr Beuls became a director on 7 April 2011. He serves as a Member of the Board of Directors at Maris Ltd, a Mauritian holding company investing in frontier markets in Africa and Qaelum NV, Belgium, providing software solutions for quality control of medical imaging. He is the Chairman of American Prepaid Value VAS LLC, USA, developing value added services for the wireless prepaid market. 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.

Mr. Marcus Bicknell

Born on 28 February 1948, Mr. Bicknell became a director on 6 May 2005. Mr. Bicknell is a director of New Media Foundry Ltd. and of Langstaff-Ellis Ltd., both non-listed companies in the United Kingdom. He is a member of the Development Board of the Royal Academy of Dramatic Art and is a director of Inspire Young People. From 1986 to 1990 he was Commercial Director of Société Européenne des Satellites. Mr. Bicknell holds an M.A. 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.

Mr. Victor Casier

Born on 7 May 1974, Mr. Casier became a director on 7 April 2016. Mr. Victor Casier is a member of the Executive Committee of Sofina S.A. and a member of various companies within Sofina's portfolio. He represents Sofina on the Board of O3b Networks, Privalia, Global Lifting Partners and Spanish investment fund QMC II. Prior to joining Sofina, Mr. Casier worked for Roland Berger Strategy Consultants, Transwide Limited and Banco Urquijo. Mr. Casier holds an MBA from the University in Chicago, a Master in Business Engineering (Ingénieur de Gestion) from the Université Catholique de Louvain and participated in the INSEAD International Directors Programme (IDP).

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

Mrs. Bridget Cosgrave

Born on 1 July 1961, Mrs. Cosgrave became a director on 3 April 2008. She is President and Founder of EVERY EUROPEAN DIGITAL, a company deploying Internet of Things infrastructure focused on Poland CEE and the Baltics. She is advisor and investor in UKKO VERKOT OY in Finland, and Board member at EUSKALTEL in Spain. Mrs. Cosgrave was with Belgacom S.A. from 2001-2007 as a member of the Executive Committee where she was Executive Vice President of the Enterprise division, Chairman, President and founding CEO of BICS SA, and Board Member of Belgacom Mobile (Proximus) and Telindus Group. She previously served as Director General of DIGITALEUROPE and Deputy Director General of ETSI. Mrs. Cosgrave holds an M.B.A. from London Business School and a B.A. (Hons.) in Economics & History from Queen's University in Canada. Mrs. Cosgrave is a member of the Audit and Risk Committee of SES.

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

Mr. Hadelin de Liedekerke Beaufort

Born on 29 April 1955, Mr. de Liedekerke Beaufort became a director on 17 April 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.

Mr. Jean-Claude Finck

Born on 22 January 1956, Mr. Finck became a director on 31 May 2001. Mr. Finck is Chief Executive Officer of Banque et Caisse d'Épargne 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 Remuneration Committee and 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.

Mrs. Tsega Gebreyes

Born on 14 December 1969, Mrs. Tsega Gebreyes became a director on 4 April 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 and has worked with Mc Kinsey and Citicorp. Mrs Gebreyes is a director of Ison Growth, Satya Capital Limited and Sonae. She is a Senior Advisor to TPG Growth. She has a double major in Economics and International Studies from Rhodes College and holds an M.B.A. from Harvard Business School.

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

Mr. Conny Kullman

Born on 5 July 1950. Mr Kullman became a director on 5 April 2012. He was a former Director General, CEO and Chairman of Intelsat. After working as a Systems Engineer for Saab-Ericsson Space AB in Sweden until 1983, he joined Intelsat in Washington DC, 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 graduated with a Master of Science in Electronic Engineering from the Chalmers University of Technology in Gothenburg in 1974. Mr Kullman is the Chairman of the Remuneration Committee and a member of its Nomination Committee of SES.

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

Mr. Ramu Potarazu

Born on 10 August 1961. Mr Potarazu became a director on 20 February 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 positions. 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.

Mrs. Anne-Catherine Ries

Born on 1 April 1973, Mrs Ries became a director on 1 January 2015. Mrs. Ries is Senior Policy Advisor to the Prime Minister and Minister for Media and Communications in Luxembourg with a focus on telecom and digital development strategies. She has recently been appointed coordinator of the newly launched government initiative 'Digital Lëtzebuerg'.

Anne-Catherine Ries graduated with a law degree from the Université de Paris II and the University of Oxford. She holds a postgraduate LL.M degree with honours from the London School of Economics, where she specialised in Telecommunications, Information Technology and European Competition Law. After starting her professional career in a law firm in Paris, she joined the Permanent Representation of Luxembourg to the EU in Brussels in 2000. Upon her return to Luxembourg and over the last decade, her focus has been on attracting tech companies to establish and develop in Luxembourg. She sits on the Board of Directors of POST Luxembourg.

Mrs Anne-Catherine Ries is member of the Nomination Committee of the Issuer.

Mrs. Ries is a Luxembourg and French national. She is not an independent director because she represents an important shareholder.

Mr. Jean-Paul Senninger

Born on 3 December 1959, Mr. Senninger became a director on 7 April 2016. Mr Senninger has been the general secretary of the Council of Ministers of the Luxembourg Government from December 2013. Mr Senninger joined the Ministry of Foreign Affairs in 1999 as Premier Conseiller de Gouvernement, for Cooperation and Defense Matters. He was Luxembourg Ambassador to Spain (2004-2008) and to the United States of America, Canada and Mexico (2008-2012). From 2012-December 2013, he was the Secretary General of the Ministry of Foreign Affairs. Mr Senninger also worked as Professeur-Stagiaire, as attaché in the Office of the Mayor of Luxembourg City and as Senior Officer, and Head of Unit at the European Investment Bank. Mr Senninger holds a BA in Political Science and a BA in Literature from the Friedrich Wilhelms Universität in Freiburg and a Master in European Studies from the College of Europe in Bruges.

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

Mr. Marc Speeckaert

Born on 23 May 1951. Mr. Speeckaert became a director on 6 May 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 of SES.

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

Mrs. Pascale Toussing

Born on 26 June 1969, Mrs Toussing became director on 7 April 2016. Mrs Toussing is Premier Conseiller de Gouvernement and Director for Tax Policy at the Luxembourg Ministry of Finance. She is the Chairwoman of the Conseil Economique et Social, Vice-Chairwoman of the Commissariat aux Assurances, a member of the Steering Committee of the Luxembourg Sovereign Fund and a director of Banque Internationale à Luxembourg S.A. Prior to taking up her position at the Ministry of Finance in May 2014, Mrs Toussing was Deputy Director General of the Luxembourg Direct Tax Administration (2006-2014). She also worked for Banque Générale du Luxembourg S.A and held other positions in the Ministry of Finance. Mrs Toussing holds a Licence en Sciences Economiques from the University of Louvain La Neuve.

Mrs Toussing is a Luxembourg national. She is not an independent director because she represents an important shareholder.

Mrs. Katrin Wehr-Seiter

Born on 27 January 1970, Mrs. Wehr-Seiter became a director on 1 January 2015. She is a Managing Director of BIP Investment Partners SA. Prior to joining BIP, she served as a Principal at global investment firm Permira and worked also as an independent strategy consultant as well as a Senior Advisor to international private equity group Bridgepoint. She started her professional career at Siemens AG where she held various positions in strategy consulting and engineering. She serves as a director of several non-listed corporations as well as Nanogate AG (listed on the Frankfurt stock exchange). Mrs. Wehr-Seiter holds an MBA from INSEAD and an MSc in Mechanical Engineering from the Technical University of Chemnitz. Mrs. Wehr-Seiter is member of the Audit and Risk Committee of the Issuer.

Mrs. Wehr-Seiter is a German national. She is an independent director.

Biographical information – Executive Committee

Mr. Karim Michel Sabbagh

Born on 26 September 1963, Mr. Karim Michel Sabbagh joined the Issuer's Executive Committee in September 2013 and was appointed as President and Chief Executive Officer effective 3 April 2014. He is Chairman of the Executive Committee and Chairman of the Board of SES ASTRA. He also serves on the Board of O3b and YahLive, and also is a member of the O3b Audit and Risk Committee. He is also on the Board of Fedil (Business Federation Luxembourg) and serves as vice chairman.

Mr. Sabbagh served on the Board of Directors from 2011 until 2013 and was a member of the Audit and Risk Committee of the Issuer for the same period. Prior to joining SES, he was a Senior Partner and global practice leader for communications media & technology at Booz & Company. He holds a BBA and MBA from the American University of Beirut, a PhD in business administration with a focus 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 Canadian and Lebanese national.

Mr. Pdraig McCarthy

Born on 27 September 1960, Mr. Pdraig McCarthy was appointed as Chief Financial Officer on 4 April 2013. He is a member of the Board of SES ASTRA.

Mr. McCarthy joined SES in 1995 from Norton S.A. where he was Financial Director Europe. Previously he held positions with KPMG Chartered Accountants, Ireland. After having served as the Issuer's Controller, Mr McCarthy took the position of Chief Financial Officer of SES ASTRA, then the European subsidiary of the Issuer, from 2002-2011. Prior to his appointment as Chief Financial Officer, he worked as Senior Vice President Financial Operations & Business Support at the Issuer since 2011. Mr. McCarthy holds a Bachelor of Commerce degree from the University College Cork, is a fellow of the Irish Institute of Chartered Accountants and followed advanced management executive programmes at Babson Business School and INSEAD.

Mr. McCarthy is an Irish national.

Mr. Martin Halliwell

Born on 20 April 1959, Mr. Martin Halliwell was appointed Chief Technical Officer on 1 May 2011. He is a member of the Boards of SES ASTRA and of O3b. Mr. Halliwell joined SES in 1987 after working for Cable & Wireless and for Mercury Communications. He was previously President of SES ENGINEERING and Technical Director of SES Multimedia. Previously, he worked as SES Operation Manager and as General Manager of SES's Global Multimedia Networks. He holds a Higher National Diploma in Communications and Electronics and a BA specialising in Mechanical Engineering and Mathematics from the Open University of London, and an MBA in External Environment and Strategic Management from the same university.

Mr. Halliwell is a British national.

Mr. Ferdinand Kayser

Born on 4 July 1958. Mr. Ferdinand Kayser was appointed Chief Commercial Officer of SES on 1 May 2011. He is a member of the Boards of SES ASTRA and YahLive.

Mr. Kayser joined SES in 2002 as President and Chief Executive Officer of SES ASTRA. He has worked in senior roles in media companies such as Premiere Medien GmbH and Co. KG and CLT Multimedia. Prior to his appointment as Chief Commercial Officer of the Issuer, he was President and Chief Executive Officer of SES

ASTRA. Mr. Kayser holds a Master of Economics from the University of Paris 1, Panthéon-Sorbonne, and has concluded specialized university studies in Media Law and Management of Electronic Media.

Mr. Kayser is a Luxembourg national.

Mr. Christophe De Hauwer

Born on 15 April 1971, Mr; Christophe De Hauwer was appointed Chief Development Officer of the Issuer as of 1 August 2015. Since 2010, Mr. de Hauwer has been a member of the Board of 03b Networks Board. He is a member of the Board of SES ASTRA.

Mr de Hauwer joined SES in 2003, holding several positions of responsibility areas of Strategic Marketing, Strategic and Business Planning and Corporate Development, as well as Fleet Development and Yield Management. Mr. de Hauwer played an instrumental role in many transactions, such as the acquisition of New Skies in 2005, the GE share redemption in 2006 and the investment in 03b in 2009. Prior to joining SES, Mr. de Hauwer worked in the Strategy Consulting practice of the European Telecommunication and Media Industry with Arthur Andersen. He holds an Engineering and a PhD Degree from the Université Libre de Bruxelles.

Mr. de Hauwer is a Belgium 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 of Directors and committee meetings. In 2016, the shareholders approved to maintain the fees paid to the Directors at the previous year's level with a majority of 99.972 per cent. Directors receive a fixed fee of €40,000 per year, whereas the Vice Chairmen receive an annual fixed fee of €48,000 and the Chairman receives €100,000 per year.

A Director chairing one of the committees set up by the Board of Directors, if not the Chairman of the Board of Directors, receives an additional remuneration of €8,000 per year. A Director, chairing the Audit and Risk Committee, if not the Chairman of the Board of Directors, receives an additional remuneration of €9,600 per year.

The shareholders also maintained the fees at €1,600 for each meeting of the Board of Directors or a Committee of the Board of Directors attended, except for the meetings of the Audit and Risk Committee for which directors receive €1,920 per meeting. A director participating in more than one Committee meeting on the same day will receive the attendance fee for one meeting only. Half of the attendance fee is paid if the director participates in the meeting via telephone or videoconference.

All these fees are net of any Luxembourgish withholding taxes. The total net remuneration fees paid for 2015 to the members of the Board of Directors (net of the Luxembourgish withholding tax) amounted to €1,038,667, of which €243,200 was paid as variable fees, with the remaining €795,467 representing the fixed part of the Board of Directors fees. The gross overall figure for 2015 was €1,298,333.

Issuer stock owned by members of the Board of Directors

As of 2 June 2016, the members of the Board of Directors and their closely associated family members owned a combined total of 775,355 shares and FDRs.

Transactions made by the 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 the Issuer's 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 for 2015 (including Gerson Souto until 31 July 2015) amounted to €9,078,741.89 of which €3,358,112.95 represented the fixed part and €5,720,628.94 the variable part. The direct remuneration paid to the members of the Executive Committee amounted to €4,671,377.47 whereas the indirect remuneration was €4,407,364.42. The indirect remuneration also contains the benefits derived by the members of the Executive Committee from the Issuer's executive stock option plan and the long-term incentive plan, as adopted by the Board of Directors. During 2015, the members of the Executive Committee were awarded a combined total of 308,463 options to acquire company FDRs at an exercise price of €33.23, 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 1 January 2016, and the remaining quarters vest on 1 January 2017, 1 January 2018, and 1 January 2019 respectively. In 2015, members of the Executive Committee were granted 12,463 restricted shares as part of the Issuer's long-term incentive plan, as well as 37,389 performance shares. These shares will vest on 1 June 2018.

During 2015, Messrs Martin Halliwell, Ferdinand Kayser, Padraig McCarthy and Gerson Souto (a member of the Executive Committee until 31 July 2015) sold some or all of the restricted shares which vested on 1 June. Mr. Karim Michel Sabbagh exercised some of his stock options during the course of the year.

The Issuer publishes the details of all transactions made by its Board of Directors 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 a member resigns, he is not entitled to any such compensation.

Issuer stock owned by members of the Executive Committee

As of 2 June 2016, the five members of the Executive Committee then in place owned a combined total of 178,758 shares and FDRs, 184,372 unvested restricted and performance shares and 1,562,867 options. Transactions made by members of the Executive Committee are published on SES's website <http://www.ses.com/management-disclosures>.

Pension retirement or similar benefits

The Issuer has defined contribution plans for members of the Executive Committee. For further details see "Accounting for pension obligations" on note 2 to the 2015 Financial Statements.

There is no other amount set aside or accrued by the Issuer or its Subsidiaries to provide pension, retirement or similar benefits or arrangements to the members of the Executive Committee and the members of the Board of Directors do not benefit from pension retirement or similar benefits or arrangements.

Conflicts of Interests

None of the members of the Issuer's management or Board of Directors have been subject to any bankruptcy, receivership or liquidation proceedings, nor have any of them been convicted of any fraudulent offense or been subject to any official public incrimination or sanctions by statutory or regulatory authorities (including designated professional bodies) in acting as founder, Director or senior manager of any company for the last five years, nor has any of them been disqualified by a court from acting as a member of the management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for the last five years.

In 2015 the Board of Directors approved an increase in SES's participation in O3b on a fully diluted basis. Four members of the Board of Directors (François Tesch, Marc Speeckaert, Tsega Gebreyes and Katrin Wehr-Seiter) did not participate in the O3b discussion and in the vote on this topic, because they each represent a party that holds an investment in O3b.

On 7 April 2016 the Board of Directors approved the 50.5 per cent Acquisition. Five members of the Board of Directors (François Tesch, Marc Speeckaert, Tsega Gebreyes, Victor Casier and Katrin Wehr-Seiter) did not participate in the 50.5 per cent Acquisition and in the vote on this topic, because they each represent a party that holds an investment in O3b.

Interests of Directors

As at 10 May 2016 (being the latest practicable date prior to the publication of this Prospectus) there are no outstanding transactions other than in the ordinary course of business undertaken by the Issuer in which the Issuer's Directors were interested parties. Certain members of the Board of Directors and Executive Committee have direct or beneficial interests in the Issuer's ordinary shares. See "*Remuneration of the Members of the Executive Committee*" "*Remuneration of the Members of the Board of Directors*"

Except as described in section "*Related-party Transactions*" below and section "*Conflicts of Interests*" above, there are no potential conflicts of interest between the private interests or other duties of the Directors of the Issuer and their duties to the Issuer.

Information regarding services contracts providing for benefits upon termination of employment

The members of the Executive Committee as well as the members of the Board of Directors, do not benefit from services contracts with the Issuer or any of its Subsidiaries providing for benefits upon termination of their employment.

Related-party Transactions

- see note 7 to the Condensed consolidated interim financial information;
- see note 30 to the 2015 Financial Statements;
- see note 28 to the 2014 Financial Statements; and
- see note 28 to the 2013 Financial Statements.

Internal control procedures

Please refer to the Chairman's report on Corporate Governance and Internal Procedures 2015 for further information.

Statement of Compliance

The Issuer follows the 'Ten Principles of Corporate Governance' adopted by the Luxembourg Stock Exchange (its home market) as revised in 2013, a copy of which can be found at www.bourse.lu/corporate-governance.

The Issuer 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 of Directors should only have advisory powers. The Board of Directors 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). After each meeting of the Remuneration Committee, its Chairman reports to the Board about the latest Remuneration Committee discussions.

PRINCIPAL SHAREHOLDERS

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

As of 31 May 2016, the Grand Duchy of Luxembourg held a direct 11.58 per cent voting interest in the Issuer and two indirect interests, both of 10.88 per cent, 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 Class B Shares.

Although they constitute separate classes of shares, Class A Shares and Class B Shares carry the same rights except that (i) the Class B Shares entitle their holders to only 40 per cent of the dividend, or in case the Issuer is dissolved, to 40 per cent of the net liquidation proceeds paid to shareholders of Class A and (ii) that the Class B Shares are entitled to a preferential subscription right for all capital increases of the Issuer. Class B Shares are not listed on a regulated market. Each Share, whether of Class A or B, is entitled to one vote. In accordance with the Articles of Association, no shareholder of Class A Shares may hold, directly or indirectly, more than 20 per cent (twenty per cent), 33 per cent (thirty-three per cent) or 50 per cent (fifty per cent) of the Issuer's Shares unless he has obtained prior approval from the General Meeting of Shareholders. Such limit will be calculated by taking into account the Shares of all classes held by a shareholder of Class A Shares. It will not apply to the shareholders issuing fiduciary certificates in agreement with the Issuer.

The number of issued shares of each class as of 31 May 2016 (being the latest practicable date prior to the finalisation of this Prospectus) was as follows:

The Issuer's Shareholders	Number of Shares	% Voting Shareholding	% Economic Participation ⁽¹⁾
Class A Shares			
Sofina Group	13 960 104	2.43%	3.03%
Nouvelle Santander Telecommunications S.A.	8 000 000	1.39%	1.74%
Luxempart Invest S.à r.l.	5 413 264	0.94%	1.18%
Other shareholders	4 799 393	0.83%	1.04%
BCEE FDRs (free float)	351 284 839	61.07%	76.34%
Total Class A Shares	383 457 600	66.67%	83.33%
Class B Shares			
BCEE	62 572 893	10.88%	5.44%
SNCI	62 565 085	10.88%	5.44%
Etat du Grand-Duché de Luxembourg	66 590 822	11.58%	5.79%
Total Class B Shares ⁽²⁾	191 728 800	33.33%	16.67%
Total Shares (Actual)	575 186 400		

Total Shares (Economic)	460 149 120		
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- ⁽¹⁾ Economic Participation means the pro rata right of a Share to any dividend and to any liquidation surplus
- ⁽²⁾ Class B Shares carry 40 per cent of the economic rights of A Shares.

DESCRIPTION OF THE GUARANTOR

Establishment, domicile and duration

The Guarantor is a Delaware general partnership formed in the State of Delaware, United States of America under Delaware law by SES and SES ASTRA, S.A. (**SES ASTRA**) (together the **Partners**) on 9 April 2003 pursuant to a partnership agreement dated 9 April 2003, as amended by Amendment No 1 thereto, dated 15 July 2004 (as amended, the **Partnership Agreement**) and the Delaware Revised Uniform Partnership Act. The Organisational ID number for the Guarantor is 3646475. The term of the Guarantor shall continue until dissolution pursuant to the provisions of the Partnership Agreement. SES Americas is domiciled in the United States of America and its principal place of business is at 4 Research Way, Princeton, New Jersey 08540 (telephone: +1 609 987 4000).

Business Overview

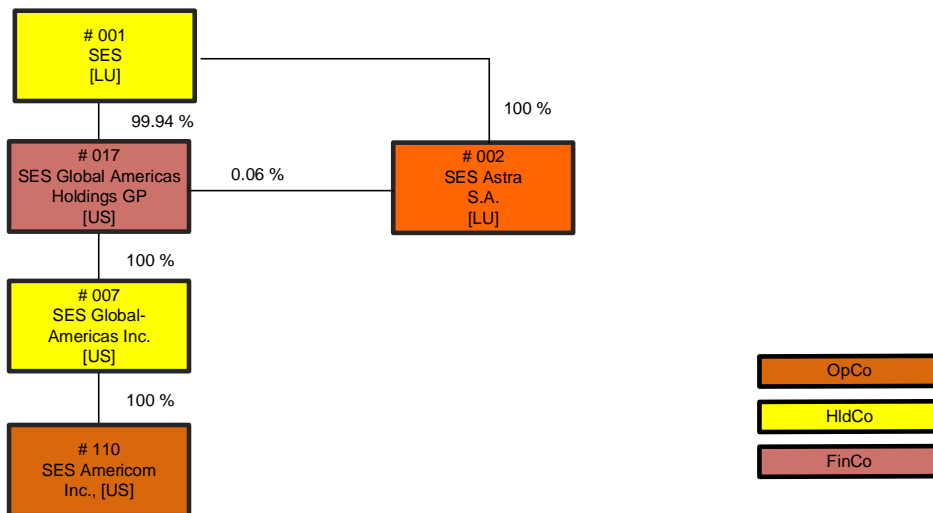
According to Article 1.3 of the Partnership Agreement, the purpose and character of the business of the Guarantor is to engage in any lawful business or activity permitted by the Delaware Revised Uniform Partnership Act or the laws of any jurisdiction in which the Guarantor may do business as the Partners may agree from time to time, including, without limitation, (i) to hold SES's existing interest in SES Global-Americas, Inc. (**Global Americas**), a Delaware corporation, and a wholly owned subsidiary of SES, (ii) to incur certain indebtedness for the purposes of refinancing certain existing debt of Global Americas, (iii) to make additional capital contributions to Global Americas in exchange for additional interest in Global Americas as the Partners may agree from time to time, (iv) to acquire, hold or dispose of interests in subsidiaries and affiliates of SES and (v) to engage in activities and transactions which the Partners deem necessary, convenient, incidental or advisable in connection with the foregoing, including, the entering into of loan agreements, the lending or borrowing of funds, the purchase or sale of securities and the purchase or sale of derivative instruments.

The Guarantor is part of the Group.

The Guarantor re-funds its own capital maturities in the capital markets to support SES's funding goals whenever the markets provide the Guarantor with favourable access and rates. The Guarantor enters into derivative transactions whenever it is necessary to hedge its financial risks.

Organisational Structure

The following chart shows the position of the Guarantor in the Group.



As a holding entity, the Guarantor is dependent on the performance of the operating companies in the Group. A description of the Group and the operating companies in the Group appears in “*Description of SES and the Group - Organisational Structure of the Group*”.

Management

The Partners of the Guarantor are:

- SES, Château de Betzdorf, L-6815 Luxembourg; and
- SES ASTRA, Château de Betzdorf, L-6815 Luxembourg.

The Partners have full, exclusive and complete discretion in the management and control of the business of the Guarantor and can make all decisions affecting the business of the Guarantor. The Partners exercise their respective management power and authority through representatives. Each Partner may appoint one representative (a **Representative**) from time to time and one or more alternates who may serve in the absence of such Partner’s Representative. The current Representatives are:

(a) for SES:

<u>Name</u>	<u>Function</u>	<u>Principal Activities outside the Guarantor</u>
Pierre Margue	Representative	Vice President Legal Services Corporate and Finance, Secretary to the Board of SES
Karim Michel Sabbagh	Alternate Representative	President and Chief Executive Officer of SES S.A.
Padraig McCarthy	Alternate Representative	Chief Financial Officer of SES S.A.

(b) for SES ASTRA:

<u>Name</u>	<u>Function</u>	<u>Principal Activities outside the Guarantor</u>
Padraig McCarthy	Representative	Chief Financial Officer of SES S.A.
Ferdinand Kayser	Alternate Representative	Chief Commercial Officer of SES S.A.
Anne Reuland	Alternate Representative	Senior Legal Counsel of SES S.A.

The business address for each of the above persons is Château de Betzdorf, L-6815 Luxembourg.

Management Bodies’ Conflicts of Interests

There are no potential conflicts of interest between the duties to the Guarantor of the persons listed above as Partners or Representatives and their private interests or other duties.

Compliance with Corporate Governance Regime

The Guarantor is subject to the Delaware Revised Uniform Partnership Act as it is a general partnership and not a corporation.

Audit Committee

The Guarantor does not have an audit committee.

Partnership Interests

SES holds a 99.94 per cent interest in the Guarantor and SES ASTRA holds a 0.06 per cent interest in the Guarantor. The Guarantor is controlled by the Partners through the terms of the Partnership Agreement.

USE OF PROCEEDS

The net proceeds of the issue of the Securities will be applied by the Issuer (i) for general corporate purposes and the repayment of certain existing indebtedness of the Group; and (ii) the repayment of a portion of the existing indebtedness of O3b.

TAXATION

LUXEMBOURG TAXATION

The following is a general description of certain tax considerations, under the existing laws of Luxembourg as currently applied by the Luxembourg tax authorities, relating to a holding of the Securities. It does not purport to be a complete analysis of all tax considerations relating to the Securities. Prospective purchasers of the Securities should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of any other jurisdiction of acquiring, holding, redeeming and disposing of the Securities receiving payments and/or other amounts thereunder. This summary is based upon the law as in effect on the date hereof and is subject to any change in law that may take effect after such date, and may be retroactively applicable.

Prospective purchasers of the Securities should be aware that the residence concept used below applies for Luxembourg income tax assessment purposes only. Any reference in this section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. A reference to Luxembourg income tax generally encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), personal income tax (*impôt sur le revenu*) as well as a temporary equalisation tax (*impôt d'équilibrage budgétaire temporaire*).

Corporate holders of the Securities may also be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax, to the solidarity surcharge and to the temporary equalisation tax. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Luxembourg tax residency of the holders of the Securities

A holder of Securities will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding of the Securities or the execution, performance, delivery and/or enforcement of the Securities.

Withholding Tax

Resident holders of the Securities

Under the Luxembourg law dated 23 December 2005, as amended (the **2005 Law**), a 10 per cent. Luxembourg withholding tax is levied as of 1 January 2006 on interest or similar income payments (accrued since 1 July 2005) made by Luxembourg paying agents to or for the immediate benefit of an individual beneficial owner who is resident in Luxembourg. This withholding tax also applies on accrued interest received upon disposal, redemption or repurchase of the Securities. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of tax in application of the 2005 Law is assumed by the Luxembourg paying agent within the meaning of the 2005 Law.

Further, Luxembourg resident individuals acting in the course of their private wealth management, who are beneficially entitled to interest payments and other similar income made as from 1 January 2008 by a paying agent established in a European Union member state other than Luxembourg or the European Economic Area or in a jurisdiction having concluded an agreement with Luxembourg in connection with Council Directive 2003/48/EC, may opt for a final 10 per cent levy. In such case, the 10 per cent levy is calculated on the basis of the same amounts as for the payments made by Luxembourg paying agents. The option of the 10 per cent final levy must cover all interest payments made by paying agents to the beneficial owner over the full civil year. The

Luxembourg resident individual who is beneficially entitled to the interest is responsible for the declaration and the payment of the 10 per cent final levy.

Non-resident holders of the Securities

Under the Luxembourg tax laws currently in effect, there is no withholding tax on payments of interests (including accrued but unpaid interest) made to a Luxembourg non-resident holder of Securities. There is also no Luxembourg withholding tax upon repayment of the principal, or upon redemption or exchange of the Securities.

Exchange of information

Non-resident holders of the Securities should note that on 9 December 2014, the Council of the European Union adopted Directive 2014/107/EU amending Directive 2011/16/EU of 15 February 2011 on administrative cooperation in the field of taxation which now provides for an automatic exchange of financial account information between EU Member States (the **DAC Directive**). The adoption of the aforementioned directive implements the Organisation for Economic Co-operation and Development (**OECD**) Common Reporting Standard (**CRS**) and generalizes the automatic exchange of information within the European Union as of 1 January 2016.

The measures of cooperation provided thus formerly by the EU Savings Directive are then replaced by the implementation of the DAC Directive which is also to prevail in cases of overlap of scope. As Austria has been allowed to start applying the DAC Directive up to one year later than other Member States, special transitional arrangements taking account of this derogation apply to Austria.

In addition, Luxembourg signed the OECD's multilateral competent authority agreement (the **Multilateral Agreement**) to automatically exchange information under the CRS. Under this Multilateral Agreement, Luxembourg will automatically exchange financial account information with other participating jurisdictions as of 1 January 2016. The Luxembourg law dated 18 December 2015 (the **CRS Law**) implements this Multilateral Agreement, together with the DAC Directive introducing the CRS, in Luxembourg.

Income Taxation

Taxation of Luxembourg non - residents

Holders of the Securities who are non-residents of Luxembourg and who do not have a permanent establishment or a permanent representative in Luxembourg to which or whom the Securities are attributable are not liable to any Luxembourg income tax, whether they receive payments of principal or interest (including accrued but unpaid interest) or realise capital gains upon redemption, repurchase, sale or exchange of any Securities.

Holders of the Securities who are non-residents of Luxembourg who have a permanent establishment or a permanent representative in Luxembourg to which or whom the Securities are attributable have to include any interest received or accrued, as well as any capital gain realised on the sale or disposal of the Securities in their taxable income for Luxembourg income tax assessment purposes.

Taxation of Luxembourg residents

Luxembourg resident individuals

An individual holder of Securities acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax in respect of interest received, redemption premiums or issue discounts under the Securities except if a withholding tax has been levied on such payments in accordance with the 2005 Law.

Under Luxembourg domestic tax law, gains realised upon the sale, disposal or redemption, in any form whatsoever, of the Securities by an individual holders of Securities who is a resident of Luxembourg for tax purposes and who acts in the course of the management of his/her private wealth, are not subject to Luxembourg income tax, provided this sale or disposal takes place at least six months after the acquisition of the Securities.

An individual holder of Securities who acts in the course of the management of his/her private wealth and who is a resident of Luxembourg for tax purposes, has to include the portion of the gain corresponding to accrued but unpaid income in respect of the Securities in his/her taxable income, insofar as the accrued but unpaid interest is indicated separately in the agreement, except if a final withholding tax or levy has been levied in accordance with the 2005 Law.

Luxembourg resident individual holders of the Securities acting in the course of the management of a professional or business undertaking to which the Securities are attributable, have to include any interest received or accrued, as well as any gain realised on the sale or disposal of the Securities in their taxable income for Luxembourg income tax assessment purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price (including accrued but unpaid interest) and the lower of the cost or book value of the Securities sold or redeemed. The 10 per cent Luxembourg withholding tax levied will be credited against their final income tax liability.

Luxembourg corporate residents

Luxembourg corporate holders of the Securities must include any interest received or accrued, as well as any gain realised on the sale or disposal in any form whatsoever of the Securities in their taxable income for Luxembourg income tax assessment purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price (including acquired but unpaid interest) and the lower of the cost or book value of the Securities sold or redeemed.

Luxembourg residents benefiting from a special tax regime

Luxembourg holders of the Securities who benefit from a special tax regime, such as, (i) undertakings for collective investment subject to the amended law of 17 December 2010 or (ii) specialised investment funds subject to the amended law of 13 February 2007 or (iii) family wealth management companies governed by the amended law of 11 May 2007, are exempt from income taxes in Luxembourg and thus income derived from the Securities as well as gains realised thereon, are not subject to income taxes.

Net Wealth Tax

Luxembourg resident holders of the Securities, and Luxembourg non-resident holders of the Securities who have a permanent establishment or a permanent representative in Luxembourg to which or whom the Securities are attributable, are subject to Luxembourg net wealth tax on such Securities, except if the holder of Securities is (i) a resident or non-resident individual taxpayer, (ii) an undertaking for collective investment subject to the amended law of 17 December 2010, (iii) a securitisation company governed by the amended law of 22 March 2004 on securitisation, (iv) a company governed by the amended law of 15 June 2004 on venture capital vehicles or (v) a specialised investment fund governed by the amended law of 13 February 2007, (vi) a family wealth management company governed by the amended law of 11 May 2007 or (vii) a professional pension institution governed by the amended law of 13 July 2005. However, (i) a securitisation company governed by the amended law of 22 March 2004 on securitisation, (ii) a company governed by the amended law of 15 June 2004 on venture capital vehicles and (iii) a professional pension institution governed by the amended law of 13 July 2005 remain subject to a minimum net wealth tax.

Other Taxes

There is no Luxembourg registration tax, stamp duty or any other similar tax or duty payable in Luxembourg by the holders of the Securities as a consequence of the issuance of the Securities nor will any of these taxes be payable as a consequence of a subsequent transfer of redemption or repurchase of the Securities (except in cases of voluntary registration in Luxembourg).

Under Luxembourg tax law, where a holder of the Securities is a resident of Luxembourg for inheritance tax purposes at the time of his/her death, the Securities are included in his/her taxable base for inheritance tax purposes. On the contrary, no estate or inheritance taxes are levied on the transfer of the Securities upon death of a holder of Securities in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes.

Luxembourg gift tax may be due on a gift or donation of Securities if the gift is recorded in a deed passed in front of a Luxembourg notary or otherwise registered in Luxembourg.

There is no Luxembourg value added tax payable in respect of payments in consideration for the issuance of the Securities or in respect of the payment of interest or principal under the Securities or the transfer of the Securities.

UNITED STATES TAXATION

The following is a summary based on present law of certain U.S. federal income tax considerations for prospective purchasers of the Securities. It addresses only Non-U.S. Holders (as defined below) that purchase Securities in the offering. This discussion addresses only certain U.S. federal income tax considerations relating to circumstances where SES Global Americas Holdings GP makes guarantee payments under the Guarantee to Non-U.S. Holders and does not address any other tax considerations that may be relevant to a Non U.S. Holder relating to the acquisition, ownership and disposition of the Securities by a Non U.S. Holder. The discussion is not a substitute for tax advice. It does not address all of the tax consequences that may be relevant to a Non U.S. Holder in light of such holder's particular circumstances, including tax consequences that may be applicable to persons subject to special rules, such as banks, certain other financial institutions, securities dealers, insurance companies, certain U.S. expatriates or persons holding the Securities as part of or in connection with a fixed base or permanent establishment outside the United States.

In this discussion, a ***Non-U.S. Holder*** is a beneficial owner of a Security that is not for U.S. federal income tax purposes (i) a citizen or resident of the United States, (ii) a partnership or other entity or arrangement treated as a partnership for U.S. federal income tax purposes, (iii) a corporation or other entity treated as a corporation organised in or under the laws of the United States or its political subdivisions, (iv) a trust subject to the control of a U.S. person and the primary supervision of a U.S. court or (v) an estate the income of which is subject to U.S. federal income taxation regardless of its source.

Withholding Tax on Guarantee Payments under the Guarantee

Guarantee payments made by SES Global Americas Holdings GP to a Non-U.S. Holder under the Guarantee on a Security issued by SES are generally expected to constitute income from sources without the United States and therefore should not be subject to U.S. withholding tax. However, no rulings have been, or will be, sought from the Internal Revenue Service (the ***IRS***) regarding the source of payments made by SES Global Americas Holdings GP under the Guarantee and no assurance can be given that the IRS would not assert, or that a court would not uphold, the position that payments under the Guarantee are from a U.S. source. In general, if payments by SES Global Americas Holdings GP under the Guarantee were treated as being from a U.S. source, U.S. withholding tax would apply to such payments at a rate of 30 per cent unless reduced by an applicable income tax treaty or a specific U.S. withholding tax exemption. Prospective purchasers are urged to consult their tax advisors about the proper source of payments received under the Guarantee from SES Global Americas

Holdings and the consequences to them if payments under the Guarantee are treated as being from a U.S. source.

Information Reporting and Backup Withholding

Guarantee payments made by SES Global Americas Holdings GP in respect of interest and principal due on the Securities that are made to an account within the United States or by a U.S. paying agent or other U.S. intermediaries to a Non-U.S. Holder will not be subject to backup withholding and certain information reporting requirements if appropriate certification (IRS Form W-8BEN or W-8BEN-E or other appropriate form) is provided by the Non-U.S. Holder to the payor and the payor does not have actual knowledge or reason to know that the certificate is false. Any backup withholding tax may be credited against a holder's U.S. federal income tax liability or refunded to the extent it exceeds the holder's liability.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY OF CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS RELATING TO AN INVESTMENT IN THE SECURITIES. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR IS URGED TO CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES TO IT OF AN INVESTMENT IN THE SECURITIES IN LIGHT OF THE INVESTOR'S OWN CIRCUMSTANCES.

Notwithstanding the foregoing, pursuant to the Conditions, all payments of principal, premium and interest by or on behalf of the Guarantor under the Guarantee shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the United States or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Guarantor would, pursuant to Condition 15, be obliged to pay such additional amounts as would result in receipt by the Holders of such amounts as would have been received by them had no such withholding or deduction been required, although this is subject to certain exceptions set out in the Conditions.

THE PROPOSED FINANCIAL TRANSACTIONS TAX (FTT)

On 14 February 2013, the European Commission published a proposal (the *Commission's Proposal*) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the *participating Member States*).

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Securities (including secondary market transactions) in certain circumstances. The issuance and subscription of Securities should, however, be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Securities where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States, and the scope of any such tax remains uncertain. Additional European Union Member States may decide to participate.

Prospective holders of the Securities are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

J.P. Morgan Securities Plc, BNP Paribas, Société Générale, HSBC Bank plc, ING Bank N.V., Belgian Branch and Morgan Stanley & Co. International plc (the *Bookrunners*) have, pursuant to a Subscription Agreement dated 8 June 2016, jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe the Securities at 99.666 per cent. of their principal amount. The Issuer has agreed to pay to the Bookrunners a combined management and underwriting commission. In addition, the Issuer has agreed to reimburse the Bookrunners for certain of their expenses in connection with the issue of the Securities. The Subscription Agreement entitles the Bookrunners to terminate it in certain circumstances prior to payment in respect of the Securities being made to the Issuer.

United States

The Securities have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act (*Regulation S*).

Each Bookrunner has agreed that, except as permitted by the Subscription Agreement, it will not offer or sell the Securities (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

The Securities are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S. In addition, until 40 days after the commencement of the offering of the Securities, an offer or sale of Securities within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

United Kingdom

Each Bookrunner has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the *FSMA*)) received by it in connection with the issue or sale of the Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

France

Each of the Bookrunners has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Securities to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Securities and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*),

and/or (b) qualified investors (*investisseurs qualifiés*) and/or a limited circle of investors (*cercle restreint*), acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 and D.411-4 of the French *Code monétaire et financier*.

Japan

The Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the *Financial Instruments and Exchange Act*). Accordingly, each Bookrunner has represented and agreed, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Securities in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, of Japan or to, or for the benefit of, any resident in Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Republic of Italy

The offering of the Securities has not been registered with the *Commissione Nazionale per le Società e la Borsa (CONSOB)* pursuant to Italian securities legislation and, accordingly, no Securities may be offered, sold or delivered, nor may copies of this Prospectus or of any other document relating to any Securities be distributed in Italy, except, in accordance with any Italian securities, tax and other applicable laws and regulations.

Each Bookrunner has represented and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver any Securities or distribute any copy of this Prospectus or any other document relating to the Securities in Italy except:

- (a) to qualified investors (*investitori qualificati*), as referred to in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended from time to time (the *Financial Services Act*) and Article 34-ter, first paragraph, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (the *Issuers Regulation*); or
- (b) in other circumstances which are expressly exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Issuers Regulation.

In any event, any offer, sale or delivery of the Securities or distribution of copies of this Prospectus or any other document relating to the Securities in Italy under paragraphs (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, and CONSOB Regulation No. 16190 of 29 October 2007 as amended from time to time and Legislative Decree No. 385 of 1 September 1993, as amended from time to time (the *Banking Act*);
- (ii) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (iii) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by CONSOB or the Bank of Italy or other competent authority.

General

None of the Issuer, the Guarantor or the Bookrunners has made any representation that any action will be taken in any jurisdiction by the Bookrunners, the Issuer or the Guarantor that would permit a public offering of the Securities, or possession or distribution of this Prospectus (in preliminary, proof or final form) or any other offering or publicity material relating to the Securities (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required.

Persons into whose hands this Prospectus comes are required by the Issuer, the Guarantor and the Bookrunners to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver the Securities or have in their possession or distribute such offering material, in all cases at their own expense.

Each Bookrunner has agreed that it will, to the best of its knowledge, comply with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Securities or has in its possession or distributes this Prospectus (in preliminary, proof or final form) or any such other material, in all cases at its own expense.

GENERAL INFORMATION

1. It is expected that listing of the Securities on the Official List and admission of the Securities to trading on the Market will be granted on or about 10 June 2016, subject only to the issue of the Global Certificate. The fees estimated in connection with the listing and admission to trading of the Securities on the Market are estimated to amount to approximately €11,400.
2. The issue of the Securities was authorised by resolutions of the board of directors of the Issuer passed on 7 April 2016 and approved by the executive committee of the Issuer on 9 May 2016, and the giving of the guarantee in respect of the Securities was authorised by a resolutions of the partners of the Guarantor dated 27 April 2016.
3. There has (i), other than the payment of the dividend relating to the year ended 31 December 2015, which was paid in April 2016 in the amount of €536million, and the Capital Raise, been no significant change in the financial or trading position of the Issuer since 31 March 2016 and (ii) there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2015. There has been no significant change in the financial or trading position of the Guarantor since 31 December 2015 and there has been no material adverse change in the financial position or prospects of the Guarantor since 31 December 2015.
4. Neither the Issuer nor any member of the Group has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the twelve (12) months preceding the date of this Prospectus which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Issuer and/or the Group.
5. The Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records), with International Securities Identification Number (*ISIN*) is XS1405777746 and the Common Code is 140577774.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.

6. For the life of this Prospectus, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and the Guarantor and from the specified office of the Fiscal Agent for the time being in Luxembourg:
 - (a) the articles of association (with an English translation thereof) of the Issuer and the partnership agreement of the Guarantor;
 - (b) the consolidated audited financial statements of the Guarantor for the years ended 31 December 2014 and 31 December 2015 and the audited consolidated financial statements and non-consolidated annual accounts of the Issuer in respect of the financial years ended 31 December 2014 and 31 December 2015, in each case together with the audit reports prepared in connection therewith. The Issuer currently prepares consolidated financial statements and non-consolidated annual accounts on an annual basis and the Guarantor prepares consolidated financial statements on an annual basis;
 - (c) the most recently published audited annual financial statements and unaudited interim financial statements (if any) of the Issuer and the Guarantor, in each case together with any audit or review reports prepared in connection therewith. The Issuer currently prepares

unaudited consolidated interim financial statements on a half-yearly basis and the Guarantor prepares unaudited consolidated interim financial statements on a half-yearly basis;

- (d) the Fiscal Agency Agreement, the Deed of Guarantee and the Deed of Covenant; and
- (e) a copy of this Prospectus.

In addition, a copy of this Prospectus will also be available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu).

7. On 4 April 2013, PricewaterhouseCoopers *Société coopérative* were appointed as auditors (*réviseur d'entreprises agréé*) of the Issuer and the Guarantor, replacing Ernst & Young, *Société Anonyme, Cabinet de révision agréé*.

The auditors have audited the consolidated financial statements and non-consolidated annual accounts of the Issuer, without qualification, the consolidated financial statements being drawn up in accordance with International Financial Reporting Standards as adopted for use in the European Union and the non-consolidated annual accounts being prepared in accordance with the Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts for each of the two financial years ended on 31 December 2015 and 31 December 2014.

The auditors have audited the consolidated financial statements of the Guarantor, without qualification, the consolidated financial statements being drawn up in accordance with International Financial Reporting Standards as adopted for use in the European Union for each of the two financial years ended 31 December 2015 and 31 December 2014.

The auditors have reviewed, without qualification, the condensed consolidated interim financial information prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

The auditors are members of the Luxembourg body of registered auditors (*Institut des Réviseurs d'Entreprises*).

8. For the period from (and including) the Issue Date to (but excluding) the First Reset Date, the yield on the Securities will be 4.700 per cent. per annum. Such yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.
9. Certain of the Bookrunners and their affiliates have engaged, and may in the future engage, in investment banking, corporate finance advisory and/or commercial banking transactions with, and may perform services for the Issuer, the Guarantor and/or any of their affiliates in the ordinary course of business, for which they have received or may receive customary fees, commissions or reimbursement of expenses (including acting as managers and/or lenders in connection with issuances of securities and/or debt facilities of the Issuer or the Guarantor). J.P. Morgan Securities plc has agreed to provide alternative financing in connection with the Acquisition.
10. Save for the fees payable to the Bookrunners and the Agents, so far as the Issuer is aware, no person, natural or legal, involved in the issue of any Securities has an interest that is material to the issue of the Securities.

GLOSSARY

Analogue

Transmission method for conveying voice, data, images or video information using a continuous signal.

Bandwidth

Part of the electromagnetic frequency spectrum used for radio frequency transmission.

Beam

Term used to describe the radiation pattern of a satellite antenna. The intersection of a satellite beam with the surface of the Earth is called the footprint (of the beam).

Broadband two-way internet access

Internet connectivity characterised by high-speed transmission and reception capabilities.

C-band

Frequency range assigned to satellite communications systems, approximately 4 GHz for the downlink and 6 GHz for the uplink. The associated transmission power is relatively low in comparison with Ku-band, for example. Larger antennas are therefore required for C-band operation. Considered to be the frequency range least susceptible to transmission impairments such as rain.

Capacity

Quantity of information transmitted. By analogy, there is often reference to spectrum width and to the associated power needed to transmit this quantity of information.

Contract backlog

The minimum future revenue due to the Group under its existing customer contracts. In relation to contracts where customers have discretionary termination rights, the minimum future revenue represents the revenue up to the earliest termination point as well as the applicable termination fee (if any).

DISH Network DTH

A Direct-To-Home satellite pay TV provider with its principal operations in the United States.

Digital

Format for recording, processing, transmitting and broadcasting data via a digital binary code signal (and not by the modulation of a continuous signal as in analogue transmission).

Digital Subscriber Line (DSL)

A technology enabling the use of the copper lines connecting customers of a switched telephone network for purposes of digital broadband connectivity.

Digital Video Broadcasting (DVB)

A set of European standards for the broadcasting and reception of digital TV signals by satellite (DVB-S), cable (DVB-C) or terrestrial means (DVB-T), developed within the framework of the Digital Video Broadcasting project and formalized by the European Telecommunications Standards Institute (ETSI). These European standards have been adopted by many countries worldwide.

Direct-to-home (DTH)

A method of transmission that transmits satellite programmes directly to customers' homes.

Downlink

Transmission path for data or other signals from a communications satellite to an Earth station.

Earth station

Installation required in order to receive a signal from a satellite and/or transmit a signal to a satellite. The facility consists of an antenna and communications equipment on the ground and is also known as a ground station.

Fixed Service Satellites (FSS)

Geostationary communications satellites between earth stations located at fixed points used for broadcast feeds for television stations, radio stations and broadcast networks, as well as for telephony, telecommunications and data communications.

Frequency

Number of vibrations produced by unit of time during a given period. Frequency relates to the rate of variation per second of the carrier wave or modulating signal. Satellite transmissions are generally in GHz (see "C-band," "Ka-band" and "Ku-band").

Geostationary orbit (GEO)

The orbit whose altitude above the equator is 36,000 km, where a satellite travels at the same angular speed as the rotating earth. Objects situated in this orbit appear motionless from a ground observer.

Geo-synchronous satellite

A term typically used to describe a satellite whose orbit is only stabilised longitudinally and which therefore appears to oscillate above and below the equatorial plane. Term is sometimes used interchangeably with "Geostationary".

GSM

Global System for Mobile Communications, a global standard for mobile communications

High definition television (HDTV)

Television that offers a clearer and more detailed picture and requires two or three times more bandwidth than standard definition channels.

HD+

Proprietary access system developed by SES to enable the reception of encrypted Free-To-Air High Definition TV signals.

High Throughput Satellite (HTS)

A satellite whose payload is configured to re-use frequency spectrum available at a given orbital position, with the objective of increasing the maximum bandwidth available and delivering it at lower unit cost.

Hosted payloads

Payloads carried on a satellite for third parties, which are additional to the primary mission of the satellite.

IPTV

Internet Protocol Television. Television signals delivered via IP technology.

Ka-band

A frequency range assigned to satellite communications systems, approximately 20 GHz for the downlink and 30 GHz for the uplink. These frequencies have the shortest wavelength of the three principal frequency bands used by geostationary satellites. Small antennas can be used, but Ka-band requires the use of high-power beams that are tightly concentrated over fairly small geographical areas. The Ka-band is optimized for applications such as broadband services. Considered to be less reliable due to risk of weather-related transmission impairments.

Ka-band (Gov)

A part of the Ka-band spectrum reserved by the ITU for governmental use.

Ku-band

A frequency range assigned to satellite communications systems, approximately 14 GHz for the uplink and 11 GHz for the downlink. Used for radio and television, this band is the most widespread in Europe as a result of the small size of the antennas needed for reception. Generally highly reliable and seldom affected by weather-related impairments.

L-band

The frequency range between 1 and 2 GHz. Mainly used for maritime mobile satellite services.

Low Earth Orbit (LEO)

Describing the orbit below about 2,000 km altitude.

Medium Earth Orbit (MEO)

Describing the orbit between LEO (~2,000 km) and GEO (~36,000km).

MNOs

Mobile Network Operator

Mobile backhaul

The transmission of mobile cellular traffic using satellite to connect cells which do not have terrestrial linkage.

Payload

Set of satellite equipment used for reception, frequency conversion, processing and retransmission of the communications signals after they have been amplified, but excluding add-on equipment such as the platform (physical structure and subsystems such as electrical and thermal control, attitude control etc.).

Radio frequency

Electromagnetic frequency generally higher than 20 kHz, used to transmit information.

Redundancy

Integral satellite design feature involving the use of several identical components, each able to replace any of the others in the event of failure.

Steerable beam

Beam of a satellite antenna that can be directed onto a particular geographical region using ground-based controls.

Telemetry, tracking and control (TT&C)

System that provides an important communication link between the satellite and the earth station. It enables an uplink for command and a downlink for monitoring the health of satellite components, as well as providing tracking information for monitoring the satellite's position in orbit.

Transponder

Name given to the retransmitter on board a satellite whose function is to retransmit the signals received from the earth uplink station into the designated geographic coverage area of the satellite.

Ultra High Definition (UHD)

A further enhancement of video display quality, delivering about four times the resolution of HD and requiring correspondingly greater amounts of bandwidth to transmit. UHD TV significantly enhances the colour range, contrast and audio quality of the broadcast beyond that delivered by HD TV.

Uplink

Transmission of data or other signals from an Earth station to a communications satellite.

Very small aperture terminal (VSAT)

A station, located on Earth, used in satellite communications of data, voice and video signals. Typically part of a network, the antenna size can range from 80 cm to 2 m.

Wide Area Augmentation System

Provider of a reference signal to enhance the accuracy of position determination using the GPS system.

X-band

Frequency range from approximately 8 – 12 GHz, reserved for governmental use.

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