Société Anonyme
RCS Luxembourg B 81267

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

Assemblée Générale Ordinaire

qui se tiendra

le jeudi 2 avril 2015 à 10 heures 30

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

ORDRE DU JOUR

1. Liste de présences, quorum et adoption de l'ordre du jour
2. Désignation d'un secrétaire et de deux scrutateurs
3. Présentation par le Président du Conseil d'administration du rapport de gestion du Conseil pour l'année 2014
4. Présentation des principaux développements de la société pendant l'année 2014 et perspectives
5. Présentation des résultats financiers pour l'exercice 2014
6. Présentation du rapport du réviseur d'entreprises
7. Approbation du bilan au 31 décembre 2014 et du compte de profits et pertes pour l'exercice 2014
8. Décision sur l'affectation du résultat net de l'exercice 2014
9. Transferts entre comptes de réserves
10. Décharge à donner aux administrateurs
11. Décharge à donner au réviseur d'entreprises
12. Election statutaire du réviseur d'entreprises pour l'année 2015 et fixation de sa rémunération
13. Résolution permettant à la société l'acquisition de ses propres FDRs et/ou actions de la catégorie A ou B
14. Confirmation de la cooptation de deux administrateurs
15. Nomination de six membres du Conseil d'administration pour une durée de trois ans
16. Fixation de la rémunération des membres du Conseil d'administration
17. Divers

Assister à l'assemblée

Les droits d'un actionnaire de participer à l'assemblée générale ordinaire et d'exercer le vote attaché à ses actions sont déterminés en fonction des actions détenues par cet actionnaire le quatorzième jour qui précède l'assemblée générale ordinaire, à savoir le 19 mars 2015 à minuit (la date d'enregistrement). Si un détenteur de *Fiduciary Depositary Receipts* (FDRs) souhaite assister à l'assemblée en personne, il devra se faire inscrire comme actionnaire dans le registre des actionnaires de la société avant la date d'enregistrement. Une personne qui n'est pas actionnaire à la date d'enregistrement ne peut pas assister à l'assemblée générale ordinaire.

Conversion en actions de la catégorie A

Le détenteur de FDRs qui souhaite convertir ses FDRs en actions A doit faire cette demande conformément aux clauses 12 et 16 des *Terms and Conditions* du *Amended and Restated Fiduciary Deposit Agreement* du 26 septembre 2001. Ce document est disponible auprès de la Banque et Caisse d'Epargne de l'Etat, Luxembourg. Aucune commission de conversion ne sera exigée des personnes physiques qui ne sont pas déjà actionnaires de la catégorie A et qui procèdent à la conversion d'un maximum de 10.000 FDRs en actions A, leur permettant de participer en personne à l'assemblée générale ordinaire du 2 avril 2015.

Pour assister en personne à l'assemblée, la conversion de FDRs en actions de la catégorie A devra être effectuée le 19 mars 2015 à 16 heures 30 au plus tard. Pour plus d'information à ce sujet, merci de bien vouloir contacter la Banque et Caisse d'Epargne de l'Etat, Luxembourg à l'adresse suivante : corporateactions.sec@bcee.lu

Instructions de vote

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

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

A la réception du certificat de vote comportant les déclarations et documents requis par le Fiduciaire ou la société, avant ou à la date déterminée par le Fiduciaire (à savoir le 26 mars 2015 à 17 heures), celui-ci devra transmettre à la société ledit certificat de vote accompagné des déclarations et documents requis pour vérifier si les détenteurs de FDRs ou les bénéficiaires économiques peuvent acquérir la qualité d'actionnaires de la catégorie A de la société si à la place des FDRs ils détenaient un nombre correspondant d'actions A.

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

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

Les instructions de vote sont considérées comme étant irrévocables et définitives 48 heures avant l'heure d'ouverture de l'assemblée, à savoir le 31 mars 2015 à 10 heures 30 au plus tard.

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

Aucune résolution ne sera soumise au vote sous le point 17. Divers.

Modifications de l'ordre du jour

Un ou plusieurs actionnaires disposant ensembles d'au moins 5% du capital social de SES, ont le droit d'inscrire des points à l'ordre du jour de l'assemblée générale ordinaire et ils ont le droit de déposer des projets de résolution concernant des points inscrit ou à inscrire à l'ordre du jour de l'assemblée générale ordinaire. Cette demande devra être formulée par écrit et adressée par voie postale (à SES, attn. Mme Naoual Jamou, Château de Betzdorf, L-6815 Betzdorf) ou par voie électronique (shareholders@ses.com) et doit parvenir à SES au plus tard le vingt-deuxième jour qui précède l'assemblée générale ordinaire (à savoir le 11 mars 2015). Cette demande doit inclure une justification ou un projet de résolution à adopter lors de l'assemblée générale ordinaire, ainsi qu'une adresse postale ou électronique à laquelle SES peut transmettre l'accusé de réception de cette demande endéans 48 heures.

SES publiera alors un ordre de jour révisé au plus tard le quinzième jour qui précède la date de l'assemblée générale ordinaire (le 18 mars 2015).

Documents mis à disposition par SES

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

N'hésitez pas à contacter SES pour de plus amples informations à l'adresse suivante : shareholders@ses.com

Société Anonyme
RCS Luxembourg B 81267

Notice is hereby given of the

Annual General Meeting

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

Thursday 2 April 2015 at 10:30 a.m.

AGENDA

1. Attendance list, quorum and adoption of the agenda
2. Nomination of a secretary and of two scrutineers
3. Presentation by the Chairman of the Board of Directors of the 2014 activities report of the Board
4. Presentation of the main developments during 2014 and of the outlook
5. Presentation of the 2014 financial results
6. Presentation of the audit report
7. Approval of the balance sheet as of 31 December 2014 and of the 2014 profit and loss accounts
8. Decision on allocation of 2014 profits
9. Transfers between reserve accounts
10. Discharge of the members of the Board of Directors
11. Discharge of the auditor
12. Appointment of the auditor for the year 2015 and determination of its remuneration
13. Resolution on company acquiring own FDRs and/or own A-, or B-shares
14. Confirmation of Cooptation of two Directors
15. Election of six Directors for a three-year term
16. Determination of the remuneration of Board members
17. Miscellaneous

Attendance

The right of a shareholder to attend the Annual General Meeting (AGM) and to participate in the vote will be determined on the fourteenth day (i.e. 19 March 2015) at midnight, preceding the AGM (the Registration Date). If a Fiduciary Depositary Receipts (FDRs) holder wishes to attend the meeting in person, he has to be recorded as a shareholder in the share register of the Company prior to the Registration Date. Anyone not being a shareholder at the Registration Date may not attend or vote at the AGM.

Withdrawal of FDRs and Conversion into A-shares

A FDR holder who wants to convert FDRs into A-shares has to request this conversion in accordance with conditions 12 and 16 of the Terms and Conditions of the Amended and Restated Fiduciary Deposit Agreement dated 26 September 2001. This is available at the Banque et Caisse d'Epargne de l'Etat, Luxembourg where the FDRs are held. No charge for conversion will be requested for natural persons who are not yet shareholders of category A and who proceed to a conversion of a maximum of 10,000 FDRs into A-shares, allowing them to participate in the AGM of 2 April 2015.

The latest date for withdrawing FDRs and converting into A-shares for personal attendance at the meeting is 19 March 2015 at 4:30 p.m. Please feel free to contact Banque et Caisse d'Epargne de l'Etat, Luxembourg for further queries in this respect at the following address: corporateactions.sec@bcee.lu

Voting instructions

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

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

Upon receipt of the voting certificate on or before the date determined by the Fiduciary (being 26 March 2015 at 5:00 p.m.) with such certification and evidence as requested by the Fiduciary or by the Company, the Fiduciary shall transmit to the Company the relevant certifications and supporting evidence and the company shall verify whether the relevant holders of FDRs or the beneficial owners thereof would qualify as an A-shareholder of the Company if in lieu of FDRs they would hold the corresponding number of A shares.

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

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

The voting instructions are deemed to be irrevocable and definitive 48 hours prior to the time for which the meeting has been convened, i.e. at the latest on 31 March 2015 at 10:30 a.m.

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

There will be no vote under item 17. Miscellaneous.

Amendments to the Agenda

One or more shareholders owning together at least 5% of the Share capital of SES have the right to add items on the agenda of the AGM and may deposit draft resolutions regarding items listed in the agenda or proposed to be added to the agenda. This request will need to be received at the latest the twenty–second day (i.e 11 March 2015) preceding the AGM and made in writing via mail (to: SES, attn. Mrs Naoual Jamou, Château de Betzdorf, L-6815 Betzdorf) or e-mail (to: shareholders@ses.com) and will need to include a justification or draft resolution to be adopted at the AGM. The written request will need to include a contact address (mail or e-mail) to which the Company can confirm receipt within 48 hours from the receipt of the request.

At the latest fifteen days (i.e 18 March 2015) preceding the AGM, the Company will then publish a revised agenda.

Documents made available by SES

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

Please feel free to contact SES for further queries in this respect at the following address: shareholders@ses.com

Assemblée Générale Annuelle de SES
Jeudi 2 avril 2015 à 10 heures 30

Point 2 de l'ordre du jour

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

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Agenda item 2

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

Assemblée Générale Annuelle de SES
Jeudi 2 avril 2015 à 10 heures 30

Point 3 de l'ordre du jour

Présentation par le Président du Conseil d'administration du rapport de gestion du Conseil pour l'année 2014.

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Agenda item 3

Presentation by the Chairman of the Board of Directors of the 2014 activities report of the Board.

Corporate governance

Chairman’s report on corporate governance and internal procedures

Introduction

SES has been listed on the Luxembourg Stock Exchange since 1998 and on Euronext Paris since 2004. The company follows the ‘Ten Principles of Corporate Governance’ adopted by the Luxembourg Stock Exchange (its home market) as revised in 2013, a copy of which can be found on www.bourse.lu/corporate-governance. SES further complies with the governance rules applied by companies listed in Paris, where most of the trading in SES FDRs takes place. Where both sets of rules conflict, e.g. with regard to the publication of the individual remuneration of the members of its Executive Committee and its Board members, SES follows the rules of its home market by reporting the aggregate amount of the direct and indirect remuneration of the members of the Executive Committee, with the fixed and the variable components of the benefits being separately identified.

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

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

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

Organisation principles

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

The annual general meeting of shareholders

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

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

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

The state of Luxembourg holds a direct 11.58% voting interest in the Company and two indirect interests, both of 10.88%, through two state owned banks, Banque et Caisse d'Epargne de l'Etat and Société Nationale de Crédit et d'Investissement. These shares constitute the Company's Class B shares.

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

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

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

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

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

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

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

With the exception of the procedure described above whenever a shareholder intends to hold more than 20%, 33% or 50%, all the resolutions of the meeting are adopted by a simple majority vote except if otherwise provided for by Luxembourg company law. The annual general meeting held on 3 April, 2014 was attended by 99.918% of the company's shareholders. As the 532,510 FDRs held by the company did not participate in the vote, the participation in the vote was reduced to 99.813% of the company's shares.

During the 2014 annual general meeting, the shareholders approved the 2013 financial results and the allocation of the 2013 profits, granted discharge to the external auditor and the directors, re-elected PwC as the company's external auditor for another year and granted an authorisation to SES to buy back its own shares. The shareholders also approved the directors' fees, which remained unchanged in comparison to 2013. Finally, shareholders elected six directors for a term of three years with a minimum majority of 95.905% of the votes expressed. Five of the directors saw their mandate renewed, whereas Ramu Potarazu was elected for a first mandate of three years.

All of the Board's other proposals were carried by a majority of at least 97.258% of the votes expressed. In accordance with article 67-1 of the Luxembourg company law, abstentions are not considered when determining whether a resolution has been passed or not. The detailed results of the shareholders' votes are available in the corporate governance section of the company's website.

The Board of Directors and its committees

Mission

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

Composition

The Board is composed of 18 directors, all of them non-executive directors. In accordance with the company's articles of association, two thirds of the Board members represent holders of Class A shares and one third of the Board members represent holders of Class B shares. The mandates of the current directors will expire at the annual general meeting of shareholders in April, 2015, 2016 and 2017, respectively. Mr René Steichen was the Chairman of the Board of Directors until his retirement on 31 December 2014, having reached the age limit fixed in the company's internal regulations. He was elected by the members of the Board in the meeting which followed the annual general meeting on 3 April 2014. From 1 January 2015, Romain Bausch, President and CEO until 3 April 2014 took over as Chairman of the Board of Directors. Romain 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 directors representing shareholders of Class A and of Class B shares, respectively.

In the event of a vacancy on the Board, the remaining directors may, upon a proposal from the Nomination Committee and on a temporary basis, fill such a vacancy by a majority vote. In this case, the next annual general meeting of shareholders will definitively elect the new director, who will complete the term of the director whose seat became vacant. In its meeting of 4 December 2014, the Board coopted Katrin Wehr-Seiter and Anne-Catherine Ries, effective 1 January 2015, to complete the mandates of Miriam Meckel who resigned effective 30 June 2014 and René Steichen respectively.

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

(i) not having been a director for more than 12 years;

(ii) not having been an employee or officer of the company over the previous five years;

(iii) not having had a material business relationship with the company in the previous three years; and

(iv) not representing a significant shareholder owning directly or indirectly more than 5% of the company's shares.

Nine of the current Board members are considered independent:

Mrs Bridget Cosgrave, Tsega Gebreyes and Katrin Wehr-Seiter and Messrs Marc Beuls, Marcus Bicknell, Jacques Espinasse, Conny Kullman, Ramu Potarazu and Marc Speeckaert.

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

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

Rules of functioning

The Board of Directors meets when required by the company's business, and at least once per quarter. It can only validly deliberate if a majority of the directors are present or represented. The resolutions of the Board are passed by a simple majority of votes of the voting directors present or represented, not considering abstentions. Any material contract that is proposed to be signed by the company or any of its wholly controlled operating subsidiaries with a shareholder owning, directly or indirectly, at least 5% of the shares of the company is subject to a prior authorisation by the Board. In 2013 there has -been one transaction between the company and a shareholder owning directly or indirectly at least 5% of the company's shares. In its 4 December 2014 meeting, the Board approved the procurement of GovSat, a satellite that will be used for commercial applications and will be procured by a special purpose vehicle, owned by SES and the Luxembourg Government. The six directors, representing the B-shareholders did not participate in the discussion, nor in the approval of the transaction.

Activities of the Board of Directors in 2014

The Board of Directors held six meetings in 2014, with an average attendance rate of more than 99%. After endorsement by the Audit and Risk Committee, the Board approved the 2013 audited accounts, including the proposed dividend as well as the results for the first half of 2014. During the year, the Board approved the new strategic plan as well as a business plan for the period 2014–2020, which served as the basis for the 2015 budget approved by the Board in December '14. Prior to adopting the new strategic plan, the Board held dedicated workshops on next generation video and on next generation data.

During the year 2014, the Board approved various matters including: (i) terms of reference for Board members; (ii) procurement of several satellites; (iii) company's participation in the Brazilian spectrum bid; and (iv) increase in SES's participation in O3b on a fully diluted basis. Three Board members (François Tesch, Marc Speeckaert and Tsega Gebreyes) did not participate in the O3b discussion and in the vote of this topic, because they each represent a party that holds an investment in O3b.

During 2014, the Board also decided to launch a new share buyback programme, which was implemented on Euronext Paris through the filing of a 'notice d'information' on 4 April 2014. The 2014 programme was limited to the following three objectives:

(i) to meet the company's obligations under its executive share ownership and stock option plans; and

(ii) to operate under the framework of a liquidity contract signed with Rothschild;.and

(iii) to use the shares for cancellation at an Extraordinary General Meeting, subject to Board approval.

Finally, the Board noted two updates to the company's risk management report. The Board was regularly informed by the Executive Committee on the group's activities and financial situation as well as on O3b. It noted an update on the company's financial framework and the Global Social Report. At each meeting, directors receive a report on ongoing matters and the Chairmen of the three committees set up by the Board present a report on the latest developments discussed in these respective committees. In addition, a business report is distributed to the members of the Board on a monthly basis.

The Board unanimously awarded the title of Honorary Chairman to René Steichen for his long-standing contribution to SES, when he retired from the Board at the end of 2014.

The Board will proceed with a self-evaluation exercise in 2015.

On 31 December 2014 the 17 members of the Board of Directors were:

René Steichen

Born on 27 November 1942. Mr Steichen retired as Chairman of the Board of Directors on 31 December 2014. He also served on the Board of Directors of SES ASTRA. He had been a director since 1 June 1995 and Chairman since 15 April 1996. Prior to that time, he was a member of the Luxembourg government (1984–1993) and member of the European Commission (1993–1995). He is currently an attorney at law in Luxembourg. He is also the Chairman of the Board of Luxconnect S.A. Mr Steichen studied law and political science in Aix-en-Provence and Paris. He holds a doctorate in law and also earned the final degree in economics and finance from the Institut d'Etudes Politiques of Paris. Mr Steichen is the Chairman of the Board as well as of the company's Nomination and Remuneration Committees.

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

François Tesch

Born 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. and of Financière de Tubize S.A., and Vice Chairman of the Board of SES and a member of the Nomination Committee of SES.

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

Jean-Paul Zens

Born 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 a member of the Nomination Committee of SES.

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

Serge Allegrezza

Born 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 ‘03. 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 Luxembourg national. He is not an independent director, because he represents an important shareholder.

Romain Bausch

Born on 3 July 1953, Mr. Bausch has been President and CEO of SES from May ‘95 to April ‘14, following a career in the Luxembourg civil service (Ministry of Finance). Before joining SES as its chief executive, Mr. Bausch occupied key positions in the banking, media and telecommunications sectors and spent a five-year term as a Director and Vice Chairman of SES. Mr. Bausch was appointed to the Board of SES in April ‘13 and he is Vice Chairman of the Board of Directors of O3b Networks and a Director of SES ASTRA. As of 1 January 2015, he succeeded René Steichen as Chairman of the Board of Directors of SES. Mr. Bausch is also a member of the Boards of Directors of Aperam, BIP Investment Partners and Compagnie Financière La Luxembourgeoise, 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.

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

Marc Beuls

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

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

Marcus Bicknell

Born 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, 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.

Marc Colas

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

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

Bridget Cosgrave

Born on 1 July 1961. Ms. 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. Ms. 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. Ms. Cosgrave holds an M.B.A. from London Business School and a B.A. (Hons.) in Economics & History from Queen's University in Canada.). Ms Cosgrave is a member of the Audit and Risk Committee of SES.

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

Hadelin de Liedekerke Beaufort

Born 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.

Jacques Espinasse

Born on 12 May 1943. Mr. Espinasse became a director on 6 May 2005. In May '07, after five years of duty, he retired as a member of the Management Board and Chief Financial Officer of Vivendi. Mr. Espinasse is the former Chief Operations Officer of TPS. He is a member of the Supervisory Boards of LBPAM, Axa Belgium and Hammerson Plc. and holds a B.B.A. and an M.B.A. from the University of Michigan. Mr Espinasse is a member of the Audit and Risk Committee and the Remuneration Committee of SES.

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

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'Epargne de l'Etat, a member of the Boards of Directors of Bourse de Luxembourg S.A., Luxair S.A., Cargolux S.A., La Luxembourgeoise S.A., La Luxembourgeoise Vie S.A., Paul Wurth S.A., and La Banque Postale Asset Management. Mr. Finck graduated with a degree in economics from the University of Aix/Marseille. Mr. Finck is a member of the 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.

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 Hygeia Nigeria Limited, Ison Growth and Satya Capital Limited. 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.

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 a member of the Remuneration Committee and of the Nomination Committee of SES.

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

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.

Victor Rod

Born on 26 April 1950. Mr Rod became a director on 23 November 1995. He retired as President of Commissariat aux Assurances on 31 December 2014. He is the Chairman of the Board of Directors of Banque et Caisse d'Epargne de l'Etat, Luxembourg. Mr Rod graduated with a degree in law from the University of Nancy.

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

Marc Speeckaert

Born 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 and a member of the Nomination Committee of SES.

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

On 1 January 2015, Anne-Catherine Ries (in replacement of René Steichen) and Katrin Wehr-Seiter (replacing Miriam Meckel who had resigned from the Board when she became Chief Editor of Wirtschaftswoche) joined the Board:

Anne-Catherine Ries

Born on 1 April 1973, Mrs Ries became a director on 1 January 2015. She is Senior Policy Advisor to the Prime Minister and Minister for Media and Communications in Luxembourg with a focus on media, IT and e-commerce 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. Having started 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 technological companies to establish and develop in Luxembourg.

She sits on the Board of Directors of POST Luxembourg, and of the Centre Virtuel de la Connaissance pour l'Europe.

Mrs. Ries is a Luxembourg and French national. She is not an independent director because she represents an important shareholder.

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 S.A.. Prior to joining BIP in 2012, she served as a Principal at global private equity firm Permira (2000-2009) and as an independent strategy consultant as well as a Senior Advisor to Bridgepoint (2010-2012). Prior to this, she worked for Siemens AG in strategy consulting, project management and engineering (1995-2000). She serves as a director of several non-listed corporations as well as Sky Deutschland AG and Nanogate AG (both 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 a German national. She is an independent director.

Our governance structure

The Chairman's Office

The Chairman's Office prepares the agenda for the Board meetings.

The Remuneration Committee

The Remuneration Committee determines the remuneration of the members of the Executive Committee, and advises on the overall remuneration policies applied throughout the company. It acts as administrator of the company's Long Term Equity Plans.

The Audit and Risk Committee

The Audit and Risk Committee assists the Board in carrying out its oversight responsibilities in relation to corporate policies, risk management, internal control, internal and external audit and financial and regulatory reporting practices.

The Nomination Committee

The Nomination Committee identifies and nominates suitable candidates for the Board of Directors, for election by the annual general meeting of shareholders. It also identifies and nominates suitable candidates for the Executive Committee.

Committees of the Board of Directors

The Chairman's Office

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

At 31 December 2014 the members were:

Mr René Steichen

Mr François Tesch

Mr Jean-Paul Zens

The Chairman's Office met six times during 2014 with a members' attendance rate of 100%.

The Remuneration Committee

In accordance with general corporate governance standards, the company's Board established a Remuneration Committee which determines the remuneration of the members of the Executive Committee, and which advises on the overall remuneration policies applied throughout the company. It reports to the Board at each meeting through its Chairman. The Remuneration Committee is composed of six members, at least half of whom are independent Board members in line with the SES internal regulations. At 31 December 2014, the Remuneration Committee was composed of the following six non-executive directors:

Mr René Steichen

Mr Marcus Bicknell (independent)

Mr Hadelin de Liedekerke Beaufort

Mr Jacques Espinasse (independent)

Mr Jean-Claude Finck

Mr Conny Kullman (independent)

The Remuneration Committee was chaired in 2014 by the Chairman of the Board.

The Remuneration Committee held four meetings, with an attendance rate of more than 95%. Matters addressed related to the determination of the 2014 stock option grant and the 2013 bonus for members of the Executive Committee. The Remuneration Committee further determined the number of performance shares allocated to the members of the Executive Committee for their performance in 2013 and it adopted the 2014 business objectives which are used as one element in the determination of their bonuses for 2014. The Remuneration Committee ordered and reviewed a benchmarking study regarding the remuneration of Board members, as a result of which shareholders will be asked to approve an increase in the fees paid to members of the Audit and Risk Committee. After each meeting, the Board is briefed in writing about the work of the Remuneration Committee.

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

The Audit and Risk Committee

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

The current members of the Audit and Risk Committee are:

Mr Marc Speeckaert, Chairman of the Audit and Risk Committee (independent)

Mr Marc Beuls (independent)

Mr Marc Colas

Ms Bridget Cosgrave (independent)

Mr Jacques Espinasse (independent)

Mr Jean-Claude Finck

The Audit and Risk Committee held four meetings, with a members' attendance rate of more than 94%.

The meetings were dedicated in particular to the review of the 2013 financial results before their submission to the Board and their subsequent approval by the shareholders at the statutory annual general meeting, and to the results of the first half of 2014. Members of the Board also had the opportunity to channel any comments they had on the company's quarterly results through the Chairman of the Audit and Risk Committee prior to the publication of these results.

The Audit and Risk Committee reviewed the company's statement on internal control systems prior to its inclusion in the annual report, approved the Internal Audit plan, and received bi-annual updates on the Internal Audit activities and on the follow-up of the major recommendations. It also reviewed the 2013 PwC Management letter.

The Audit and Risk Committee further continued to encourage management in its efforts to eliminate as many non-operating legal entities as possible. The Audit and Risk Committee proposed to the Board and to the shareholders to appoint PwC as external auditor for 2014.

The Audit and Risk Committee received bi-annual updates on risk management from the SES risk management committee and held a discussion on IT security. The Committee received updates on: (i) IT disaster recovery and business continuity; (ii) SES's tax framework; (iii) counterparty risk; (iv) SES's satellite procurement process; and (v) an annual report from the Chairman of the Compliance Committee outlining the compliance training programme that has been rolled out throughout SES during 2014. It approved one non-audit engagement to be performed by PwC. After each meeting, the Board is briefed in writing about the work of the Audit and Risk Committee.

The Nomination Committee

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

The Nomination Committee is composed of six members, at least half of whom are independent Board members in line with the SES internal regulations. At 31 December 2014, they were:

Mr René Steichen

Mr Marcus Bicknell (independent)

Mr Conny Kullman (independent)

Mr Marc Speeckaert (independent)

Mr François Tesch

Mr Jean-Paul Zens

The Nomination Committee was chaired in 2014 by the Chairman of the Board. The Nomination Committee met three times with an attendance rate of more than 94%. The main topics discussed related to the Management Succession Plan 2014 as well as to the cooptation of two new Board members.

After each meeting, the Board is briefed in writing about the work of the Nomination Committee.

SES Executive Committee

The Executive Committee

Mission

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

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

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

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

The Chairman of the Executive Committee organises the work of the Executive Committee and co-ordinates the activities of its members, who report directly to him. In order to facilitate the implementation by the Board of its overall duty to supervise the affairs of the company, the Chairman of the Executive Committee informs the Chairman of the Board on a regular basis of the company’s activities. The latter receives the agenda and the minutes of all meetings of the Executive Committee in due time. The EVP General Counsel and the EVP Human Resources also attend the meetings of the Executive Committee. During 2014, the Executive Committee met 46 times, with an attendance rate of 93.80%. Mr Pierre Margue, Vice President Legal and Corporate Affairs, the secretary of the Board of Directors, also acted as secretary to the Executive Committee.

Composition

The following persons are members of the Executive Committee:

– the President and CEO who assumes the chairmanship of the Executive Committee

– the Chief Financial Officer

– the Chief Commercial Officer

– the Chief Development Officer, and

– the Chief Technology Officer

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

The current members of the Executive Committee are:

Karim Michel Sabbagh

Born on 26 September 1963 and appointed President and CEO on 3 April 2014. Mr Sabbagh joined SES on 1 September 2013 as CEO Designate. Mr Karim Michel Sabbagh is the President and CEO and the Chairman of the Executive Committee of SES. He is also the Chairman of SES ASTRA and a member of the Board of Directors as well as the Risk and Audit Committee of O3b Networks. Additionally, he is a member of the Yahlive Board of Directors. He served on the SES Board of Directors and on its Audit and Risk Committee from 7 April 2011 to 31 August 2013.

Prior to joining SES, Karim Michel Sabbagh was a Senior Partner and the global practice leader for communications, media & technology at Booz & Company. At Board and Chief Executive level, Mr. Sabbagh has shaped and served the strategic agenda of global players in the communications, media and satellite sectors.

Mr Sabbagh holds a BBA with Distinction from the American University of Beirut, an MBA from the American University of Beirut, a PhD with Honors in strategic management from the American Century University in New Mexico, and a Doctorate in international business management from the International School of Management in Paris.

Mr Sabbagh is a Canadian and Lebanese national.

Padraig McCarthy

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

Mr McCarthy is an Irish national.

Ferdinand Kayser

Born on 4 July, 1958, and appointed Chief Commercial Officer of SES on 1 May, 2011. Mr Kayser was previously President and Chief Executive Officer of SES ASTRA as of January

2002. Mr Kayser came to SES from Premiere World, the digital pay-TV bouquet of Germany's Kirch Group, where he was Managing Director between 1997 and 2001. Prior to joining the Kirch Group, Mr Kayser held a number of executive positions at CLT, Europe's largest commercial broadcaster, including Senior Vice President in charge of German TV and radio activities (1989–1992), Managing Director in charge of the launch of RTL2 (1993) and Executive Vice President and member of the Management Board responsible for all TV activities of CLT (1993–1996). Mr Kayser holds a Master of Economics from the University of Paris 1, Panthéon-Sorbonne, and has concluded specialised university studies in Media Law and Management of Electronic Media. Mr Kayser is a member of the Boards of SES ASTRA and YahLive.

Mr Kayser is a Luxembourg national.

Gerson Souto

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

Mr Souto is a Brazilian national.

Martin Halliwell

Born on 20 April 1959, and appointed Chief Technology Officer on 1 May 2011. Mr Halliwell was President of SES ENGINEERING from 1 January 2008 to April '11. Prior to this assignment, Martin Halliwell held the position of SVP and Chief Technology Officer at SES ASTRA, where he was responsible for all engineering and operational activities. In the course of his career at SES ASTRA, Mr Halliwell held a number of positions, including General Manager, Global Multimedia Networks, Technical Director of SES Multimedia and Deputy to the Technical Director of SES ASTRA. Prior to joining SES, Martin Halliwell worked for Cable & Wireless and for Mercury Communications. Mr Halliwell holds a BA in Mathematics and Mechanical Engineering and an MBA specialising in external environment and strategic management from the Open University. Mr Halliwell is a member of the Board of SES ASTRA and of O3b Networks.

Mr Halliwell is a British national.

Remuneration

Remuneration of the members of the Board of Directors

The annual general meeting of shareholders determines the remuneration of the members of the Board of Directors for attending Board and committee meetings. In 2014, the shareholders decided to maintain the fees paid to the directors at the previous year's level with a majority of 99.992%. Directors receive a fixed fee of EUR 40,000 per year, whereas the Vice Chairmen and the Chairman of the Audit and Risk Committee receive an annual fixed fee of EUR 48,000 and the Chairman receives EUR 100,000 per year.

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

All these fees are net of any Luxembourgish withholding taxes. The total net remuneration fees paid for the year 2014 to the members of the Board of Directors (net of the Luxembourgish withholding tax) amounted to EUR 1,038,200, of which EUR 279,200 were paid as variable fees, with the remaining EUR 759,000 representing the fixed part of the Board fees. The gross overall figure for the year 2014 was EUR 1,297,750.

Company stock owned by members of the Board of Directors

On 31 December 2014, the members of the Board of Directors and their closely associated family members owned a combined total of 852,787 shares and FDRs (representing 0.16% of the company's share capital).

Transactions made by members of the Board of Directors are published on the company's website under Management Disclosures. In accordance with the company's Dealing Code, directors require prior permission before dealing in SES shares or FDRs.

Remuneration of the members of the Executive Committee

The remuneration of the members of the Executive Committee is determined by the Remuneration Committee. It is composed of a fixed and a variable part. The total gross remuneration paid to the six members of the Executive Committee for the year 2014 amounted to EUR 18,795,805.35 of which EUR 3,510,701.64 represented the fixed part and EUR 15,285,103.71 the variable part. The direct remuneration paid to the members of the Executive Committee amounted to EUR 5,201,729.28 whereas the indirect remuneration was EUR 13,594,076.07. The indirect remuneration also contains the benefits derived by the members of the Executive Committee from the company's executive stock option plan and the long-term incentive plan, as adopted by the Board of Directors. During 2014, the members of the Executive Committee were awarded a combined total of 314,624 options to acquire company FDRs at an exercise price of EUR 26.91, 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 2015, the remaining quarters vesting on 1 January 2016, 2017 and 2018, respectively. In 2014, members of the Executive Committee were granted 18,518 restricted shares as part of the company's long-term incentive plan, as well as 55,554 performance shares. These shares will vest on 1 June 2017.

During 2014, Messrs Martin Halliwell, Ferdinand Kayser, Padraig McCarthy and Gerson Souto sold some or all of the restricted shares which vested on 1 June. SES publishes the details of all transactions made by its Board members and by the members of its Executive Committee on its website: http://www.ses.com/management-disclosures.

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

Company stock owned by members of the Executive Committee

On 31 December 2014, the five members of the Executive Committee owned a combined total of 127,318 shares and FDRs (representing 0.03% of the company's share capital), 197,486 unvested restricted and performance shares and 695,664 options. Transactions made by members of the Executive Committee are published on the company's website under Management Disclosures. Members of the Executive Committee are required to comply with the company's dealing code.

External auditor

In accordance with the Luxembourg law on commercial companies, the company's annual and consolidated accounts are certified by an external auditor appointed by the annual general meeting of shareholders. On 3 April 2014, and based upon a proposal from the Board, the shareholders re-elected PwC as the company's external auditor for one year and approved its remuneration, with a majority of more than 97.258%. The mandate of PwC will expire at the annual general meeting on 2 April 2015.

Business risks and their mitigation

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

– this section does not purport to contain an exhaustive list of the risks faced by SES. SES may be significantly affected by risks that it has not identified or considered not to be material;

– some risks faced by SES, whether they are mentioned in this section or not, may arise from external factors beyond SES's control;

– where mitigations are mentioned in this section, there is no guarantee that such mitigations will be effective (in whole or in part) to remove or reduce the effect of the risk.

Risks relating to procurement

Risk of launch delays and/or launch failures

SES is planning to launch at least seven satellites between 2015 and 2017. The launch of any of these satellites carries a risk of delay for a variety of reasons including the late availability of the satellite or co-passenger satellite for shipment to the launch site, the late availability of the launch service or last-minute technical problems arising on the satellite, a co-passenger satellite or launcher.

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

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

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

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

Risk of dependency on launch service providers

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

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

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

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

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

Procurement of SES-14, SES-15 and SES-16

On 16 February 2015 SES announced the addition of three next-generation satellites to its family; SES-14, SES-15 and SES-16/Govsat, which will allow SES to address the accelerating needs of fast growing markets and add significant high-power capacity to all four key strategic business verticals - video, data, mobility and government. All three satellites, manufactured by Airbus Space and Defence, Boeing and Orbital AKT, respectively, will be using the newest spacecraft technologies, leading to optimal performance and highest efficiency. SES-14 and SES-15 are both powerful hybrid satellites, using Ku-, Ka- and -- in the case of SES-14 -- also C-band in wide-beam and high-throughput (HTS) technology and a purely electric propulsion system that significantly enhances the satellites' economic efficiency thanks to the enhanced payload that can be carried as a result of the reduction in fuel mass. SES-16/GovSat, which is the satellite referred to above in the 'Incorporation of LuxGovSat' section, is a state-of-the-art multi-mission satellite with high-powered and fully steerable beams for government missions which will be owned and operated by LuxGovSat,. The aggregate capital commitment associated with these three programmes is approximately EUR 750 million excluding the capitalisation of interest. This includes 100% of the capital commitment concerning SES-16, although the Luxembourg Government will be sharing in the funding of this satellite on an equal basis with SES.

Risks relating to satellites

Risk of in-orbit failure

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

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

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

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

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

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

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

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

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

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

In-orbit insurance constitutes an additional financial mitigation against the risk of impairments, subject to the limitations of such insurance. In January '15, the AMC-15 satellite suffered a tenth solar array circuit failure (of the 24 circuits on board) which will reduce the number of transponders which can be operated on the satellite. Reflecting the impact of this reduction in commercial capacity on future cash generation, an impairment charge of EUR 6.7 million was recorded on AMC-15 in December '14.

Risk of short operational life

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

Risks relating to insurance

Insurance coverage risk

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

– military or similar action;

– any anti-satellite device;

– electromagnetic and radio interference (except for physical damage to a satellite directly resulting from this interference);

– confiscation by any governmental body;

– insurrection and similar acts or governmental action to prevent such acts;

– nuclear reaction or radiation contamination;

– wilful or intentional acts causing the loss or failure of satellites; and

– terrorism.

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

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

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

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

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

Insurance availability risk

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

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

Risks relating to customers

Risk of key customer loss

SES depends on a number of key customers whose loss (or non-renewal) would reduce SES's revenues. SES's five largest customers, represented 23.3 per cent of SES's total revenues in 2014. The total revenue generated from contracts with the U.S. Government (and customers serving the U.S. government) represented approximately [10%] of SES's total revenues in 2014.

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

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

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

Risks relating to Customer credit

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

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

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

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

Risks inherent in international business

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

The inherent uncertainties in doing business in certain jurisdictions may have a negative impact on SES's results.

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

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

SES Government Solutions, Inc., U.S.A. ("SES GS") is subject to specific governance rules and is managed through a Proxy Agreement, which was agreed with the Defense Security Service ("DSS") (the government entity responsible for the protection of information which is shared with industry that is deemed classified or sensitive with respect to the national security of the United States of America) of the US Department of Defense ("DOD"). A proxy agreement is an instrument intended to 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 DSS.

The DSS required that SES GS enter into a proxy agreement because it is indirectly owned by SES and SES GS has contracts with the DOD which contain certain classified information. The Proxy Agreement enables SES GS to participate in such contracts with the U.S. Government despite being owned by a non-U.S. corporation.

As a result of the Proxy Agreement, strict limitations are placed on the information which may be shared, and the interaction which may occur, between SES GS, SES AMERICOM and SES S.A. o as the parties to the Proxy Agreement. The Proxy Holders, besides acting as directors of SES GS, are entitled to vote in the context of a trust relationship with SES on whose basis their activity is performed in the interest of SES's shareholders and of U.S. national security.

Risks relating to the satellite communications market

Competition risk

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

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

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

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

Technology risk

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

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

Risks relating to SES's strategic development

Emerging market risk

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

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

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

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

Investment risk

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

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

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

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

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

Risks related to Regulatory and Corporate

Legal risk

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

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

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

Spectrum access risk

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

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

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

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

Spectrum co-ordination risk

SES is required to co-ordinate the operation of its satellites with other satellite operators through the ITU so as to prevent or reduce interference between satellites. SES may also be required to co-ordinate any replacement satellite that has performance characteristics which differ from those of the satellite it replaces.

As a result of such co-ordination, SES may be required to modify the proposed coverage areas of its satellites, or satellite design or transmission plans in order to eliminate or minimise interference with other satellites or ground-based facilities. Those modifications may mean that use of a particular orbital position is significantly restricted, possibly to the extent that it may not be economical to place a new satellite in that location. In addition, interference concerns of a country may affect the ability of SES's satellite network to generate revenues due to the operational restrictions that the country may impose.

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

Spectrum bringing into use risk

If SES does not

- occupy unused orbital locations by specified deadlines, or
- maintain satellites in the orbital locations it currently uses, or
- operate in all the frequency bands for which a licence has been received,

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

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

Regulatory risk

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

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

Export control

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

– export licences are not obtained in a timely fashion;

– export licences do not permit transfer of all items requested;

– launches are not permitted in the locations that SES prefers; or

– the requisite licence, when approved, contains conditions or restrictions that pose significant commercial or technical problems.

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

External threat risk

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

Cyber risk

SES's operations may be subject to hacking, malware and other forms of cyber-attack. Due to the fast-moving pace of new hacking techniques, the high sophistication of certain attackers and an increasingly hostile cyber attack environment, it may be difficult to detect, determine the scope of, contain and remediate every such event.

Any inability to prevent or to detect the occurrence of cyber attacks in a timely manner could result in a disruption of services or malfunctions, loss of customers, inadvertent violations of data protection, export control and other relevant laws, damage to SES's reputation or damage to its properties, equipment and data. Furthermore, such event 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.

SES has protections in place to help protect its networks and continues to work to implement additional protective measures intended to limit the risks associated with such attacks. Risk of loss of key employees

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

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

Unforeseen high impact risk

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

Risks relating to finance

Cash flow risk

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

Debt rating risk

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

Financial covenant risk

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

Tax risk

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

SES does business in many different countries and is therefore subject to taxation in multiple jurisdictions. SES makes provisions in its accounts for current and deferred tax assets and liabilities based on a continuous assessment of prevailing tax laws in those jurisdictions.

However, SES cannot always be certain of a tax authority's application and interpretation of the tax law. SES may become subject to unforeseen material tax claims including late payment interest and/or penalties. Such claims may arise for a number of reasons including: the 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 the disallowance of the benefits of a tax treaty. In addition, SES may be subject to retroactive tax assessments based on changes in laws in a particular tax jurisdiction.

SES has implemented a tax risks mitigation charter based on (amongst others things) a framework of tax opinions for the financially material positions taken, transfer pricing policies and documentation covering the group's important inter-company transactions, and procedures for accurate tax compliance in all jurisdictions.

Asset impairment risk

SES's non-current intangible and tangible assets are valued at historic cost less amortisation, depreciation (where relevant) and accumulated impairment charges. The resulting net book values are subject to validation each year through impairment testing procedures, where they are compared to the value-in-use of the asset representing 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 approved Business Plan, become less favourable, or the discount rates applied to the future cash flows increase, then this may result in the need for material asset impairment charges.

In the SES S.A. annual accounts impairment testing, using value-in-use procedures similar to those outlined above, is performed on the carrying value of the shares in affiliate undertakings. 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, then this could result in an impairment charge being taken to the income statement of the SES S.A. annual accounts in the period concerned.

Liquidity risk

SES requires liquidity to maintain its operations and meet its obligations. Any liquidity problems may have a significant impact on SES's operations and lead to the breach of contractual obligations. In case of liquidity needs, SES can call on uncommitted loans and a committed syndicated loan. In addition, if deemed appropriate based on prevailing market conditions, SES can access additional funds through its European Medium-Term Note programme or through commercial paper. SES's debt maturity profile is tailored to allow the company to cover repayment obligations as they fall due. SES operates a centralised treasury function which manages the liquidity of SES and seeks to optimise the funding costs. This is supported by a daily cash pooling mechanism.

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

Foreign currency risk

SES's reported financial performance can be impacted by movements in the U.S. dollar/euro exchange rate as SES has significant operations whose functional currency is the U.S. dollar and liabilities denominated in U.S. dollar. To mitigate this exposure, SES monitors the level of its assets and liabilities denominated in US dollars and has been active in bringing these positions more closely into line to create, to a certain level, a 'natural hedge' between these positions.

Where appropriate the group may enter into financial instruments to manage the foreign currency risk on future US-dollar denominated procurements.

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

Interest rate risk

SES's exposure to the risk of changes in market interest rates relates primarily to floating rate borrowings. The group carefully monitors and adjusts the mix between fixed and floating rate debt from time to time responding to market conditions. Interest rate derivatives can be used to manage the interest rate risk with the terms of such instruments negotiated to match the terms of the underlying hedged item to maximise the effectiveness of the hedge.

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

Counterparty risk

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

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

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

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

Internal control procedures

Objective

The Board of Directors has overall responsibility for ensuring that SES maintains a sound system of internal controls, including financial, operational and compliance controls. Such a system is an integral part of the corporate governance strategy of the company.

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

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

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

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

Control environment

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

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

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

The descriptions of the main SES functions and processes are electronically documented using a Business Process Management software, with the support of the Operational Excellence Team. This has been supplemented by a review of all policies and procedures. The aim is to design and implement a common set of policies and procedures that best support the organisation and can be used company-wide.

The policies and procedures apply to all the employees and officers of the SES group, and where appropriate to its directors as the general framework for their own business process design.

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

A group-wide ‘Code of Conduct and Ethics’ has been in place since 2009. The Code is designed to enable all its employees, officers and directors to take a consistent approach to integrity issues and to make sure that SES conducts its business in compliance with all applicable laws and regulations as well as observing the highest standards of business ethics. In 2014, mandatory refresher courses for all SES employees worldwide were launched to reinforce awareness and compliance by SES staff.

An SES Compliance Committee, composed of designated Compliance Officers in each main corporate location, is tasked with raising the staff’s awareness of the code and to ensure a consistent roll-out and training programme for the code. The committee meets regularly to discuss important topics or issues. In parallel with the company’s expansion into developing markets, the composition of the Compliance Committee was extended in 2014 to include representatives from SES's offices in Africa, Asia, the Middle East and Latin America.

To ensure better compliance with the Data Compliance laws and regulations, SES has appointed a Group Data Protection Officer.

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

Risk management

SES has adopted a risk management policy based on principles proposed by COSO and ISO31000. The co-ordination of the implementation of this policy and the development of a risk register is the responsibility of a Risk Management Committee which reports to the Executive Committee of SES.

The Executive Committee in turn reports to the Board, which has the ultimate responsibility for oversight of the company's risks and ensuring that an effective risk management system is in place.

Common definitions and measures of risk management have been established and provided to the various risk owners to ensure that the risk management policy is properly implemented.

A risk management co-ordinator has been appointed in order to ensure the adequate review of the risks facing SES.

Each reported risk is categorised, assessed by the risk owners, and reviewed by the Risk Management Committee. As a result of such review, a risk can be flagged as a 'top risk' which triggers additional analysis for that risk in order to determine the appropriateness and effectiveness of the risk response.

All top risks are periodically reported to the Executive Committee, the Audit and Risk Committee and the Board.

Internal control activities

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

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

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

- Completeness and timely recording of financial information is ensured through regular reviews, monitoring of specific key performance indicators, validation procedures by functional leaders and as an additional check, the process of internal and external audit.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- The tax department seeks to achieve upfront tax clearances with relevant local tax authorities with regard to the tax ramifications of main business ventures, corporate reorganisations and financing structures of the company. Where this is not possible, the tax treatment is analysed based on best authoritative interpretations and reported in internal tax technical memos or tax opinions from external tax consultancy firms. The main principles of SES's tax risk management are laid down in the SES Tax Charter.

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

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

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

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

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

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

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

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

- Primary satellite operations in North America transferred from the Woodbine and Vernon SOCs to the new Princeton SOC in July 2014. In Europe primary satellite operations were transferred to new technical facility in Europe in November 2014. No changes have been made to back-up control capability. Both SOC projects have increased the satellite control efficiency and network security.

- SES continues to maintain a Disaster Recovery SOC in North America in the event that it is required by SES. The Uninterruptible Power Supply capabilities have been further improved also to enhance the redundancy of that site and the TT&C overall network.

Adequate backup capabilities are currently implemented in the following areas:

- The telemetry, tracking and control ('TT&C') function is currently provided for each satellite via at least two independent antenna sites. The sites are connected via a ground dual-redundant state-of-the-art network to at least two site diverse SOCs.

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

- The global network that supports TT&C has been greatly strengthened by deploying a dual-redundant state-of-the-art Multi Protocol Label Switching ('MPLS') network connecting all the SOCs and TT&C sites worldwide.

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

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

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

- To further enhance information security in 2014, the Data Governance and Information Security Committee was established.

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

- SES has disaster recovery plans for its business applications. The testing of these activities in 2014 has confirmed that SES is in a good position to restore all mission critical back-office applications within their set recovery time objectives.

- During 2014, there has been the addition of new applications and infrastructure components for the management and control of the SES fleet of satellites.

Information and communication

In 2014, a project was started to transition SES Platform Services to SAP. With the Go-Live of this project in January '15, all of SES's main trading operations are on the common SES SAP platform, sharing common processes and common controls.

During 2014, the control environment in SAP has been enhanced by performing and completing a detailed access control validation exercise, creating a new SAP Security and Authorisation function and beginning the implementation of the SAP Governance Risk and Compliance module focussing on access control and process control.

The operation of the SAP hosting platform has matured with enhancements implemented in various areas including data privacy and data encryption. A detailed operational handbook was established to safeguard smooth and secure operation of SES's ERP platform.

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

Monitoring activities

Monitoring is done in two ways: through continuous and ad hoc evaluations.. Continuous evaluations are performed by management as part of routine operations, built into business processes and performed on a real-time basis, reacting to changing conditions.

The SES Internal Audit function performs ad hoc assessments where appropriate of the relevance of, and compliance with, company policies and internal control procedures.

The mission of the Internal Audit function is to provide independent and objective assurance regarding the effectiveness and efficiency of business operations, the reliability of financial and operational reporting, and the company's compliance with legal and regulatory requirements. In this context, Internal Audit is also tasked to support management with identifying, preventing and minimising risks, as well as safeguarding the company's assets.

To ensure an appropriate level of independence and communication, the Internal Audit function has a direct reporting line into the Audit and Risk Committee and reports functionally to the President and CEO of SES.

The activities of the Internal Audit function are executed in accordance with an annual audit plan, which is reviewed and approved by the Audit and Risk Committee. This annual plan is derived from an annual risk assessment based on a risk mapping exercise relying on the SES risk register. The annual risk assessment responds to the need to dynamically link the audit plan to risks and exposures that may affect the organisation and its operations.

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

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

The proxy structure of the SES Government Solutions entity, in line with common practice for businesses serving certain segments of the U.S. government, imposes various restrictions on the Board and executive management in directly supervising the maintenance of an internal control system and imposing an internal audit structure. The SES Internal Audit function did not perform any direct internal control review of this entity during 2014, in line with the imposed restrictions. However, these restrictions are mitigated through having agreement on a required risk management and internal control framework which is subject to evaluation and testing by a third-party internal audit function. An adequate reporting process of activities of the third-party audit function to the SES Internal Audit function and Audit and Risk Committee has been put in place.

Human Resources Strategy

The SES way of working sits firmly at the company's core. With the ultimate aim of always bringing the best of SES to customers across the globe, SES employees are forward thinkers who look to challenge the 'normal' way of doing business. Being bold and perseverant, and rolling up one's sleeves to get the job done, are key characteristics promoted throughout the organisation.

SES understands fully the position of responsibility it holds in the communications industry and it understands the trust invested by key stakeholders to take global satellite communications beyond existing boundaries.

With exceptional talent on board, Human Resources is the catalyst to convert the full potential of its employees, ensuring the organisation delivers on its challenging business objectives and seeks out new global communications opportunities. To leverage this important potential, SES focuses on optimising its operating model as well as helping its talent grow.

SES employees

As of 31 December 2014, the SES group employed 1,237 staff worldwide (counted in full time equivalents (FTEs). 441 FTEs are based in the Luxembourg headquarters, 368 in the rest of Europe, 344 in the United States and 84 in the rest of the world. With regard to gender diversity, the employee population is split into 24% women and 76% men.

The Human Resources Function

The Human Resources strategy and objectives are aligned with SES's business strategy and objectives and follow the guidance and decisions of SES's Executive Committee. SES is supported by a team of Human Resources professionals based in the company's major offices around the world, including Singapore since September 2014.

In 2014, SES reaffirmed its growth strategy and strengthened its presence in the emerging markets (Africa, Latin America, Asia/Middle East), through hiring local talent and transferring employees from mature to emerging markets This dual approach underpins efficient integration between locations and accelerates local operations.

As the competition for talent increases, SES continues to review its recruitment strategy to ensure that it sources and attracts the best candidates. Widely acknowledged to be the most effective and efficient recruitment method to find high quality candidates, SES rolled out a worldwide Employee Referral programme in 2014.

SES is committed to managing its existing talent as well as to developing and bringing the best of SES worldwide. It is with this in mind that the Human Resources team successfully designed and implemented a new performance management platform which captures the achievements of all employees, as well as their skills and competencies.

SES values its employees' views and opinions. In 2014, SES conducted its fourth employee engagement survey, which concluded with an impressive response rate of 84%.

Transparent communication was enhanced through the creation of a concise and accessible human resources booklet which acts as a quick reference guide for employees, allowing them to find relevant and up-to-date information according to their location.

In addition to the above and many more activities, the second edition of the Social Report was produced.

A learning organisation

SES believes that its highly qualified and motivated employees continue to be the foundation of success. SES, through the Learning and Development (L&D) function, is committed to enhancing organisational effectiveness by continuously improving employees' abilities to maximise performance.

Three key principles guide SES's learning and development efforts:

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

To make a difference in employees' lives through continuous learning, L&D connects learning to the SES strategic plan, and what's generally important to assure SES's success. This is accomplished by grouping training and development opportunities into the following five categories of customer facing, technology, leadership, compliance, and professional development.

In 2014, the two pre-dominant training initiatives centred on compliance with a series of tailor made courses developed by in-house experts as well as a dedicated curriculum for the sales force as a proof point for SES's customer centricity.

SES launched the "MOMENTUM" development programme in 2011 which is offered to all employees in the organisation. After the first module, on organisational change and the second dedicated to SES strategy, SES deployed the third module in 2014 around stakeholder centricity. This module engaged employees on how SES interacts with its customers and other strategic stakeholders. Continually challenging and improving its stakeholder interactions and behaviors differentiates SES and will help deliver the value that SES's customers and ultimately the shareholders require.

The fourth module to come in 2015 will enhance Knowledge Management.

Talent management

At SES, talent management is the application of an integrated and strategic approach to improving employee development and engagement, and supporting career advancement. That's why the Human Resources team has established targeted development curricula for different groups, ultimately sourcing SES's leadership pipeline:

- Associate programme (entry level programme)
- High potential programmes (three dedicated programmes for different seniority levels)
- Succession planning

SES regularly offers key employees international assignments through a 'Development Programme' which boosts cross-functional and cross-continental talent and knowledge exchange.

Providing interesting and stretching development opportunities, be it in another business area or location, is key to energising and motivating talent. Furthermore, employee mobility fosters integration and brings the best of SES worldwide.

Remuneration philosophy

With a focus on attracting talent and engaging our employees to give their best, SES aims to foster a great working environment and remuneration. This is reflected in SES's pay for performance remuneration philosophy, which strives to stay ahead of the market. The compensation and benefits team has a globally harmonised approach, which is aligned with the local practices. SES offers equity plans to all its employees with the aim to provide a sense of ownership as well as to align the interest of the employee with the one of the shareholder.

Social Dialogue within SES

For some companies in Luxembourg, the legal framework provides for a personnel delegation and a mixed committee.

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

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

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

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

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

On 29 April 2014, Social Elections took place in Munich.

The constructive cooperation and respectful exchange with the social partners contribute to the quality and transparency of social dialogue at SES.

Investor Relations

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

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

Corporate Social Responsibility – CSR

In 2014, SES implemented a range of corporate social responsibility projects and ventures in geographic areas where the SES group has commercial activities, provides communication services or otherwise interacts with local communities.

The policy

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

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

In 2014, SES reinforced its commitment to support educational institutions especially in Africa, reflecting the company's increasing commercial presence on the African continent.

Projects supported by SES

Education

In 2014, SES pursued its scholarship programme with the International Space University (ISU) in Strasbourg, France, supporting students in advanced space applications.

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

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

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

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

In 2014, SES had a University partnership with the Université Catholique de Louvain relating to the following project: Reconfigurable radio systems using non-exclusive frequency bands.

SES renewed its support to the International Polar Foundation.

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

Charitable donations

In 2014, SES continued its donation towards the Betzdorf based Institut St Joseph, a home for mentally handicapped people.

SES also matched donations made by SES employees to international emergency relief organisations providing help to victims of natural or man-made disasters.

Other projects

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

In 2014, SES became a member of the Association for International Broadcasting (AIB). The AIB is the industry association and global knowledge network for the international broadcasting industry with members from all around the world. It is a unique centre of information and networking for television, radio, online and mobile media.

In 2014, SES remained a sponsor of the 'Musek am Syrdall', local festival for the Patrick Cornelius infinite blues quartet.

In order to enrich the cultural life of its home country through targeted sponsorship programmes, SES sponsored the exhibition "damage control" that was held at the Mudam (Musée d'Art Moderne Grand-Duc Jean) in Luxembourg, from July to October 2014.

Environmental initiatives

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

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

In 2013, the company's activities related to operating and commercializing SES's satellite fleet, as well as general administration, finance and marketing, generated approximately 38,768 tonnes of CO2e worldwide, a reduction increase of more than 16% compared to 2012.

Emissions from Scope 2 electricity consumption represented the largest component of SES's total emissions in 2013 (approximately 45%) with Scope 1 emissions (approximately 17%), both overall reduced by 3400 t or approximatively 12 %. The Scope 3 part, the business travel including the staff commuting, a new process element, has increased by 8.800 t to 38% overall. Teleports generated the largest share of the emissions from Scope 1 and Scope 2 sources.

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

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

Responsibility statement

The Board of Directors and the Executive Committee of the company reaffirm their responsibility to ensure the maintenance of proper accounting records disclosing the financial position of the group with reasonable accuracy at any time, and ensuring that an appropriate system of internal controls is in place to ensure the group's business operations are carried out efficiently and transparently. In accordance with Article 3 of the law of 11 January 2008 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, we declare that, to the best of our knowledge, the consolidated financial statements for the year ended 31 December 2014, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the year of SES and its subsidiaries included in the consolidation taken as a whole. In addition, the management report includes a fair review of the development and performance of the business and the position of SES and its subsidiaries included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Romain Bausch	Karim Michel Sabbagh
Chairman of the Board of Directors	President and CEO

Attachment 1

Main SES Shareholders
as of 26 February 2015

A Shares

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

B Shares

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

Composition of the Board of Directors and of the Committees set up by the Board as on December 31, 2014

Chairman

Mr René Steichen

Vice-Chairmen

Mr François Tesch
Mr Jean-Paul Zens

Members

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

Observers

Mr Pierre Goerens, Commissioner of the Government at SES ASTRA

Mrs Maria Kugel, SES ASTRA Employee Representative

Secretary to the Board of Directors

Mr Pierre Margue, VP Legal Services Corporate and Finance

Chairman’s Office

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

Audit and Risk Committee

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

Remuneration Committee

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

Nomination Committee

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

Assemblée Générale Annuelle de SES
Jeudi 2 avril 2015 à 10 heures 30

Point 4 de l'ordre du jour

Une présentation sur les principaux développements de la société pendant l'année 2014 et les perspectives sera donnée en cours de séance.

* * *

Agenda item 4

A presentation of the main developments during 2014 and of the outlook will be given during the meeting.

4. Présentation des principaux développements de la société pendant l’année 2014 et perspectives

Presentation of the main developments during 2014 and of the outlook

Karim Michel Sabbagh, President and CEO

Highlights

- Combining revenue growth and operational optimisation delivers 5.0% EBITDA growth
- Continuing to grow our core video business
- Expanding data and mobility applications with major in-flight connectivity agreements
- Building new growth drivers in Government-related connectivity and services
- Building for future growth with seven new satellites to be launched by end-2017 along with commensurate investments in differentiated capabilities

ASTRA 5B launch aboard Arianespace Ariane 5 rocket from Kourou, French Guyana (22 March 2014)

ASTRA 2G launch aboard ILS Proton Breeze M booster from Baikonur, Kazakhstan (28 December 2014)

Delivering a strong performance

	2014 EUR million	Growth vs. 2013 reported	Growth vs. 2013 at constant FX(1)
Revenue	1,919.1	+3.0%	+4.0%
EBITDA	1,428.0	+4.6%	+5.0%
Net Profit	600.8	+6.0%	n/a

- European and International infrastructure growth combined with strong European services performance
- Revenue growth leveraged at EBITDA and Net Profit
- Proposing 10% dividend increase to EUR 1.18 per A-share

1) Constant FX refers to the restatement of comparative figures to neutralise currency variations and thus facilitate comparison. 2013 comparative revenue and operating expenses are also adjusted to reflect the disposal of the Glocom business in November 2013

Major developments across the regions

	2014 Revenue EUR million	Major business developments
Europe	1,017.7 +9.1%(1)	▲ Sale of transponders to ETL ▲ ORF, M7 Group and Setanta growing HD TV offer ▲ Continued services growth; HD+, SES PS and TechCom
North America	341.7 -13.5%(1)	▲ End of CHIRP and lower renewals impacting SES GS ▲ New government business for the future (e.g. WIN-T) ▲ Major in-flight connectivity deals with GEE and Gogo
International	559.7 +8.3%(1)	▲ New DTH platforms in Latin America and West Africa ▲ Telefonica (VIVO) and Orange Business Services ▲ SES GS multi-year Pathfinder contract

- Growth in Europe and International offsetting impact of U.S. budget sequester in North America

1) Growth vs. 2013 at constant FX

Executing on SES's strategic principles

▲ Strategy execution based on three principles:

1	**Infrastructure focused business** • Core business of space segment infrastructure leasing • Growing revenues in emerging markets and verticals	▲ Infrastructure +3.8%[1]; incl. "pull through" from Services +12.2%[1] ▲ 5.1% growth in satellite HD TV channels (25% market share) ▲ Four new DTH neighbourhoods launched in Latin America & Africa ▲ Major in-flight connectivity agreements with GEE and Gogo
2	**Adapt and evolve satellite-enabled solutions/services to meet customer needs**	▲ HD+ now serving over 1.6 million paying households ▲ Continued development of SES PS, SES GS and TechCom ▲ O3b now entered commercial service; further eight satellites launched during 2014 (total fleet increased to 12 satellites)
3	**Sustain financial performance with mix of infrastructure and services investments**	▲ Six new satellites committed since end-2013 ▲ Total launch programme of seven new satellites by end-2017 ▲ Latest technological innovations to optimally serve market verticals ▲ Continued focus on operational optimisation

1) At constant FX

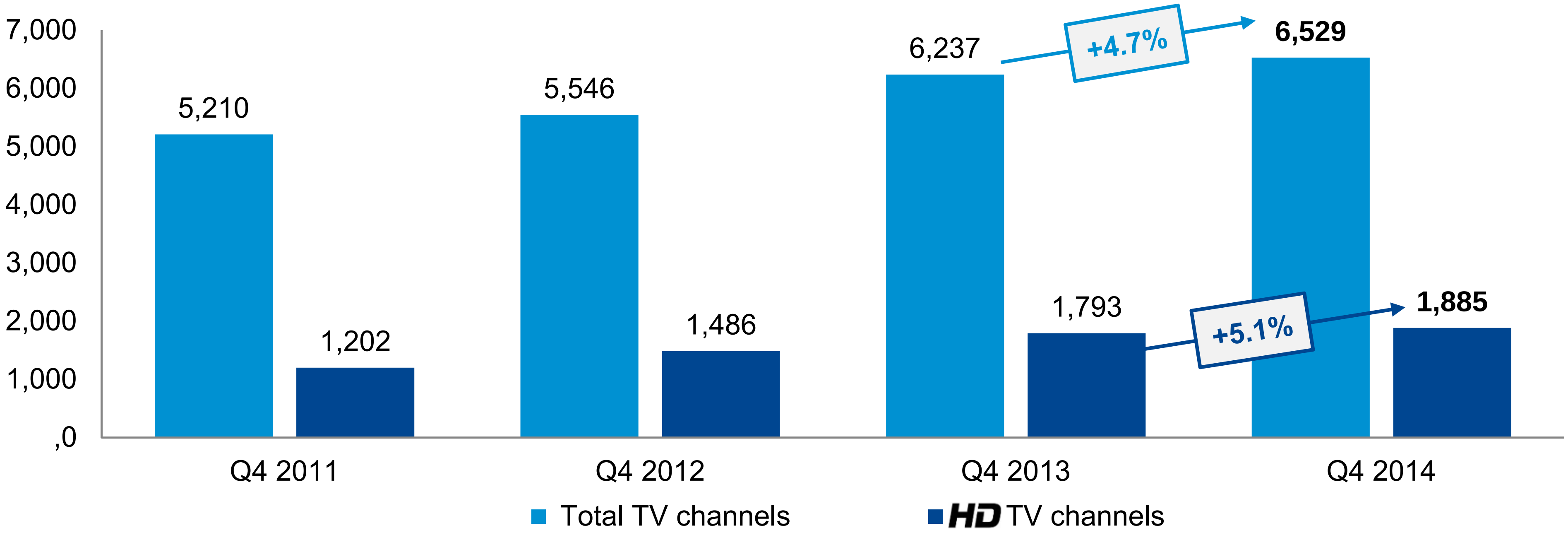
Four strategic verticals

- Offering integrated solutions in the various verticals through innovation and expansion of the SES and O3b fleets

	Video	Data	Mobility	Government
What we sell	▲ Broadcast satellite capacity and teleport services ▲ Managed media services ▲ Consumer TV platform(s)	▲ Widebeam and GEO/MEO HTS capacity and teleport services ▲ Network / platform services ▲ Managed networks for consumer/SME applications	▲ Trans-oceanic and landmass widebeam and GEO / MEO HTS capacity and teleport services ▲ Mobility network/ Platform services	▲ Widebeam and GEO/MEO HTS capacity and secure teleport services ▲ C/Ku/Ka and Military frequency capacity ▲ Fully managed end-to-end service to the end customer
Services we enable	▲ Grow reach through DTH broadcasting, cable & IP feeds & video contribution ▲ Monetize content online	▲ Connect thousands of corporate network sites in industries such as energy, telcos, banking, utilities ▲ Communication services to remote communities via VSAT networks, mobile backhaul and broadband services ▲ Real-time monitoring and synchronising information	▲ Connect thousands of vessels, superyachts, airplanes and trains traversing across oceans, skies and lands to corporate offices ▲ Provide high-quality live inflight entertainment and fast broadband access regardless of locations	▲ Civilian and defence applications such as defence, security and information gathering purposes are delivered on globally redundant, secure and reliable networks ▲ Developing satellite-based solutions for humanitarian aid, e-governance, e-learning, etc
Who we sell to	sky, COMCAST, CANAL+	ITC Global, Telefónica, HUGHES, Digicel group	Panasonic, gogo, MTN	

Growing video neighbourhoods

Number of total TV channels(1)

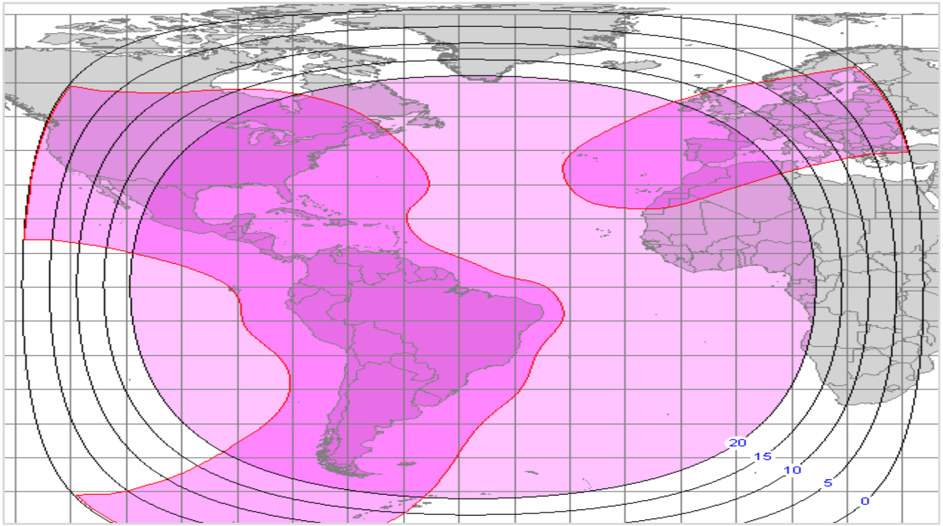


- Increasing HD TV in Europe with new contracts including ORF, M7 Group and Setanta Sports
- Adding four new DTH neighbourhoods in Latin America and West Africa
- Acquiring two new orbital positions over Brazil; complemented in future by SES-10 and SES-14
- Extending long-term partnership with EchoStar with the procurement of SES-11
- Continuing to be a leading facilitator in the commercial introduction of Ultra HD

1) Source: Lyngsat, SES analysis

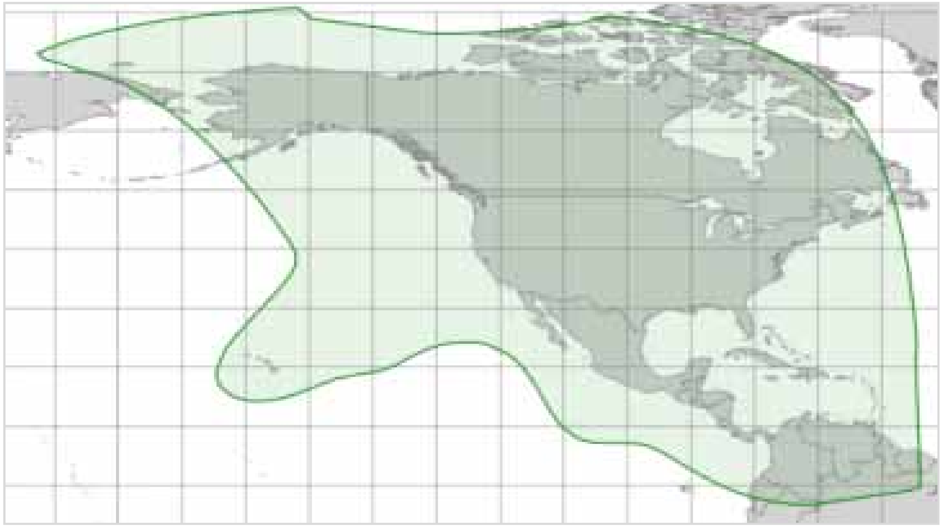
Developing SES's hybrid Wide beam and HTS offer

SES-14 C-band wide beam coverage



- SES-14 will operate at 47.5°/48° West
- Replacing existing NSS-806 over Latin America
- Wide beam coverage providing 48 C- and Ku-band transponders for video and enterprise
- Developing Latin America's second direct-to-cable (DTC) neighbourhood
- Additional 12 GHz of HTS capacity

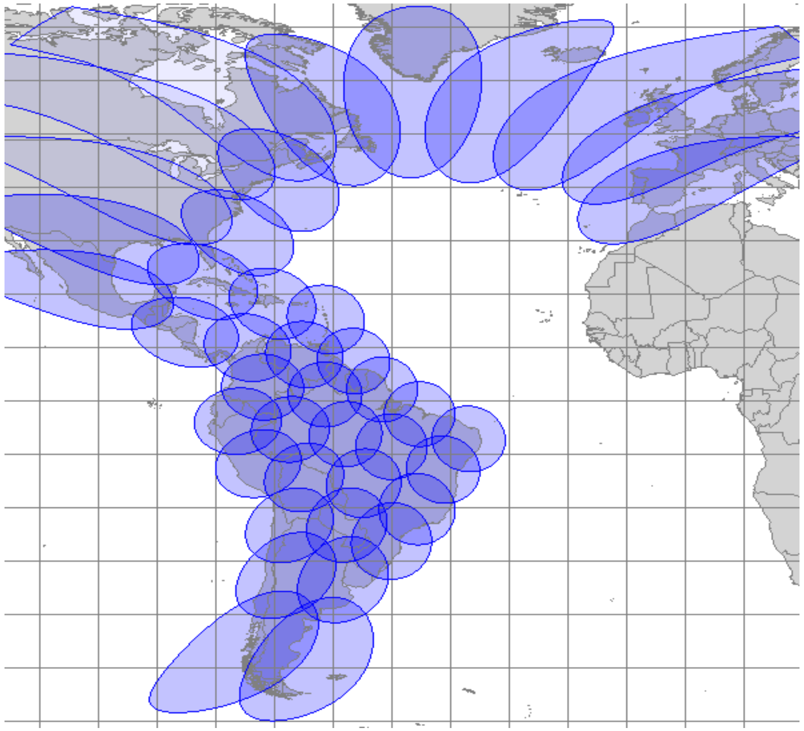
SES-15 Ku-band wide beam coverage



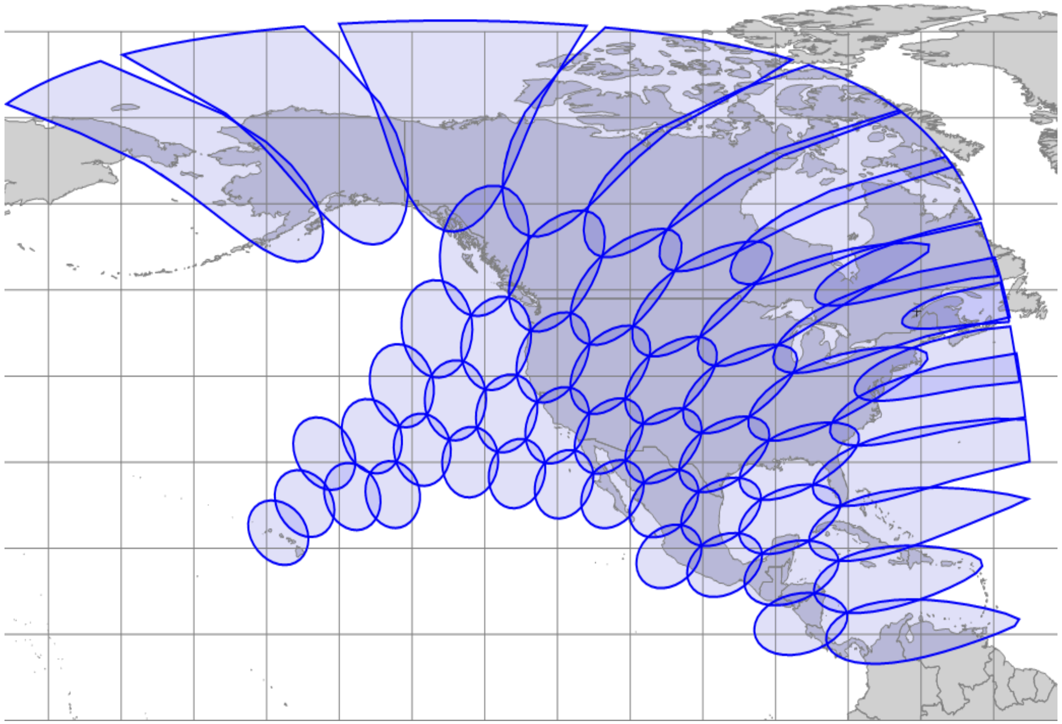
- SES-15 to operate at 129° West
- 10 GHz of HTS capacity to develop North American offering
- 12 Ku-band wide beam transponders for enterprise customers
- Supporting U.S. Government applications over Ku-band wide beam and HTS capacity

Serving growing demand for in-flight connectivity

SES-14 Ku-band HTS coverage



SES-15 Ku-band HTS coverage

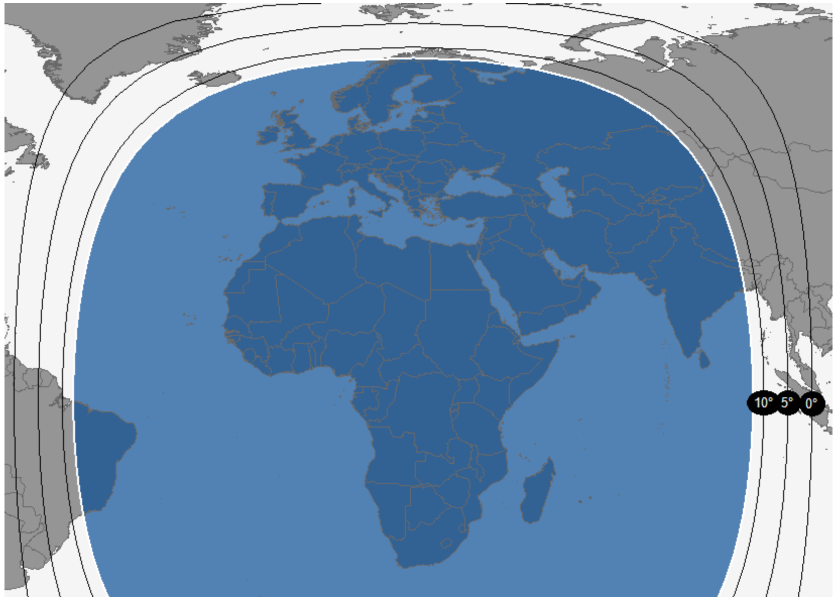


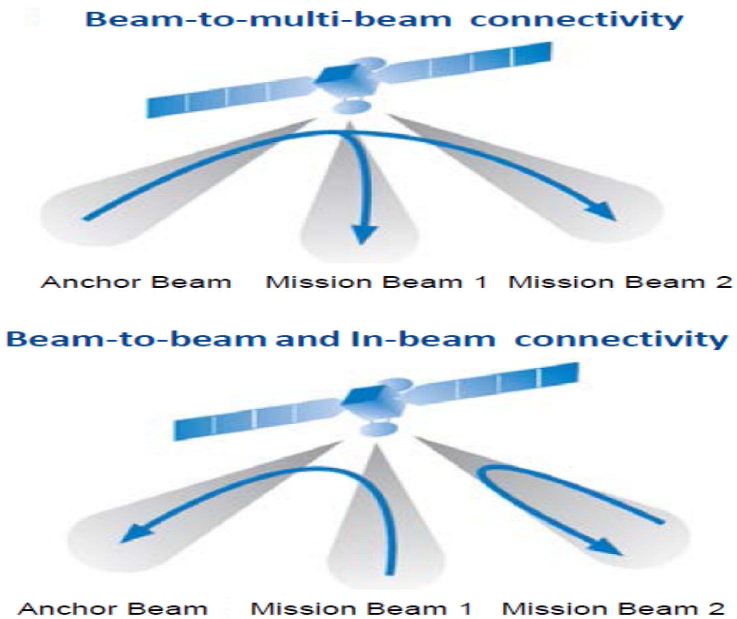
- Gogo's first transatlantic connectivity service using SES-1, SES-4 and SES-6
- Major long-term agreement with Global Eagle Entertainment (GEE)
  - GEE also taking HTS capacity on SES-14 (Q4 2017) and SES-15 (Q2 2017), covering North and South America

SES

Diversifying SES's Government business

SES-16/GovSat global beam coverage and connectivity





- LuxGovSat established with Luxembourg Government
  - Dedicated government satellite delivering 68 transponder equivalents for Europe/MENA region
- High powered, global and fully steerable beams using military frequencies (X-band and military Ka-band)
- Luxembourg Government pre-committed to significant amount of capacity for NATO obligations
- Remaining capacity to be commercialised to other government and institutional customers

Enhancing services value

Infrastructure is complemented by enhanced services, further differentiating SES's capabilities

	Infrastructure Provider (GEO/MEO)	Platform & Solution Provider (B2B)	Experience Provider (B2C)
Video	SES	SES Platform Services; SES Techcom Services	HD+
Enterprise	SES; O3b Networks	SES Broadband Services; SES Techcom Services; O3b Networks	
Mobility	SES; O3b Networks	SES Broadband Services; SES Techcom Services; O3b Networks	
Government	SES; O3b Networks	SES Government Solutions; SES Techcom Services; O3b Networks	

- "Pull through" from services increased 12.2%(1) to EUR 179.9 million
- HD+ now grown to over 1.6 million paying households; total audience over 3.0 million(2)
- SES Platform Services agreed contract to manage technical operations of Sky Online service
- Important new wins for SES GS (e.g. multi-year Pathfinder & WIN-T contracts), despite U.S. sequester

1) At constant FX
2) Including households currently within the free introductory period

Complementing SES's GEO assets with O3b

- *SES has a 45% interest in O3b*
- *12 Medium Earth Orbit (MEO), super HTS satellites*
- *Covering between 45 degrees North and 45 degrees South*
- *Target markets include over 3 billion people*
- *High throughput of over 1 Gbps per beam(1)*
- *Ultra low latency (less than 150 milliseconds) providing 'fibre in the sky' service*

- Entered commercial service 1 September 2014 with 36 customers currently contracted
- Provided service is a 'game changer' for O3b customers

  (See: http://www.royalcaribbeanblog.com/2015/02/12/video-inside-look-the-it-room-royal-caribbeans-quantum-of-the-seas)
- SES GS secured GSA approval to offer O3b services to U.S. Government customers
- Further satellite procurements planned during 2015

1) 600 Mbps x 2 (Uplink / Downlink)

Optimising future satellites through innovation

Six new satellites committed since end-2013

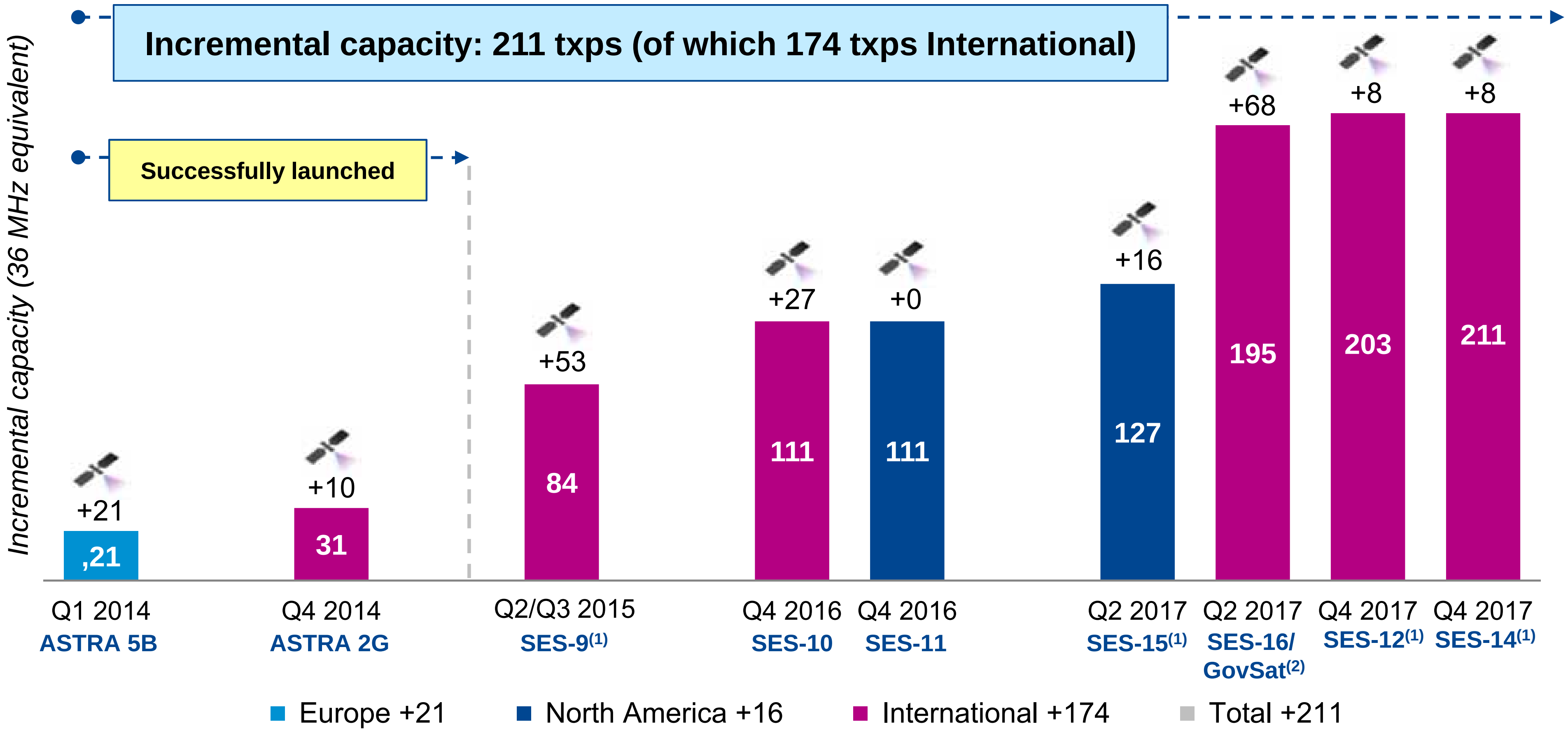
	Region	Application	HTS payload	Digital processor	Electric propulsion
SES-10	Latin America	Video, Enterprise			
SES-11	North America	Video	*Ku-band specifically for EchoStar; SES C-band replacement*		
SES-12	Asia-Pacific	Video, Enterprise, Mobility	☑ 14 GHz	☑	☑
SES-14	Latin America	Video, Enterprise, Mobility	☑ 12 GHz	☑	☑
SES-15	North America	Enterprise, Mobility, Government	☑ 10 GHz		☑
SES-16/ GovSat[1]	EMEA	Government	*Dedicated Military frequencies with high powered, fully steerable spot beams*		

- Providing diversified infrastructure products by combining wide-beam coverages with HTS
- Ensuring optimal coverage of target markets and verticals
- Flexible fleet design using latest techniques and reducing cost per transponder year

1) Procured by LuxGovSat (a legal entity jointly incorporated by SES and the Luxembourg Government)

Developing for future growth in attractive markets

Two satellites successfully launched in 2014 with a further seven satellites scheduled by end-2017



14% total capacity increase vs. 2013; International +23%

36 GHz HTS total capacity (SES-12, SES-14 and SES-15)

1) SES-9, SES-12, SES-14 and SES-15 will be positioned using electric orbit raising, with entry into service four to six months after launch date
2) Procured by LuxGovSat (a legal entity jointly incorporated by SES and the Luxembourg Government)

Assemblée Générale Annuelle de SES
Jeudi 2 avril 2015 à 10 heures 30

Point 5 de l'ordre du jour

Une présentation sur les résultats financiers pour l'exercice 2014 sera donnée en cours de séance.

* * *

Agenda item 5

A presentation on the 2014 financial results will be given during the meeting.

SES

5. Présentation des résultats financiers pour l’exercice 2014

Presentation of the 2014 financial results

Padraig McCarthy, Chief Financial Officer

Financial highlights

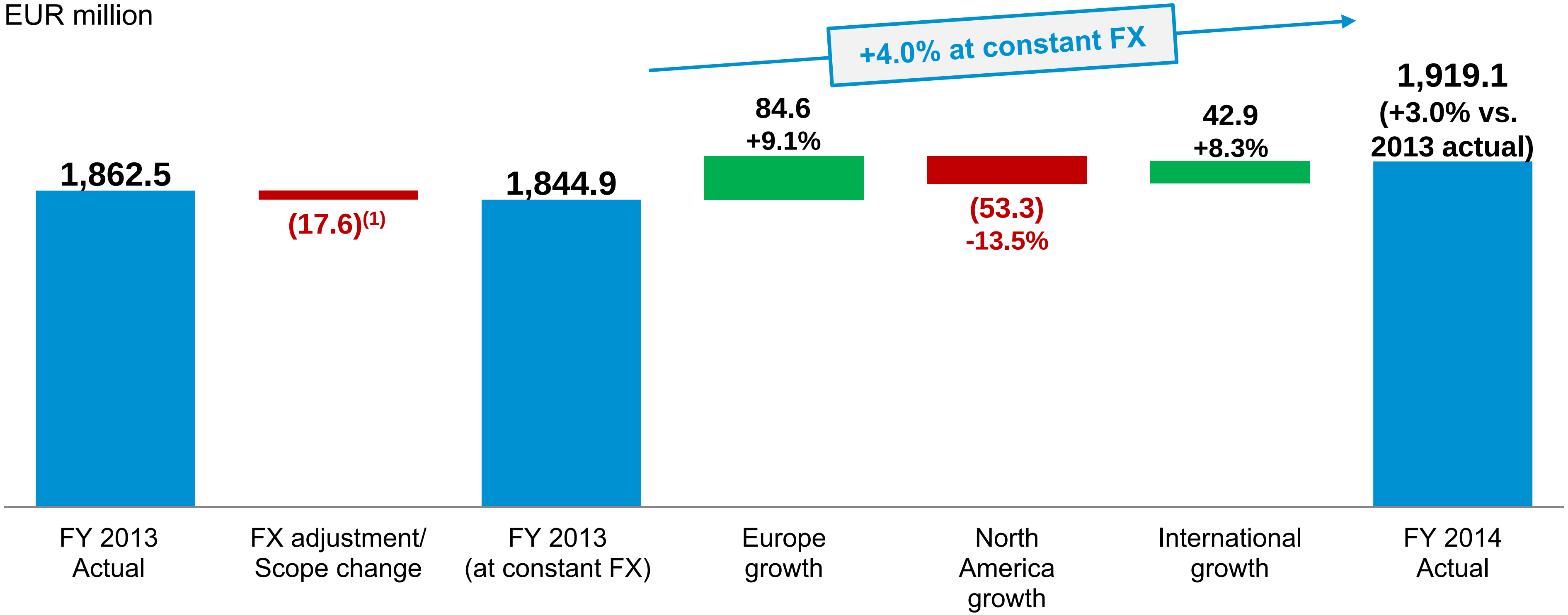
	2014 EUR million	2013 EUR million	Growth vs. reported	Growth at constant FX
Revenue	1,919.1	1,862.5	+3.0%	**+4.0%**
EBITDA	1,428.0	1,364.7	+4.6%	**+5.0%**
EBITDA margin	**74.4%**	73.3%	+110 bps	+70 bps
Operating profit	882.6	851.2	+3.7%	+4.1%
Profit of the group	600.8	566.5	**+6.0%**	
EPS	EUR 1.49	EUR 1.41	+5.6%	
Net Debt / EBITDA	**2.77 times**	2.79 times	-2 bps	
Contract backlog	EUR 7.3 billion	EUR 7.5 billion	n/a	

Delivering revenue growth while improving margins

Revenue up 4.0% at constant FX

Revenue walk from FY 2013 to FY 2014

EUR million



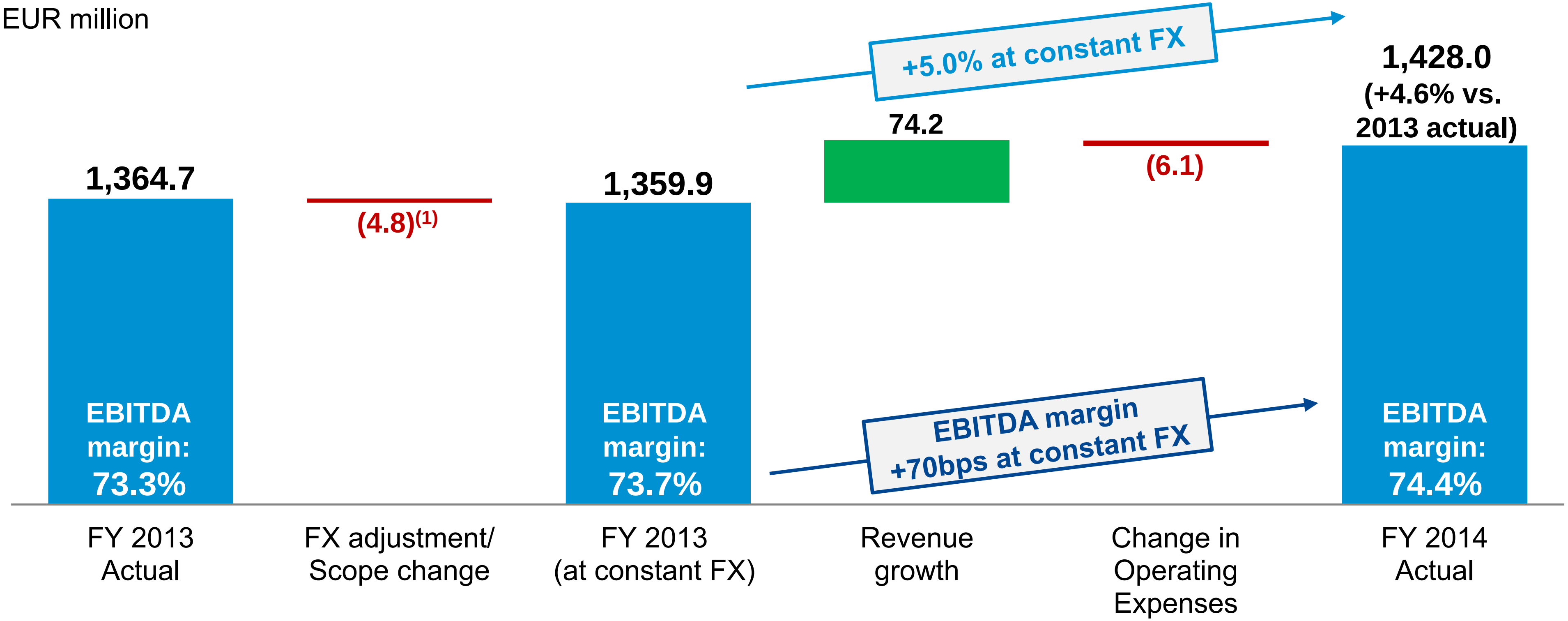
- European and International infrastructure growth combined with strong European services performance
- Sale of eight transponders a key contributor to European growth
- U.S. Government budget sequestration adversely impacting North America

1) 2014 average FX rate increased by 0.7% to EUR 1: USD 1.3348 (2013: EUR 1: USD 1.3259)

EBITDA increased 5.0% at constant FX

EBITDA walk from FY 2013 to FY 2014

EUR million



- Operating expenses increased 1.3% at constant FX driven by variable costs from services growth
- Continued optimisation of operating costs, coupled with revenue growth, improving EBITDA margin

1) 2014 average FX rate increased by 0.7% to EUR 1: USD 1.3348 (2013: EUR 1: USD 1.3259)

Growing Infrastructure and Services revenue

Revenue and EBITDA margins by segment (at constant FX)

	Revenue (EUR million)			EBITDA margin (%)	
	2014 Actual	2013 at constant FX	Growth at constant FX	2014	2013
Infrastructure	1,643.3	1,583.8	+3.8%	84.4%	83.4%
Services	455.7	421.4	+8.1%	16.6%	17.5%
Elimination/ Unallocated(1)	(179.9)	(160.3)	+12.2%	-	-
Total	**1,919.1**	**1,844.9**	**+4.0%**	**74.4%**	**73.7%**

- Growth in Infrastructure revenue and increase in "pull through" revenue generated by Services
- Growth in Services (mainly HD+, SES PS and TechCom) contributing to 8.1% revenue increase
- EBITDA margin improved to 74.4%

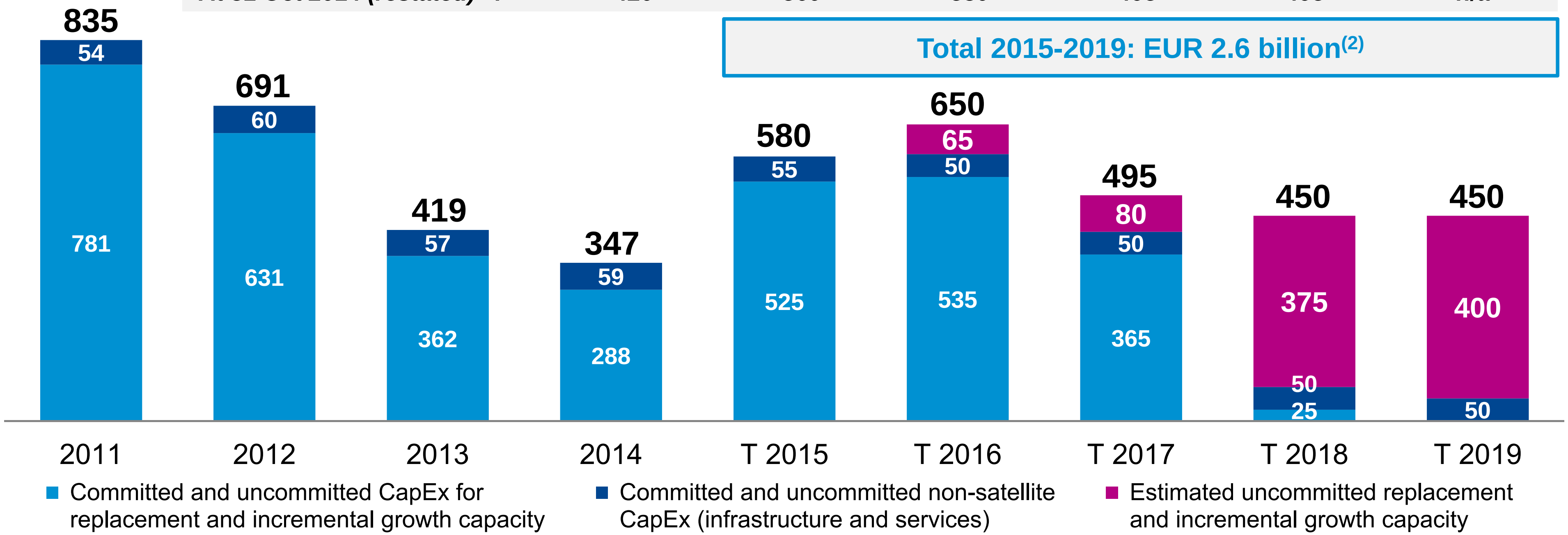
1) Revenue elimination refers mainly to "pull-through" capacity provided by Infrastructure to Services; EBITDA impact represents unallocated corporate expenses

Lowering replacement CapEx; accelerating growth

Capital expenditure profile

EUR million

At 31 Oct 2014 (reported)(1):	*400*	*510*	*480*	*450*	*450*	*n/a*
At 31 Oct 2014 (restated)(2):	*420*	*560*	*530*	*495*	*495*	*n/a*



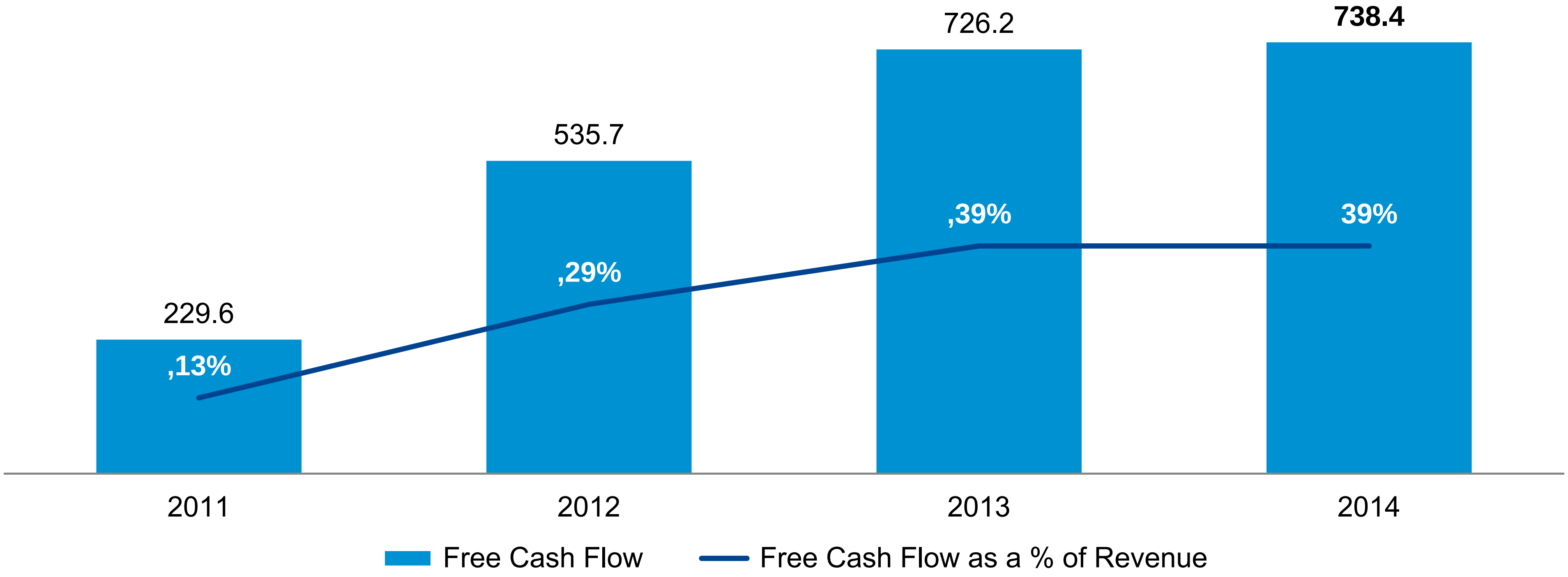
- End of pronounced replacement cycle and increased efficiency reducing total CapEx for 2014 and 2015
- Six new procurements since end-2013, including SES-14, SES-15 and SES-16/GovSat
- 2016-2019 uncommitted programme includes up to three potential replacement/growth satellites
- Strong track record of generating satellite IRRs above SES's 10% hurdle rate for infrastructure projects

1) Based on EUR 1: USD 1.35; including capitalised interest, and excluding financial or intangible investments
2) Based on EUR 1: USD 1.20; including capitalised interest, and excluding financial or intangible investments

Strong Free Cash Flow generation

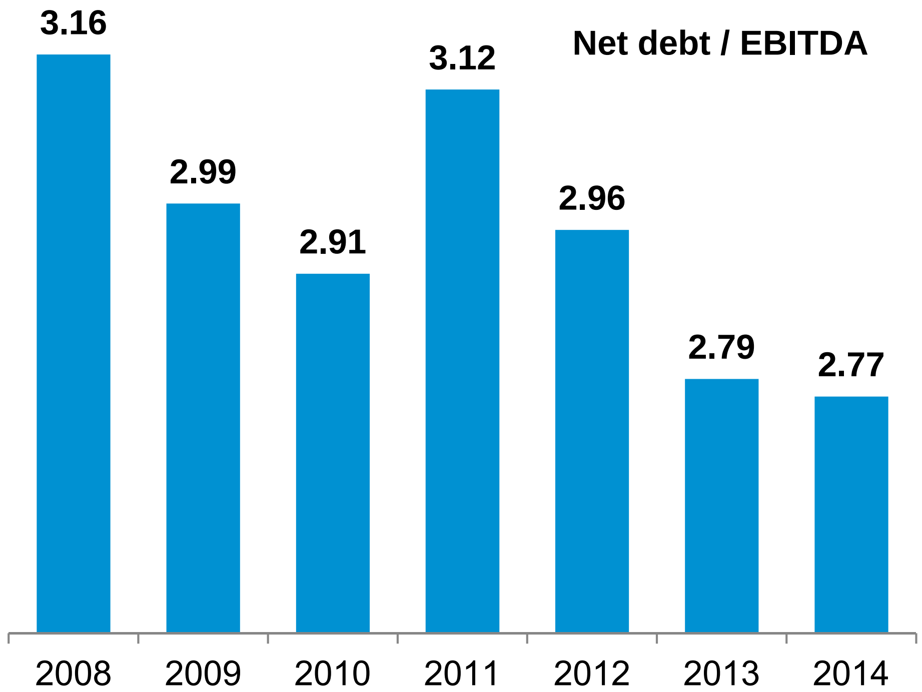
Free Cash Flow before financing activities

EUR million



- Free Cash Flow before financing activities continues to increase and maintained at 39% of revenue
- Deleveraging delivering 47.6% CAGR since 2011

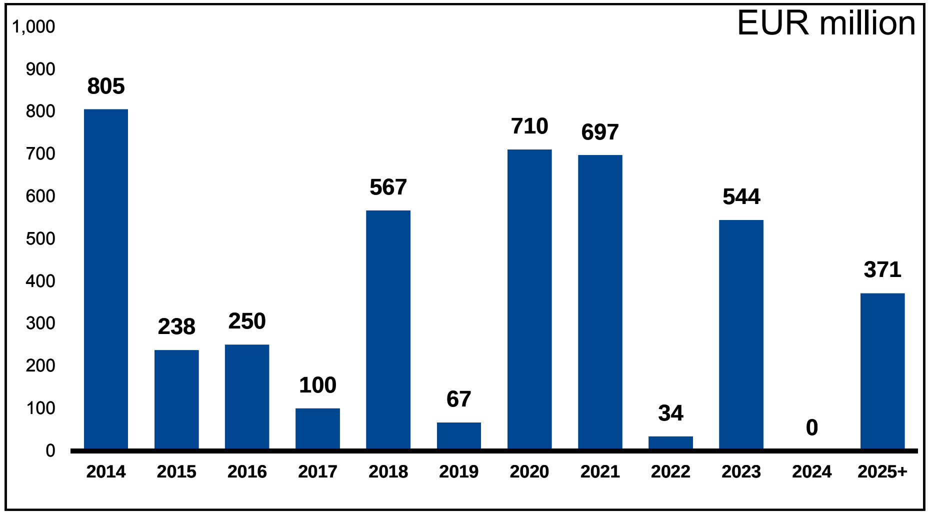
Deleveraging



- Indebtedness is further reducing following free cash flow generation
- Operational deleveraging by 17 bps (at constant FX) versus 31 December 2013
- Threshold of 3.3 times to be maintained in order to keep investment grade
- Sound and well balanced financing and liquidity levels in place

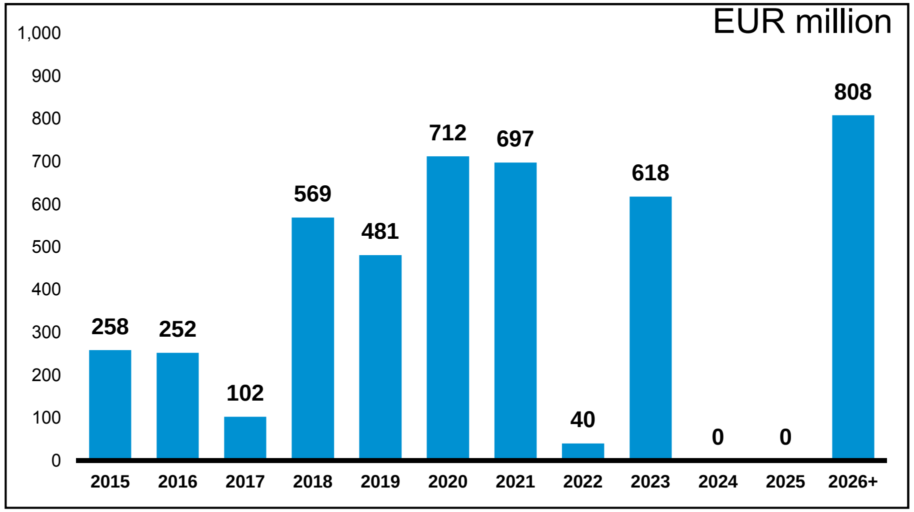
Sound and well balanced financing and liquidity

31 December 2013



Total debt: **EUR 4,382 million** (EURUSD 1.38) Cash: **EUR 544 million**

31 December 2014



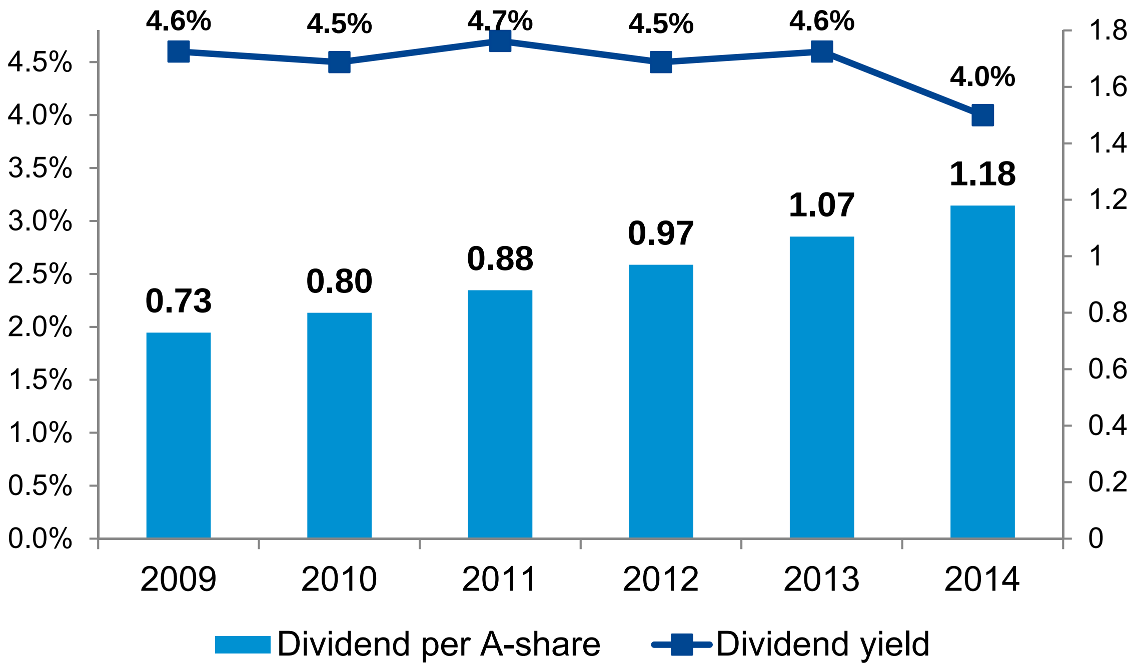
Total debt: **EUR 4,537 million** (EURUSD 1.21) Cash: **EUR 535 million**

<u>Highlights in 2014</u>

- SES completed closing of a renewal of the EUR 1.2 billion revolving credit facility for a 5 year period
- SES completed its second USD bond offering and sold USD 500 million notes at 2.50% due 2019 and USD 500 million at 5.30% due in 2044
- Repayment of a EUR 650 million bond in July 2014
- Exercised the extension option of the Clubdeal loan facility

Debt maturity extended from 6.4 years to 8.7 years

Dividends



- Dividend per A-share for 2014 of EUR 1.18 proposed, a 10% increase
- 2014 Dividend yield of 4.0%
- Shareholder return of approximately EUR 2.3 billion over 2009-2014

Note: Dividend yields calculated using year end closing price

Positive medium-term growth outlook

	Revenue	EBITDA
2015 growth(1)	Up to 1%	Up to 1%
2014-2016 CAGR(1)	3.5% - 4%	3.5% - 4%

- 2015 a year of continued building for future growth:
  - Revenue and EBITDA growth driven by commercialisation of existing capacity
  - Lower level of outright transponder sales compared with 2014
  - EBITDA margin over 82% for infrastructure; services between 14%-18%
  - Depreciation (excl. Amortisation) EUR 500-530 million(2)
  - Effective tax rate within range of 13%-18%
  - Share of associates' (principally O3b) loss expected to be around EUR 100 million(2)
  - Net Debt/EBITDA ratio maintained below 3.3 times

1) At constant FX (relative to FY 2014 figures), assuming no changes to current satellite launch schedule or fleet health status
2) Based on EUR 1: USD 1.20

Summary

- Continuing to grow our core video business
- Building for future growth based on two successful satellite launches in 2014 and seven new satellites to be launched by end-2017
- Leading satellite / space technology innovations
- Reinforced position in established and targeted developing markets
- Further investments in high growth markets and applications, leveraging SES's differentiating competencies

Assemblée Générale Annuelle de SES
Jeudi 2 avril 2015 à 10 heures 30

Point 6 de l'ordre du jour

Présentation du rapport du réviseur d'entreprises.

* * *

Agenda item 6

Presentation of the audit report.

SES
Château de Betzdorf
L-6815 Betzdorf

RCS Luxembourg B 81267

Consolidated financial statements as at December 31, 2014 and Independent auditor's report

Contents

Audit report

To the Shareholders of
SES S.A.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of SES S.A. and its subsidiaries and associates (the "Group") which comprise the consolidated statement of financial position as at 31 December 2014, and the consolidated statements of income, comprehensive income, cash flows and changes in shareholders' equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated financial statements

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

Responsibility of the "Réviseur d'entreprises agréé"

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

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

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

PricewaterhouseCoopers, Société coopérative, 2 rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg
T: +352 494848 1, F:+352 494848 2900, www.pwc.lu

Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as of 31 December 2014, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

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

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 19 February 2015

Gilles Vanderweyen

Consolidated income statement
For the year ended December 31, 2014

In millions of euros		**2014**	2013
Revenue	Note 4	**1,919.1**	1,862.5
Cost of sales	Note 5	**(173.5)**	(179.6)
Staff costs	Note 5	**(194.5)**	(185.8)
Other operating expenses	Note 5	**(123.1)**	(132.4)
Operating expenses	Note 5	**(491.1)**	(497.8)
EBITDA[1]		**1,428.0**	1,364.7
Depreciation expense	Note 12	**(491.6)**	(466.5)
Amortisation expense	Note 14	**(53.8)**	(47.0)
Operating profit	Note 4	**882.6**	851.2
Finance income	Note 7	**33.8**	9.6
Finance costs	Note 7	**(188.8)**	(183.1)
Net financing costs		**(155.0)**	(173.5)
Profit before tax		**727.6**	677.7
Income tax income/(expense)	Note 8	**(85.2)**	(87.5)
Profit after tax		**642.4**	590.2
Share of joint ventures and associates' result, net of tax	Notes 3, 15	**(39.0)**	(21.7)
Profit for the year		**603.4**	568.5
Attributable to:			
Owners of the parent		**600.8**	566.5
Non-controlling interests		**2.6**	2.0
		603.4	568.5
Earnings per share (in euro)[2]			
Class A shares	Note 10	**1.49**	1.41
Class B shares	Note 10	**0.59**	0.56

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

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

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

Consolidated statement of comprehensive income
For the year ended December 31, 2014

In millions of euros		**2014**	2013
Profit for the year		**603.4**	568.5
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligation		**(5.1)**	3.8
Income tax effect		**1.8**	(1.3)
Remeasurements of post employment benefit obligation, net of tax		**(3.3)**	2.5
Total items that will not be reclassified to profit or loss		**(3.3)**	2.5
Items that may be reclassified subsequently to profit or loss			
Impact of currency translation	Note 9	**588.6**	(235.0)
Income tax effect	Note 9	**13.0**	3.8
Total impact of currency translation, net of tax		**601.6**	(231.2)
Investment hedge		**(225.9)**	45.8
Income tax effect		**67.3**	(13.7)
Total net investment hedge, net of tax		**(158.6)**	32.1
Net movements on cash flow hedges		-	(1.8)
Income tax effect		-	0.5
Total net movements on cash flow hedges, net of tax		-	(1.3)
Total items that may be reclassified subsequently to profit or loss		**443.0**	(200.4)
Total other comprehensive loss for the year, net of tax		**439.7**	(197.9)
Total comprehensive income for the year, net of tax		**1,043.1**	370.6
Attributable to:			
Owners of the parent		**1,030.8**	370.1
Non-controlling interests		**12.3**	0.5
		1,043.1	370.6

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

Consolidated statement of financial position
As at December 31, 2014

In millions of euros		**2014**	2013
Non-current assets			
Property, plant and equipment	Note 12	**4,341.6**	3,747.7
Assets in the course of construction	Note 13	**684.8**	1,099.8
Total property, plant and equipment		**5,026.4**	4,847.5
Intangible assets	Note 14	**3,307.3**	2,750.3
Investments in joint ventures and associates	Notes 3, 15	**93.1**	141.8
Other financial assets	Note 16	**37.4**	3.9
Trade and other receivables	Note 17	**60.3**	65.5
Deferred tax assets	Note 8	**122.2**	95.7
Total non-current assets		**8,646.7**	7,904.7
Current assets			
Inventories		**5.3**	6.4
Trade and other receivables	Note 17	**691.5**	586.6
Prepayments		**38.8**	37.4
Derivatives	Note 18	**-**	9.5
Income tax receivable		**45.3**	-
Cash and cash equivalents	Note 20	**524.5**	544.2
Total current assets		**1,305.4**	1,184.1
Total assets		**9,952.1**	9,088.8
Equity			
Attributable to the owners of the parent	Note 21	**3,404.7**	2,820.7
Non-controlling interests		**84.9**	78.2
Total equity		**3,489.6**	2,898.9
Non-current liabilities			
Loans and borrowings	Note 23	**4,227.6**	3,542.2
Provisions	Note 24	**140.5**	129.0
Deferred income	Note 25	**335.1**	227.8
Deferred tax liabilities	Note 8	**676.5**	645.3
Other long-term liabilities	Note 26	**23.6**	59.7
Total non-current liabilities		**5,403.3**	4,604.0
Current liabilities			
Loans and borrowings	Note 23	**258.5**	803.7
Provisions	Note 24	**43.8**	12.6
Deferred income	Note 25	**410.6**	385.6
Trade and other payables	Note 26	**335.3**	341.4
Income tax liabilities	Note 8	**11.0**	42.6
Total current liabilities		**1,059.2**	1,585.9
Total liabilities		**6,462.5**	6,189.9
Total equity and liabilities		**9,952.1**	9,088.8

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

Consolidated statement of cash flows
For the year ended December 31, 2014

In millions of euros		**2014**	2013
Profit before tax		**727.6**	677.7
Taxes paid during the year	Note 8	**(88.7)**	(30.6)
Finance costs, net	Note 7	**162.8**	147.7
Depreciation and amortisation	Notes 12, 14	**545.4**	513.5
Amortisation of client upfront payments		**(58.0)**	(42.3)
Other non-cash items in the consolidated income statement		**26.3**	24.2
Consolidated operating profit before working capital changes		**1,315.4**	1,290.2
(Increase)/decrease in inventories		**3.9**	1.3
(Increase)/decrease in trade and other receivables		**21.2**	(211.6)
(Increase)/decrease in prepayments and deferred charges		**(5.7)**	2.9
Increase/(decrease) in trade and other payables		**(43.3)**	(60.3)
Increase/(decrease) in payments received on account		**(16.3)**	(21.2)
Increase/(decrease) in upfront payments and deferred income		**(35.7)**	147.2
Changes in working capital		**(75.9)**	(141.7)
Net operating cash flow		**1,239.5**	1,148.5
Cash flow from investing activities			
Net disposal/(purchase) of intangible assets	Note 14	**(129.9)**	(5.5)
Purchase of tangible assets	Notes 12, 13	**(324.2)**	(377.5)
Disposal of tangible assets	Note 12	**1.3**	0.2
Investment in subsidiaries and equity-accounted investments	Note 15	**(18.3)**	–
Proceeds from disposal of subsidiaries and joint ventures	Note 3	**-**	15.5
Loan granted to associate	Note 15	**(42.5)**	(12.3)
Repayment of loan to associate	Note 15	**-**	14.2
Settlement of net investment hedge instruments	Note 19	**13.1**	(57.0)
Other investing activities		**(0.6)**	0.1
Net cash absorbed by investing activities		**(501.1)**	(422.3)
Cash flow from financing activities			
Proceeds from borrowings	Note 23	**707.9**	1,769.5
Repayment of borrowings	Note 23	**(808.6)**	(1,587.1)
Dividends paid on ordinary shares, net of dividends received	Note 11	**(433.1)**	(390.2)
Dividends paid to non-controlling interest		**(5.6)**	(5.6)
Interest on borrowings	Note 23	**(188.5)**	(180.3)
Acquisition of treasury shares		**(121.5)**	(22.9)
Proceeds from treasury shares sold and exercise of stock options		**92.4**	44.7
Net cash absorbed by financing activities		**(757.0)**	(371.9)
Net foreign exchange movements		**(1.1)**	(50.1)
Net (decrease)/increase in cash		**(19.7)**	304.2
Net cash at beginning of the year (Note 20)	Note 20	**544.2**	240.0
Net cash at end of the year (Note 20)	Note 20	**524.5**	544.2

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

Consolidated statement of changes in shareholders' equity
For the year ended December 31, 2014

In millions of euros	Issued capital	Share premium	Treasury shares	Other reserves	Retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Total	Non-controlling interests	Total Equity
At January 1, 2014	**633.0**	**595.9**	**(29.6)**	**1,917.9**	**562.4**	**(1.4)**	**(857.5)**	**2,820.7**	**78.2**	**2,898.9**
Result for the year	–	–	–	–	600.8	–	–	600.8	2.6	603.4
Other comprehensive income (loss)	–	–	–	(3.3)	–	–	433.3	430.0	9.7	439.7
Total comprehensive income (loss) for the year	**–**	**–**	**–**	**(3.3)**	**600.8**	**–**	**433.3**	**1,030.8**	**12.3**	**1,043.1**
Allocation of 2013 result	–	–	–	129.3	(129.3)	–	–	–	–	–
Dividends paid[1]	–	–	–	–	(433.1)	–	–	(433.1)	(5.6)	(438.7)
Purchase of treasury shares	–	–	(121.5)	–	–	–	–	(121.5)	–	(121.5)
Share-based payment adjustment	–	–	–	11.3	–	–	–	11.3	–	11.3
Exercise of stock options	–	–	115.9	(20.5)	–	–	–	95.4	–	95.4
Other movements	–	(2.4)	2.4	(0.3)	–	1.4	–	1.1	–	1.1
At December 31, 2014	**633.0**	**593.5**	**(32.8)**	**2,034.4**	**600.8**	–	**(424.2)**	**3,404.7**	**84.9**	**3,489.6**

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

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

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

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

Consolidated financial statements

Notes to the consolidated financial statements
December 31, 2014

Note 1 – Corporate information

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

The consolidated financial statements of SES for the year ended December 31, 2014 were authorised for issue in accordance with a resolution of the directors on February 19, 2015. Under Luxembourg Law the financial statements are approved by the shareholders at the annual general meeting.

Note 2 – Summary of significant accounting policies

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and endorsed by the European Union (IFRS), as at December 31, 2014.

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

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS, effective from January 1, 2014 and adopted by the Group:

IFRS 10 Consolidated financial statements

Under IFRS 10, subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The Group has assessed the implication of the application of IFRS 10 on its subsidiaries and associates.

In that respect, it is noted that one of the subsidiaries of the Group, SES Government Solutions, Inc., U.S.A. ("SES GS") is subject to specific governance rules and is managed through a Proxy Agreement, which was agreed with the Defense Security Service ("DSS") (the government entity responsible for the protection of information which is shared with industry that is deemed classified or sensitive with respect to the national security of the United States of America) of the US Department of Defense ("DOD"). A proxy agreement is an instrument intended to 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 DSS

The DSS required that SES GS enter into a proxy agreement because it is indirectly owned by SES and SES GS has contracts with the DOD which contain certain classified information. The Proxy Agreement enables SES GS to participate in such contracts with the U.S. Government despite being owned by a non-U.S. corporation.

As a result of the Proxy Agreement, certain limitations are placed on the information which may be shared, and the interaction which may occur, between SES GS and other SES Group companies. The Proxy Holders, besides acting as directors of SES GS, are entitled to vote in the context of a trust relationship with SES on whose basis their activity is performed in the interest of SES's shareholders and of U.S. national security.

The Company's assessment of the allocation of powers over the relevant activities of SES GS encompassed the activities of operating and capital decision making, the appointment and remuneration of key management, and the exposure to the variability of financial returns based on the financial performance of SES GS.

Based on its assessment, the Company concluded that, from an IFRS 10 perspective, SES has and is able to use powers over the relevant activities of SES GS and has an exposure to variable returns from its involvement in SES GS, consistent with an assumption of control.

Therefore the adoption of IFRS 10 did not have any impact on the financial position of the Group.

IFRS 11 Joint arrangements

IFRS 11 focuses on the contractual rights and obligations of the parties to the arrangement rather than its legal structure. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses under the appropriate headings. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted. As at 31 December, 2014, the Group does not have any joint arrangements. Therefore, the adoption of this standard did not have any impact on the financial position or performance of the Group.

IFRS 12 Disclosures of interests in other entities

IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. The consolidated financial statements have been prepared in accordance with this standard refer to Note 15 and Note 32 for further details. The adoption of this standard did not have any impact on the financial position or performance of the Group.

IFRIC 21 Levies

IFRIC 21 sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 Provisions. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognised. This standard became effective for annual periods beginning on or after January 1, 2014. The Group is not currently subjected to significant levies so the impact on the Group is not material.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its controlled subsidiaries, after the elimination of all material inter-company transactions. Subsidiaries are consolidated from the date the Company obtains control until such time as control ceases. Acquisitions of subsidiaries are accounted for using the purchase method of accounting. The financial statements of subsidiaries and affiliates are prepared for the same reporting period as the Company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. For details regarding the subsidiaries included in the consolidated financial statements see Note 32.

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

A change in the ownership's interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

When the group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

Investments in joint arrangements

Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Joint ventures are accounted for using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

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

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

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

The Group ceases to use the equity method of accounting on the date from which it no longer has joint control over the joint venture or when the investment is classified as held for sale.

Investments in associates

The Group has investments in associates which are accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence but not control.

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

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

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

Adjustments are made to bring in line any dissimilar accounting policies that may exist. Where differences arise in the reporting dates the Group adjusts the financial information of the associate for significant transactions in the intervening period.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the income statement.

The Group ceases to use the equity method of accounting on the date from which it no longer has significant influence over the associate, or when the interest becomes classified as an asset held for sale.

Significant accounting judgments and estimates

1) Judgments

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

(i) Treatment of orbital slot licence rights

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

(ii) Taxation

The Group operates in numerous tax jurisdictions and management is required to assess tax issues and exposures across its entire operations and to accrue for potential liabilities based on its interpretation of country-specific tax law and best estimates. In conducting this review management assesses the magnitude of the issue and the likelihood, based on experience and specialist advice, as to whether it will result in a liability for the Group. If this is deemed to be the case then a provision is recognised for the potential taxation charges. A corresponding provision of EUR 147.5 million (2013: EUR 98.0 million) is recorded in the Statement of Financial Position as at December 31, 2014 under non-current 'Provisions', for EUR 103.7 million (2013: EUR 85.4 million), and current 'Provisions' for EUR 43.8 million (2013: EUR 12.6 million).

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

(iii) Consolidation of entities in which the Group holds less than 50%

Management has concluded that the Group controls Al Maisan Satellite Communication LLC ('Al Maisan'), even though it holds less than half of the voting rights of this subsidiary. The Group has the majority of the voting rights on the Board of Directors of Al Maisan and there is no other entity owning potential voting rights that could question SES' control.

SES has power over relevant activities of Al Maisan, such as budget approval, appointment and removal of the CEO and senior management team as well as the power to appoint or remove the majority of the Board members. The entity is therefore consolidated with a 65% of non-controlling interest.

(iv) Investment in O3b Networks Limited ('O3b Networks')

Management has assessed the level of influence that the Group has on O3b Networks and determined that it has significant influence. This is because the Group neither appoints the majority of the Board members of O3b Networks, nor controls a simple majority for shareholder resolutions. Although SES is acting as a consultant to O3b Networks (through some technical and commercial committees), such consultancy role does not provide control over the relevant activities of O3b Networks and there is no "de facto" control over O3b Networks.

Consequently, this investment has been classified as an associate.

2) Estimation uncertainty

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

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

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

(ii) Impairment testing for space segment assets

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

In January 2015, the AMC-15 satellite suffered a tenth solar array circuit failure (of the 24 circuits on board) which will reduce the number of transponders which can be operated on the satellite. Reflecting the impact of this reduction in commercial capacity on future cash generation, an impairment charge of EUR 6.7 million was recorded on AMC-15 in December 2014.
The net book value of AMC-15 after impairment is now EUR 70.9 million.

Business combinations

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

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

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

Property, plant and equipment

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

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

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

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

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

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

Assets in the course of construction

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

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

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

Borrowing costs

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

Intangible assets

1) Goodwill

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

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

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

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

2) Other intangibles

(i) Orbital rights

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

(ii) Software and development costs

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

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

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

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

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

Impairment of other non-financial assets

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

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

Investments and other financial assets

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

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

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

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

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

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

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

2) **Loans and receivables**

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

Impairment of financial assets carried at amortised cost

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

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

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

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

Inventories

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

Trade and other receivables

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

Treasury shares

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

Cash and cash equivalents

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

Revenue recognition

The Group generates its revenues through two complementary channels: the direct commercialisation to customers of its extensive satellite assets and ground network, which is what the Group refers to as its "Infrastructure" operations; and, through the provision of satellite-related products and services which are designed to generate additional markets for capacity on the satellite fleet (for example through the provision of digital platform services and retail two-way internet broadband access offerings) or to separately monetise skills and assets available in the Infrastructure operations, such as through the provision of engineering services. This latter group of businesses is what the Group refers to as its "Services" business.

In the Infrastructure operations, revenues are generated predominantly from customer service agreements for the provision of satellite capacity over agreed periods by station-kept satellites at the Group's primary orbital positions. The Group also includes as Infrastructure revenue income received from the following type of services: revenues arising under operating leases; occasional use revenues; uplinking and downlinking operations; income received in connection with satellite interim missions; and, proceeds from the sale of transponders if the revenue recognition criteria for the transaction are met. Other income received in connection with settlements under insurance claims or disputes with satellite manufactures are also included as part of revenue due to their relative insignificance.

All amounts received from customers under service agreements or operating lease contracts for satellite capacity are recognised on a straight-line basis at the fair value of the consideration received or receivable over the duration of the respective contracts - including any free-of-charge periods which may be included in the contract. Occasional use revenues, uplinking and downlinking revenues and interim mission revenues are recognised in the period that the service is delivered. The proceeds of transponder sales are recognised in the period of the transaction. Income received in connection with insurance and legal settlements are recognised in the period when they become receivable by the Group

Customer payments received in advance of the provision of service are recorded as deferred income in the statement of financial position, and for significant advance payments, interest is accrued on the amount received at the effective interest rate at the time of receipt. The unbilled portion of recognised revenues is disclosed within 'Trade and other receivables', allocated between current and non-current as appropriate.

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

Concerning revenue recognition in the Services operations, and specifically in the area of engineering services, the Group applies a percentage of completion analysis to allocate revenue arising on long-term construction contracts appropriately between the accounting periods concerned assuming the outcome can be estimated reliably.

Dividends

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

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount has been reliably estimated.

Borrowings

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

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

Current taxes

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

Deferred taxes

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

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

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

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

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

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

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

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

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

Translation of foreign currencies

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

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

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

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

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

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

1 euro =	**Average rate for 2014**	**Closing rate for 2014**	Average rate for 2013	Closing rate for 2013
USD	**1.3348**	**1.2141**	1.3259	1.3791

Basic and diluted earnings per share

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

Derivative financial instruments and hedging

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

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

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

1) Fair value hedges
   In relation to fair value hedges (for example interest rate swaps on fixed-rate debt), any gain or loss from remeasuring the hedging instrument at fair value is recognised immediately in the income statement as finance income or cost. The gain or loss relating to the ineffective portion of the hedge instrument is recognised in the income statement within finance costs.

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

3) Hedge of a net investment in a foreign operation

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

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

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

Derecognition of financial assets and liabilities

1) Financial assets

   A financial asset is derecognised where:

   – the right to receive cash flows from the asset has expired;
   – the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass- through’ arrangement; or
   – the Group has transferred its rights to receive cash flows from the asset and either
     a) has transferred substantially all the risks and rewards of the asset, or
     b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of that asset.

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

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

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2) Financial liabilities

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

Accounting for pension obligations

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

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

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

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

Past-service costs are recognised immediately in income statement.

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

Equity-settled share-based payments schemes

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

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

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

Leases

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

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

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

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are relevant for the Group and effective for annual periods beginning after January 1, 2014, and have not been early adopted in preparing these consolidated financial statements:

IFRS 9 Financial instruments

IFRS 9, ‘Financial instruments’, addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income and fair value through P&L. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in Other Comprehensive Income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the ‘hedged ratio’ to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after January 1, 2018. This standard has not yet been endorsed by the European Union. Early adoption is permitted. The Group is yet to assess IFRS 9’s full impact.

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

This amendment clarifies the application of IAS19, ‘Employee Benefits’ (2011) – referred to as IAS19 Employee Benefits (revised), to plans that require employees or third parties to contribute towards the cost of benefits. The amendment clarifies that the benefit of employee contributions linked to the length of services is recognised in profit or loss over the employee’s working life. Contributions that are not linked to service are reflected in the measurement of the benefit obligation. The amendment does not affect the accounting for voluntary contributions. The Group does not expect this amendment to have a material impact and intends to adopt from January 2015.

IFRS 15 Revenue from contracts with customers

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. This standard has not yet been endorsed by the European Union. The Group is currently assessing the impact of IFRS 15.

As part of its annual improvement project, the IASB slightly amended various standards. The improvements 2013 and 2014 focus on areas of inconsistencies in IFRSs or where clarification of wording was required. The effective date of these amendments is July 1, 2015. The Group does not expect any significant impact of these amendments on its consolidated financial statements. These amendments have not yet been adopted by the European Union.

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

Note 3 – Interest in a joint venture

There are no joint ventures owned by the Group as at December 31, 2014.

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

The share of assets, liabilities, income and expenses of the joint venture as at the date of disposal and for the period then ended, which is included in the consolidated financial statements, is as follows:

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

Note 4 – Operating segment

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.

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

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

The level of integration of the Group's infrastructure operations has lead Management to conclude that there is only one cash generating unit to which the goodwill and other indefinite-life intangibles are allocated for impairment test purposes.

When analysing the performance of the operating segment the comparative prior year figures are recomputed using the exchange rates applying for each month in the current period. These prior year figures are being presented at 'constant FX'.

The segment's financial results for 2014 and 2013 are set out below.

In millions of euros	**2014**	Constant FX 2013	Change Favourable + / Adverse
Revenue	**1,919.1**	1,844.9	+4.0%
Operating expenses	**(491.1)**	(485.0)	-1.3%
EBITDA	**1,428.0**	1,359.9	+5.0%
EBITDA margin (%)	**74.4%**	73.7%	+0.7% pts
Depreciation	**(491.6)**	(464.0)	-5.9%
Amortisation	**(53.8)**	(48.0)	-12.3%
Operating profit	**882.6**	**847.9**	+4.1%

In millions of euros	**2013**	Constant FX 2012	Change Favourable + / Adverse -
Revenue	**1,862.5**	1,801.6	+3.4%
Operating expenses	**(497.8)**	(473.7)	-5.1%
EBITDA	**1,364.7**	1,327.9	+2.8%
EBITDA margin (%)	**73.3%**	73.7%	-0.4% pts
Depreciation	**(466.5)**	(505.9)	+7.8%
Amortisation	**(47.0)**	(40.5)	-16.0%
Operating profit	**851.2**	**781.5**	+8.9%

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

In millions of euros	**2014**	2013	Change Favourable + / Adverse -
Europe	**1,017.7**	933.1	+9.1%
North America	**341.7**	395.0	-13.5%
International	**559.7**	516.8	+8.3%
Total	**1,919.1**	1,844.9	+4.0%

The Group's revenues from external customers is also analysed between the Infrastructure and Services elements. Sales between the two, mainly sales of Infrastructure capacity to Services businesses, are eliminated on consolidation.

2014 *In millions of euros*	**Infra-structure**	**Services**	**Elim. / unalloc.**	Total
Revenue	1,643.3	455.7	(179.9)	1,919.1

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

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

In millions of euros	**2014**	2013
Luxembourg (SES country of domicile)	**38.4**	38.0
United States of America	**489.4**	513.3
Germany	**397.3**	336.6
United Kingdom	**294.9**	297.3
France	**153.0**	98.3
Others	**546.1**	579.0
Total	**1,919.1**	1,862.5

No single customer accounted for 10% or more of total revenue in 2014 or 2013.

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

In millions of euros	**2014**	2013
Luxembourg (SES country of domicile)	**2,432.3**	2,274.7
United States of America	**2,760.3**	2,547.4
The Netherlands	**1,381.4**	1,226.8
Isle of Man	**1,145.4**	961.1
Sweden	**250.0**	282.2
Others	**364.3**	311.6
Total	**8,333.7**	7,603.8

Note 5 – Operating expenses

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

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

In millions of euros	**2014**	2013
Costs associated with European Services business	**(92.7)**	(81.1)
Rental of third-party satellite capacity	**(39.3)**	(59.8)
Customer support costs	**(13.4)**	(14.4)
Other cost of sales	**(28.1)**	(24.3)
Total cost of sales	**(173.5)**	(179.6)

2) Staff costs in the amount of EUR 194.5 million (2013: EUR 185.8 million) include gross salaries and employer's social security payments, payments into pension schemes for employees, and charges arising under share-based payment schemes. At the year end the total full-time equivalent members of staff is 1,237 (2013: 1,237).

3) Other operating expenses in the amount of EUR 123.1 million (2013: EUR 132.4 million) are by their nature less variable to revenue development. Such costs include facility costs, in-orbit insurance costs, marketing expenses, general and administrative expenditure, consulting charges, travel-related expenditure and movements in provisions for debtors.

Note 6 – Audit and non-audit fees

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

In millions of euros	**2014**	2013
Fees for statutory audit of annual and consolidated accounts	**1.5**	1.5
Fees charged for other assurance services	**0.2**	0.2
Fees charged for tax services	**0.4**	0.6
Fees charged for other non-audit services	**0.2**	0.2
Total audit and non-audit fees	**2.3**	2.5

Note 7 – Finance income and costs

In millions of euros	**2014**	2013
Finance income		
Interest income	**13.2**	5.3
Net foreign exchange gains	**20.6**	4.3
Total	**33.8**	9.6
Finance costs		
Interest expenses on loans and borrowings (net of amounts capitalised)	**(189.9)**	(174.6)
Value adjustments on financial assets	**1.1**	(8.5)
Total	**(188.8)**	(183.1)

Net foreign exchange gains mostly relates to revaluation of USD denominated bank accounts and deposits.

Note 8 – Income taxes

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

In millions of euros	**2014**	2013
Consolidated income statement		
Current income tax		
Current income tax charge	**(141.5)**	(95.2)
Adjustments in respect of prior periods	**9.6**	18.9
Foreign withholding taxes	**(11.0)**	(8.3)
Total current income tax	**(142.9)**	(84.6)
Deferred income tax		
Relating to origination and reversal of temporary differences	**54.8**	(8.4)
Relating to tax losses brought forward	**7.8**	6.8
Changes in tax rate	**7.0**	5.9
Adjustment of prior years	**(11.9)**	(7.2)
Total deferred income tax	**57.7**	(2.9)
Income tax income/(expense) per consolidated income statement	**(85.2)**	(87.5)
Consolidated statement of changes in equity		
Current and Deferred Income tax related to items (charged) or credited directly in equity		
Post-employment benefit obligation	**1.8**	(1.3)
Impact of currency translation	**13.0**	3.8
Investment hedge	**67.3**	(13.7)
Cash flow hedge	**-**	0.5
Current and Deferred Income taxes reported in equity	**82.1**	(10.7)

A reconciliation between the income tax expense and the profit before tax of the Group multiplied by a theoretical tax rate of 29.97% (2013: 29.97%) which corresponds to the Luxembourg domestic tax rate for the year ended December 31, 2014 is as follows:

In millions of euros	**2014**	2013
Profit before tax from continuing operations	**727.6**	677.7
Multiplied by theoretical tax rate of 29.97%	**218.0**	203.1
Effect of different foreign tax rates	**(48.9)**	(65.1)
Investment tax credits	**(13.6)**	(35.7)
Tax exempt income	**(17.7)**	(11.3)
Non deductible expenditures	**1.7**	3.9
Taxes related to prior years	**(4.1)**	12.4
Effect of changes in tax rate	**(8.0)**	(4.6)
Recognition of deferred tax asset on temporary differences related to prior years	**(49.6)**	(6.8)
Group tax provision related to current year	**50.4**	8.4
Reversal of Group tax provision related to prior years	**(24.6)**	(22.0)
Extra-Territorial Income exclusion benefit	**(26.2)**	-
Foreign withholding taxes	**11.0**	**8.3**
Other	**(3.2)**	(3.1)
Income tax reported in the consolidated income statement	**85.2**	87.5

In 2014 a deferred tax asset has been recognized in respect of the transfer of the HD+ business from Luxembourg to Germany in 2013, as management now believes that there is sufficient certainty that future taxable profits will be available to utilize this deferred tax asset. This is recorded under the line item 'Recognition of deferred tax asset on temporary differences related to prior years' in the table above.

In 2014 an Extra-Territorial Income ("ETI") exclusion benefit related to prior years has been booked under a U.S. federal export incentive provision. Whilst the final ETI benefit that the Group is able to claim is still being assessed, an amount of tax income of EUR 26.2 million was recognised in 2014 representing the element of the expected outcome which was sufficiently substantiated at the time of issuing the financial statements.

The increase in the Group tax provision reflects mainly potential liabilities in connection with withholding taxes and arising in connection with intra-Group distributions.

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

In millions of euros	**Deferred tax assets 2014**	Deferred tax assets 2013	**Deferred tax liabilities 2014**	Deferred tax liabilities 2013	**Deferred tax in income 2014**	Deferred tax in income 2013
Losses carried forward	**15.2**	11.8	–	–	**3.4**	(56.7)
Tax credits	**56.8**	103.1	–	–	**(46.3)**	19.6
Intangible assets	**48.9**	–	**252.7**	233.6	**29.8**	21.2
Tangible assets	–	–	**390.4**	403.2	**12.8**	54.3
Employee benefits	**14.1**	14.7	–	–	(0.5)	1.8
Measurement of financial assets and derivatives	**0.1**	–	**18.6**	18.7	**0.2**	(0.1)
Receivables	**9.8**	3.6	–	–	**6.2**	4.0
Tax-free reserves	–	–	**2.4**	3.7	**1.3**	(3.7)
Other provisions and accruals	**0.5**	0.4	**25.0**	11.6	**(10.9)**	4.5
Foreign exchange impact[1]					**61.7**	(47.8)
Total deferred tax as per consolidated income statement	**145.4**	133.6	**689.1**	670.8	**57.7**	(2.9)
Measurement of financial instruments	1.0	1.0	12.1	12.1	–	(13.2)
Employee benefits	0.5	–	–	1.3	**1.8**	(1.3)
Subtotal	**146.9**	134.6	**701.2**	684.2	**59.5**	(17.4)
Offset of deferred taxes	**(24.7)**	(38.9)	**(24.7)**	(38.9)	**-**	–
Total	**122.2**	95.7	**676.5**	645.3	**59.5**	(17.4)

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

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

In addition to the tax losses for which the Group recognised deferred tax assets, the Group has no tax losses as at December 31, 2014 (2013: EUR 1.6 million) that are available indefinitely for offset against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the Group and they have arisen in subsidiaries that are not expected to generate taxable profits against which these losses could be offset in the foreseeable future.

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

Note 9 – Components of other comprehensive income

In millions of euros	**2014**	2013
Impact of currency translation	**588.6**	(235.0)
Income tax effect	**13.0**	3.8
Total impact of currency translation, net of tax	**601.6**	(231.2)

The impact of currency translation in other comprehensive income relates to exchange gains or losses arising on the translation of the results of foreign operations from their functional currency to euro, which is the Company's functional and presentation currency. The assets and liabilities of consolidated foreign operations are translated into euro at the year-end exchange rates, while the income and expense items of these foreign operations are translated at the average exchange rate of the year.

The significant income in the year reflects the impact on the valuation of SES's net U.S. dollar assets of the strengthening of the U.S. dollar against the Euro from 1.3791 to 1.2141. The loss in 2013 reflects the correspondingly adverse impact of the weakening of the U.S. dollar against the Euro from 1.3194 to 1.3791. This effect is partially offset by the net investment hedge (Note 19).

Note 10 – Earnings per share

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

For the year 2014, earnings per share of EUR 1.49 per A share (2013: EUR 1.41), and EUR 0.59 per B share (2013: EUR 0.56) have been calculated on the following basis:

In millions of euros	**2014**	2013
Profit attributable to owners of the parent	**600.8**	566.5

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

	2014	2013
Class A shares (in million)	**336.8**	335.1
Class B shares (in million)	**168.8**	168.8
Total	**505.6**	503.9

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

Note 11 – Dividends paid and proposed

Dividends declared and paid during the year:

In millions of euros	**2014**	2013
Class A dividend (2013: EUR 1.07, 2012: EUR 0.97)	**361.2**	327.5
Class B dividend (2013: EUR 0.43, 2012: EUR 0.39)	**72.3**	65.5
Total	**433.5**	393.0

Dividends proposed for approval at the annual general meeting to be held on April 2, 2015, which are not recognised as a liability as at December 31, 2014:

In millions of euros	**2014**	2013
Class A dividend for 2014: EUR 1.18	**398.4**	361.2
Class B dividend for 2014: EUR 0.47	**79.6**	72.3
Total	**478.0**	433.5

Dividends are paid net of any withholding tax.

Note 12 – Property, plant and equipment

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

In millions of euros	Land and buildings	Space segment	Ground Segment	Other fixtures and fittings, tools and equipment	Total
Cost					
As at January 1, 2014	**185.0**	**8,328.1**	**412.2**	**117.5**	**9,042.8**
Additions	2.6	4.3	13.5	18.5	38.9
Disposals	(0.2)	(0.1)	–	–	(0.3)
Retirements	–	(215.1)*	(14.9)	–	(230.0)
Transfers from assets in course of construction (Note 13)	21.2	697.6**	20.9	4.4	744.1
Transfer	–	–	–	(9.5)	(9.5)
Impact of currency translation	7.9	637.3	14.0	6.5	665.7
As at December 31, 2014	**216.5**	**9,452.1**	**445.7**	**137.4**	**10,251.7**
Depreciation					
As at January 1, 2014	**(114.2)**	**(4,790.0)**	**(298.5)**	**(92.4)**	**(5,295.1)**
Depreciation	(6.1)	(448.8)	(27.6)	(9.1)	(491.6)
Disposals	0.2	–	–	–	0.2
Retirements	–	215.1*	14.4	–	229.5
Transfer	–	–	–	6.8	6.8
Impact of currency translation	(4.2)	(341.3)	(12.1)	(2.3)	(359.9)
As at December 31, 2014	**(124.3)**	**(5,365.0)**	**(323.8)**	**(97.0)**	**(5,910.1)**
Net book value as at December 31, 2014	**92.2**	**4,087.1**	**121.9**	**40.4**	**4,341.6**

* The following satellites have been fully retired during 2014: Astra 1C, NSS 703

** The following satellites have been launched and became operational during 2014: ASTRA 2E, SES-8, and Astra 5B. Astra 2G was launched in 2014.

Note 13 – Assets in the course of construction

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

In millions of euros	Land and Buildings	Space segment	Ground segment	Fixtures, tools & Equipment and intangible assets	Total
Cost and net book value as at January 1, 2014	**17.7**	**1,020.7**	**32.5**	**28.9**	**1,099.8**
Movements in 2014					
Additions	3.8	262.1	16.0	28.0	309.9
Transfers to assets in use (Note 12, 14)	(21.2)	(697.6)	(20.9)	(19.9)	(759.6)
Transfer	–	0.1	0.2	--	0.3
Disposals	–	–	(0.8)	–	(0.8)
Impact of currency translation	(0.1)	32.1	1.4	1.8	35.2
Cost and net book value as at December 31, 2014	**0.2**	**617.4**	**28.4**	**38.8**	**684.8**

Borrowing costs of EUR 23.7 million (2013: EUR 41.1 million) arising from financing specifically relating to the satellite construction were capitalised during the year and are included in additions to 'Space segment' in the above table.

A weighted average capitalisation rate of 4.33% (2013: 4.37%) was used, representing the Group's average weighted cost of borrowing. Excluding the impact of the loan origination costs the average weighted interest rate was 3.95% (2013: 4.13%).

Note 14 – Intangible assets

In millions of euros	Orbital slot licence rights	Goodwill	Definite life intangibles	Total
Cost				
As at January 1, 2013	**759.0**	**1,802.1**	**769.6**	**3,330.7**
Additions	5.3	–	0.6	5.9
Impairment Glocom (1)	–	(3.0)	(2.9)	(5.9)
Transfers	–	–	30.7	30.7
Impact of currency translation	(30.7)	(81.3)	(5.0)	(117.0)
As at December 31, 2013	**733.6**	**1,717.8**	**793.0**	**3,244.4**
Amortisation				
As at January 1, 2013	**–**	**–**	**(454.7)**	**(454.7)**
Amortisation	–	–	(34.2)	(34.2)
Impairment Glocom (1)	–	–	2.2	2.2
Transfers to	–	–	(9.1)	(9.1)
Impact of currency translation	–	–	1.7	1.7
As at December 31, 2013	**–**	**–**	**(494.1)**	**(494.1)**
Book value as at December 31, 2013	**733.6**	**1,717.8**	**298.9**	**2,750.3**

In millions of euros	Orbital slot licence rights	Goodwill	Definite life intangibles	Total
Cost				
As at January 1, 2014	**733.6**	**1,717.8**	**793.0**	**3,244.4**
Additions	89.8	10.9	169.8	270.5
Transfers from assets in course of construction (Note 13)	--		15.5	15.5
Transfers	–	–	9.5	9.5
Impact of currency translation	85.2	228.8	17.6	331.6
As at December 31, 2014	**908.6**	**1,957.5**	**1,005.4**	**3,871.5**
Amortisation				
As at January 1, 2014	**–**	**–**	**(494.1)**	**(494.1)**
Amortisation	–	–	(53.8)	(53.8)
Transfers			(6.8)	(6.8)
Impact of currency translation	–	–	(9.5)	(9.5)
As at December 31, 2014	**–**	**–**	**(564.2)**	**(564.2)**
Book value as at December 31, 2014	**908.6**	**1,957.5**	**441.2**	**3,307.3**

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

As further set out in Note 30, SES has recognised additional intangible assets in 2014 reflecting the economic benefit generated through the clarification of the technical frequency coordination matters at the various orbital positions.

Indefinite-life intangible assets

The indefinite-life intangible assets as at December 31, 2014 have a net book value by cash-generating unit as shown below.

In millions of euros	**2014**		2013	
	Orbital slot licence rights	**Goodwill**	Orbital slot licence rights	Goodwill
SES Infrastructure operations	**908.6**	**1,905.0**	730.8	1,682.7
SES Platform Services	**–**	**35.9**	–	35.9
Others	**–**	**16.6**	2.8	4.5
Total	**908.6**	**1,957.5**	733.6	1,723.1

1) Orbital slot licence rights

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

2) Goodwill

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

Pre-tax discount rates in 2014 are between 6.06% and 8.38% (2013: 6.20% and 7.60% - comparatives adjusted to a comparable pre-tax basis) and were selected to reflect market interest rates and commercial spreads; the capital structure of businesses in the Group’s business sector; and the specific risk profile of the businesses concerned. Terminal growth rates used in the valuations are set at 2%, which reflect the most recent long-term planning assumptions approved by the Board and can be supported by reference to the trading performance of the companies concerned over a longer period.

Impairment testing of goodwill and intangibles with indefinite lives

The calculations of value in use are most sensitive to:

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

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

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

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

- any changes in satellite procurement, launch or cost assumptions.

▪ **Changes in discount rates:**

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

▪ **Growth rate assumptions used to extrapolate cash flows beyond the business planning period:**

  - Rates are based on the commercial experience relating to the CGUs concerned and the expectations for developments in the markets which they serve.
  - As part of standard impairment testing procedures the Company assesses the impact of changes in the discount rates and growth assumptions of the valuation surplus, or deficit as the case may be. Both discount rates and terminal values are simulated up to 2% below and above the CGU's specific rate used in the base valuation. In this way a matrix of valuations is generated which reveals the potential exposure to impairment charges for each CGU based on movements in the valuation parameters which are within the range of outcomes foreseeable at the valuation date.
  - The most recent testing showed that the CGUs tested would have no impairment even in the least favourable case – a combination of lower terminal growth rates and higher discount rates. For this reason management believes that there is no combination of discount rates and terminal growth rates foreseeable at the valuation date which would result in the carrying value of indefinite-life intangible assets materially exceeding their recoverable amount. In addition to the changes in terminal growth rates and discount rates, no other reasonably possible change in another key assumption is expected to cause the CGU's carrying amounts to exceed their recoverable amount.

Definite life intangible assets

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

Note 15 – Investment in associates

O3b Networks

At December 31, 2014, SES has an equity interest of 44.75% in O3b Networks, compared to 46.85% at the end of 2013.

The carrying value of SES's equity interest in O3b Networks as at December 31, 2014 is EUR 93.0 million (2013: EUR 132.8 million), with the decrease reflecting mainly the Group's share of O3b Networks' net loss during the period. The equity investment includes a fair value of EUR 30.9 million in connection with the provision by the Group of funding to O3b Networks at conditions more favourable than market rates.

In July 2014, O3b Networks successfully launched satellites 5 to 8 of its Middle Earth Orbit constellation, followed by the launch of satellites 9 to 12 in December 2014. With these satellites in orbit, the full commercial services of O3b Networks are able to be commercialised.

During the year the company reached agreements with its shareholders and lenders on new financing arrangements, including an agreement with SES in April 2014 for a new Subordinated Shareholder Facility Agreement, and as such the level of uncertainty concerning the going concern of the investment has substantially reduced during 2014.

The Group's share of O3b Networks' assets, liabilities, income and expenses as at December 31, 2014 and 2013 and for the years then ended, which are included in the consolidated financial statements, are as follows:

In millions of euros	**2014**	2013
Non-current assets	**399.3**	367.7
Current assets	**122.2**	34.8
Non-current liabilities	**395.7**	238.2
Current liabilities	**24.0**	19.9
Revenue	**3.7**	0.2
Operating expenses	**(22.3)**	(15.1)
Depreciation and amortisation	**(10.3)**	(9.6)
Finance expense, net	**(11.0)**	(1.1)
Income tax	**-**	(0.2)
Net loss for the year	**(39.8)**	(25.8)
Other comprehensive income / (expenses)	**-**	-
Total comprehensive income	**(39.8)**	(25.8)
Dividends received from associate	**-**	-

As at December 31, 2014 and 2013, O3b Networks has no significant contingent liabilities. As at December 31, 2014, the Group's share in O3b Networks capital commitments, which mainly relate to satellites procurement costs, amounts to EUR 5.7 million (2013: EUR 41.0 million). The Group's share in O3b Networks' operating lease commitments is as follows:

In millions of euros	**2014**	2013
Operating lease commitments		
within one year	**1.5**	1.8
years 2-5	**3.4**	5.6
Thereafter	**0.5**	0.5
Total operating lease commitments	**5.4**	7.9

On December 31, 2014, like on December 31, 2013, the Group held no other significant investments in associates.

ND SatCom

On May 31, 2013, the Group disposed of its remaining 24.9% interest in ND SatCom and set off the amount receivable from ND SatCom against the final selling price. The investment in the Group’s interest in its 24.9% shareholding in ND SatCom was initially recorded at EUR 3.4 million. The share of losses taken for the ten-month period from March to December 2011 resulted in the Group’s interest being reduced to zero as at December 31, 2011.

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

In millions of euros	**2014**	2013
Non-current assets	**--**	--
Current assets	**--**	--
Non-current liabilities	**--**	--
Current liabilities	**--**	--
Revenue	**--**	3.6
Operating expenses	**--**	(4.4)
Depreciation and amortisation	**--**	(0.3)
Finance expense, net	**--**	(0.1)
Share of associate		0.1
Net loss	**--**	(1.1)
Net loss attributed to associate	**--**	(3.1)

Note 16 – Other financial assets

In millions of euros	**2014**	2013
Amounts receivable from associates	**36.5**	2.7
Sundry financial assets	**0.9**	1.2
Total other financial assets	**37.4**	3.9

The 'Amounts receivable from associates' represents two loan facilities granted to O3b Networks, a "Contingent Equity" loan of USD16.0 million and a Subordinated Shareholder Facility Agreement ('SSFA') agreed with the SES Group in April 2014 for an amount of USD 53.2 million.

The "Contingent Equity" loan was drawn down by O3b Networks in 2013, with the SSFA facility being drawn in 2014. The SSFA facility replaced an (undrawn) Sales Underwrite facility in the amount of USD 50.0 million which had been agreed in a previous financing round.

Since the SSFA facility is provided on terms closer to market terms than the previous facility, an amount of EUR 9.5 million has been released through finance income in 2014.

At the year end the gross outstanding receivable amount from O3b Networks is EUR 58.0 million while its amortized cost is EUR 36.5 million.

Note 17 – Trade and other receivables

In millions of euros	**2014**	2013
Net trade debtors	**377.0**	355.9
Unbilled accrued revenue	**311.2**	223.5
Other receivables	**63.6**	72.7
Total trade and other receivables	**751.8**	652.1
Of which: Non-current	**60.3**	65.5
Of which: Current	**691.5**	586.6

Unbilled accrued revenue represents revenue for use of satellite capacity under long-term contracts but not billed. Billing will occur based on the terms of the contracts. There is a current and non-current portion for unbilled accrued revenue. The non-current portion amounts to EUR 60.3 million (2013: EUR 65.5 million).

An amount of EUR 17.3 million was expensed in 2014 reflecting an increase in the debtor's provisions (2013: EUR 9.2 million). This amount is recorded in 'Other operating charges'. As at December 31, 2014, trade receivables with a nominal amount of EUR 37.2 million (2013: EUR 17.7 million) were impaired and fully provided for. Movements in the provision for the impairment of receivables were as follows:

In millions of euros	**2014**	2013
As at January 1	**17.7**	19.0
Increase in debtor's provision for the year	**17.3**	9.2
Utilised	**(0.2)**	(10.1)
Impact of currency translation	**1.6**	(0.4)
Other movements	**0.8**	--
As at December 31	**37.2**	17.7

Note 18 – Financial instruments

Fair value estimation and hierarchy

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

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

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

There were no financial assets or liabilities that are measured at fair value at December 31, 2014. The following table presents the Group's financial assets and liabilities that are measured at fair value at December 31, 2013.

As at December 31, 2013

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

A change in the Group's credit default rate by +/- 5% would only marginally impact profit and loss.

Set out below is an analysis of financial derivatives by category:

	December 31, 2014		December 31, 2013	
In millions of euros	**Fair value asset**	**Fair value liability**	Fair value asset	Fair value liability
Net investment hedges:	–	–	9.5	–
Cross currency swaps	–	–	9.5	–
Total valuation of financial derivatives	–	–	9.5	–
Of which: Non-current	–	–	–	–
Of which: Current	–	–	9.5	–

Fair values

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

All loans and borrowings are measured at amortised cost.

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

As at December 31, 2014

In millions of euros	Fair value hierarchy	Carried at amortised cost Carrying amount	 Fair value	Carried at fair value Carrying amount	Total Balance Sheet
As at December 31, 2014					
Financial assets					
Non-current financial assets:					
Trade and other receivables		60.3	60.3	–	60.3
Loans and receivables		37.4	37.4	–	37.4
Total non-current financial assets		97.7	97.7	–	97.7
Current financial assets:					
Trade and other receivables		691.5	691.5	–	691.5
Cash and cash equivalents		524.5	524.5	–	524.5
Total current financial assets		1,216.0	1,216.0	–	1,216.0
Financial liabilities					
Loans and borrowings:					
At floating rates:					
Syndicated loan 2020*	2	–	–	–	–
COFACE	2	406.4	406.4		406.4
At fixed rates:					
Eurobond 2018 (EUR 500 million)	2	494.1	518.8	–	494.1
US Bond 2019 (USD 500 million)	2	403.1	401.2	–	403.1
Eurobond 2020 (EUR 650 million)	2	646.2	770.2	–	646.2
Eurobond 2021 (EUR 650 million)	2	645.6	792.7	–	645.6
US Bond 2023 (USD 750 million)	2	610.1	620.2	–	610.1
US Bond 2043 (USD 250 million)	2	203.4	225.1	–	203.4
US Bond 2044 (USD 500 million)	2	403.1	453.0	–	403.1
US Private Placement Series B (USD 513 million)	2	84.5	87.4	–	84.5
US Private Placement Series C (USD 87 million)	2	71.7	74.2	–	71.7
US Ex-Im	2	79.0	79.9	–	79.0
German Bond 2032 (EUR 50 million), non-listed	2	49.8	60.7	–	49.8
Euro Private Placement 2016 (EUR 150 million) issued under EMTN	2	149.7	160.4	–	149.7
Euro Private Placement 2027 (EUR 140 million) issued under EMTN	2	139.4	168.8	–	139.4
European Investment Bank (EUR 200 million)	2	100.0	102.8	–	100.0
				–	
Total loans and borrowings:		**4,486.1**	**4,921.8**	**–**	**4,486.1**
Of which: Non-current		4,227.6	4,638.2	–	4,227.6
Of which: Current		258.5	283.6	–	258.5
Other long term liabilities		23.6	23.6	–	23.6
Trade and other payables		335.3	335.3	–	335.3

* *As at December 31, 2014 no amount has been draw down under this facility. As a consequence, the remaining balance of loan origination cost of the Syndicated loan has been disclosed under prepaid expenses for an amount of EUR 5.3 million*

As at December 31, 2013

In millions of euros	Fair value hierarchy	Carried at amortised cost Carrying amount	Fair value	Carried at fair value Carrying amount	Total Balance Sheet
As at December 31, 2013					
Financial assets					
Non-current financial assets:					
Trade and other receivables		65.5	65.5	–	65.5
Loans and receivables		3.9	3.9	–	3.9
Total non-current financial assets		69.4	69.4	–	69.4
Current financial assets:					
Trade and other receivables		586.6	586.6	–	586.6
Derivatives		–	–	9.5	9.5
Cash and cash equivalents		544.2	544.2	–	544.2
Total current financial assets		1,130.8	1,130.8	9.5	1,140.3
Financial liabilities					
Loans and borrowings:					
At floating rates:					
Syndicated loan 2015*	2	–	–	–	–
COFACE	2	429.7	429.7	–	429.7
At fixed rates:					
Eurobond 2014 (EUR 650 million)	2	649.5	663.3	–	649.5
Eurobond 2018 (EUR 500 million)	2	493.7	490.9	–	493.7
Eurobond 2020 (EUR 650 million)	2	645.5	724.8	–	645.5
Eurobond 2021 (EUR 650 million)	2	644.9	730.9	–	644.9
US Bond 2023 (USD 750 million)	2	537.6	502.4	–	537.6
US Bond 2043 (USD 250 million)	2	179.3	167.3	–	179.3
US Private Placement Series B (USD 513 million)	2	148.8	153.3	–	148.8
US Private Placement Series C (USD 87 million)	2	63.1	67.6	–	63.1
US Ex-Im	2	81.9	82.7	–	81.9
German Bond 2032 (EUR 50 million), non-listed	2	49.8	48.5	–	49.8
Euro Private Placement 2016 (EUR 150 million) issued under EMTN	2	149.5	161.2	–	149.5
Euro Private Placement 2027 (EUR 140 million) issued under EMTN	2	139.3	142.0	–	139.3
European Investment Bank (EUR 200 million)	2	133.3	137.0	–	133.3
Total loans and borrowings:		4,345.9	4,501.6	–	4,345.9
Of which: Non-current		3,542.2	3,668.9	–	3,542.2
Of which: Current		803.7	832.7	–	803.7
Other long term liabilities		59.7	59.7	–	59.7
Trade and other payables		341.4	341.4	–	341.4

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

Note 19 – Financial risk management objectives and policies

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

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

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

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

Liquidity risk

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

Financial covenants as committed in certain debt instruments are monitored periodically where the related financial ratios that need to be upheld are measured and internally reported on a regular basis. The most actively monitored covenant is the Net Debt /EBITDA ratio that is reviewed at least once a month and includes both, backward-looking data reconciliation as well as forward-looking projections including its sensitivity to future foreign currency movements. The Group operates a centralised treasury function which manages, among others, the liquidity of the Group in order to optimise the funding costs. This is supported by a daily cash pooling mechanism.

Liquidity is monitored on a daily basis through a review of cash balances, the drawn and issued amounts and the availability of additional funding under committed credit lines, the two commercial paper programmes and the EMTN Programme (EUR 4,610.0 million as at December 31, 2014, EUR 4,029.9 million as at December 31, 2013, more details in Note 23).

The table below summarises the projected contractual undiscounted cash flows (nominal amount plus interest charges) based on the maturity profile of the Group’s interest-bearing loans and borrowings as at December 31, 2014 and 2013. The interest assumption for all floating debts is based on the interest rate of the last drawing.

In millions of euros	Within 1 year	Between 1 and 5 years	After 5 years	Total
As at December 31, 2014:				
Loans and borrowings	258.5	1,404.4	2,874.5	4,537.4
Future interest commitments	173.2	594.0	1,036.4	1,803.6
Trade and other payables	335.3	–	–	335.3
Other long term liabilities	–	23.6	–	23.6
Total maturity profile	**767.0**	**2,022.0**	**3,910.9**	**6,699.9**
As at December 31, 2013:				
Loans and borrowings	804.6	1,154.6	2,422.9	4,382.1
Future interest commitments	157.6	470.6	496.2	1,124.4
Trade and other payables	341.4	–	–	341.4
Other long term liabilities	–	59.7	–	59.7
Total maturity profile	**1,303.6**	**1,684.9**	**2,919.1**	**5,907.6**

Foreign currency risk

SES operates in markets outside of the Eurozone, with procurement and sales facilities in various locations throughout the world. Consequently, SES uses certain financial instruments to manage its foreign currency exposure. Derivative financial instruments principally are used to reduce the Group's exposure to market risks resulting from fluctuations in foreign exchange rates by creating offsetting exposures. SES is not a party to leveraged derivatives and, by policy, does not use derivative financial instruments for speculative purposes.

The Group has significant foreign operations whose functional currency is not denominated in euro. The primary currency exposure in terms of foreign operations is the U.S. dollar and the Group has designated certain U.S. dollar-denominated debt as net investment hedges of these operations. The Group also has a corresponding exposure in the Income Statement. Approximately 42.6% (2013: 46.1%) of the Group’s sales and 40.5% (2013: 40.3%) of the Group’s operating expenses are denominated in U.S. dollars. The Group does not enter into any hedging derivatives to cover these currency exposures.

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

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

   At December 31, 2014 and 2013 the Group had no forward exchange contract outstanding designated as cash flow hedges.

   The USD portfolio was not hedged in 2013 and 2014, as a large number of the U.S. dollar denominated procurement projects are currently located in entities which have the U.S. dollar as their functional currency.

2) **Hedge of net investment in foreign operations**

   At December 31, 2014 and 2013, certain borrowings denominated in U.S. dollars were designated as hedges of the net investments in SES Americom, SES Holdings (Netherlands) BV, SES Satellite Leasing and SES Re International (Bermuda) to hedge the Group’s exposure to foreign exchange risk on these investments. As at December 31, 2014, all designated net investment hedges were assessed to be highly effective and a total loss of EUR 158.6 million net of tax of EUR 67.3 million (2013: gain of EUR 32.1 million net of tax of EUR 13.7 million) is included in equity accounts. This includes realised gain of EUR 13.3 million on settlement of cross-currency swaps which were part of net investment hedge instruments (2013: realised loss of EUR 57.0 million).

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

	December 31, 2014 in USD	December 31, 2013 in USD
USD statement of financial position exposure:		
SES Americom	2,803.5	2,927.4
SES Holdings (NL) BV	1,608.7	1,655.7
SES Satellite Leasing	1,210.5	1,137.0
SES Re International (Bermuda)	24.0	90.1
Total	**5,646.7**	**5,810.2**
Hedged with:		
Foreign exchange derivatives (cross-currency swaps excluding interest)	-	537.6
Private Placement	189.6	292.2
US Bonds	2,000.0	1,000.0
Other external borrowings	98.5	116.4
Total	**2,288.1**	**1,946.2**
Hedged proportion	**41%**	**33%**

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

December 31, 2014	Amount in USD million	Amount in euro at closing rate of 1.2141 EUR million	Amount in euro at rate of 1.4600 EUR million	Amount in euro at rate of 0.9700 EUR million
USD statement of financial position exposure:				
SES Americom	2,803.5	2,309.1	1,920.2	2,890.2
SES Holdings (NL) BV	1,608.7	1,325.0	1,101.8	1,658.5
SES Satellite Leasing	1,210.5	997.0	829.1	1,247.9
SES Re International (Bermuda)	24.0	19.8	16.4	24.7
Total	**5,646.7**	**4,650.9**	**3,867.5**	**5,821.3**
Hedged with:				
Private Placement	189.6	156.2	129.9	195.5
US Bonds	2,000.0	1,647.3	1,369.9	2,061.9
Other external borrowings	98.5	81.1	67.5	101.5
Total	**2,288.1**	**1,884.6**	**1,567.3**	**2,358.9**
Hedged proportion	**41%**			
Absolute difference without hedging			**(783.3)**	**1,170.4**
Absolute difference with hedging			**(465.9)**	**696.1**

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

Interest rate risk

The Group's exposure to market interest rate risk relates primarily to the Group's debt portion at floating rates. In order to mitigate this risk, the Group is generally seeking to contract as much as possible of its debt outstanding at fixed interest rates, and is carefully monitoring the evolution of market conditions, adjusting the mix between fixed and floating rate debt if necessary. The Group had neither on December 31, 2014 nor on December 31, 2013 interest rate hedges outstanding.

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

In millions of euros	At fixed rates	At floating rates	Total
Borrowings at December 31, 2014	**4,124.6**	**412.8**	**4,537.4**
Borrowings at December 31, 2013	3,944.7	437.4	4,382.1

During the year 2014 the Group repaid the EUR 650 million Eurobond, another amortisation tranche of EUR 33.3 million to the European Investment Bank, two amortisation tranches of the US Ex-Im facility for a total of USD 17.9 million and another amortisation tranche of the U.S. Private Placement in the amount of USD 102.6 million, which all represented fixed rate obligations.

Furthermore, during the year 2014 the Group repaid floating rate obligations of total EUR 33.9 million related to various Coface amortisation payments. In January 2014, SES successfully completed the closing of an update of the EUR 1.2 billion syndicated loan facility.

Finally, the Group concluded in March 2014 a fixed 144A bond offering of USD 1.0 billion of notes.

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

The Group believes that a reasonably possible development in euro-zone interest rates would be an increase of 25 basis points or a decrease of 50 basis points (2013: increase of 50 basis points or a decrease of 25 basis points).

Euro interest rates *In millions of euros*	Floating rate borrowings	Increase in rates Pre-tax impact	Decrease in rates Pre-tax impact
Borrowings at December 31, 2014	**412.8**	**(1.0)**	**2.1**
Borrowings at December 31, 2013	437.4	(2.2)	1.1

Credit risk

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

Receivables which are more than 90 days overdue are provided for at 100% of the receivable amount. Receivable amounts more than 90 days overdue with a credit worthy government or branch thereof are generally not provided for unless conditions warrant. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is historically insignificant. The carrying value of unprovided gross debtors at December 31, 2014 is EUR 410.6 million (2013: EUR 373.6 million). The Group's largest customers are substantial media companies and government agencies and the credit risk associated with these contracts is assessed as low.

Aging of trade debtors *(in millions of euros)*	Neither past due nor impaired	Less than 1 month	Between 1 and 3 months	More than 3 months	Total
2014					
Gross trade debtors	270.6	48.3	27.5	67.8	414.2
Provision	-	(15.7)	-	(21.5)	(37.2)
Net trade debtors	270.6	32.6	27.5	46.3	377.0
2013					
Gross trade debtors	206.1	136.2	10.1	21.2	373.6
Provision	-	(8.8)	-	(8.9)	(17.7)
Net trade debtors	206.1	127.4	10.1	12.3	355.9

Financial credit risk

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

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

Capital management

The Group's policy is to attain, and retain, a stable BBB rating with Standard & Poor's and Fitch, and a Baa2 rating with Moody's. This investment grade rating serves to maintain investors, creditors, rating agency and market confidence. Within this framework, the Group manages its capital structure and liquidity in order to reflect changes in economic conditions to keep its cost of debt low, maintain the confidence of debt investors at a high level and to create added value for the shareholder. The Group is committed to maintain a progressive dividend policy which will be validated annually based on cash flow developments and other factors such as yield and payout ratio.

Note 20 – Cash and cash equivalents

In millions of euros	**2014**	2013
Cash at bank and in hand	**173.7**	429.8
Short-term deposits	**350.8**	114.4
Total cash and cash equivalents	**524.5**	544.2

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. Short-term deposits and cash at bank and in hand are held at various financial institutions meeting the credit rating criteria set out in Note 19 above.

As at December 31, 2014, an amount of EUR 14.9 million (2013: EUR 16.0 million) is invested in Money Market Funds which qualify as cash and cash equivalents.

Note 21 – Issued capital and reserves

SES has a subscribed capital of EUR 633 million (2013: EUR 633 million), represented by 337,600,000 class A shares and 168,800,000 class B shares with no par value. The movement between the opening and closing number of shares issued per class of share can be summarised as follows:

	Class A shares	Class B shares	Total shares
As at January 1, 2014	**337,600,000**	**168,800,000**	**506,400,000**
Shares Issued during the year	**–**	**–**	**–**
As at December 31, 2014	**337,600,000**	**168,800,000**	**506,400,000**

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

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

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

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

	2014	2013
FDRs held as at December 31	1,187,145	1,678,009
Carrying value of FDRs held (in millions of euros)	32.8	29.6

In accordance with Luxembourg legal requirements, a minimum of 5% of the yearly net profit (statutory) is transferred to a legal reserve which is non distributable. This requirement is satisfied when the reserve reaches 10% of the issued share capital. As at December 31, 2014 a legal reserve of EUR 63.3 million (2013: EUR 63.2 million) is included within other reserves. Other reserves include a further undistributable amount of EUR 312.2 million (2013: EUR 347.5 million) linked to local tax legislation in Luxembourg (Net wealth tax), which may be released and distributable after a period of 5 years of retention.

Note 22 – Share-based payment plans

The Group has three share-based payment plans which are detailed below. In the case of schemes 1 and 2 the relevant strike price is defined as the average of the market price of the underlying shares over a period of 15 trading days before the date of the grant.

1) The Stock Appreciation Rights Plan (STAR Plan)

The STAR Plan, initiated in 2000, is an equity-settled scheme available to non-executive staff of Group subsidiaries, where share options are granted. In January 2011, the STAR Plan was amended and, for all options granted 2011 onwards, a third of the share options vest and can be exercised each year. After being fully vested, the share options have a four-year exercise period.

	2014	2013
Outstanding options at the end of the year	1,938,948	2,393,356
Weighted average exercise price in euro	22.34	19.29

Out of 1,938,948 outstanding options as of December 31, 2014 (2013: 2,393,356), 773,914 options are exercisable (2013: 1,111,316). Options exercised in 2014 resulted in 969,019 treasury shares (2013: 518,218) being issued at a weighted average price of EUR 17.54 each (2013:EUR 16.57).

On average, the related weighted average share price at the time of exercise was EUR 26.90 (2013: EUR 22.45) per share.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2014		2013	
	Average exercise price per share option in euro	**Number of options**	Average exercise price per share option in euro	Number of options
At 1 January	**19.29**	**2,393,356**	17.43	2,353,319
Granted	**26.91**	**588,425**	23.87	630,356
Forfeited	**24.07**	**(61,510)**	19.33	(45,635)
Exercised	**17.54**	**(969,019)**	16.57	(518,218)
Expired	**17.98**	**(10,104)**	17.18	(15,033)
Cancelled	**16.66**	**(2,200)**	15.15	(11,433)
At December 31	**22.34**	**1,938,948**	19.29	2,393,356

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant	Expiry date – June 1	Exercise price per share options in euro	Share options	
			2014	2013
2014	2021	26.91	**562,808**	**--**
2013	2020	23.87	**547,076**	621,304
2012	2019	18.38	**461,701**	646,687
2011	2018	17.84	**226,809**	479,267
2010	2015	18.23	**140,554**	451,970
2009	2014	13.68	**--**	194,128
			1,938,948	2,393,356

2) Executive Incentive Compensation Plan (EICP)

The EICP, initiated in 2002, is available to Group executives. Under the plan, options are granted with an effective date of January 1. One-quarter of the entitlement vests on each anniversary date of the original grant. Once vested, the options can be exercised until the tenth anniversary of the original grant.

	2014	2013
Outstanding options at the end of the year	3,613,129	4,359,026
Weighted average exercise price in euro	21.46	17.92

Out of 3,613,129 outstanding options as of December 31, 2014 (2013: 4,359,026), 1,258,527 options are exercisable (2013: 2,090,141). Options exercised in 2014 resulted in 1,847,657 Treasury shares (2013: 1,223,392) being issued at a weighted average price of EUR 16.54 each (2013:15.40).

On average, the related weighted average share price at the time of exercise was EUR 26.90 (2013: EUR 22.45) per share.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2014		2013	
	Average exercise price per share option in euro	**Number of options**	Average exercise price per share option in euro	Number of options
At 1 January	**17.92**	**4,359,026**	16.38	4,960,235
Granted	**26.91**	**1,199,375**	23.87	779,242
Forfeited	**22.34**	**(86,140)**	18.40	(152,485)
Exercised	**16.54**	**(1,847,657)**	15.40	(1,223,392)
Expired	**18.62**	**(10,198)**	17.39	(4,574)
Cancelled	**18.38**	**(1,277)**	-	-
At December 31	**21.46**	**3,613,129**	17.92	4,359,026

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant	Expiry date – Jan 1	Exercise price per share options in euro	Share options	
			2014	2013
2014	2024	26.91	**1,175,242**	--
2013	2023	23.87	**625,208**	773,187
2012	2022	18.38	**659,936**	971,736
2011	2021	17.84	**488,996**	818,458
2010	2020	18.23	**211,845**	516,068
2009	2019	13.68	**146,541**	349,214
2008	2018	14.62	**158,736**	354,129
2007	2017	15.17	**74,294**	240,775
2006	2016	12.93	**48,302**	236,432
2005	2015	10.64	**24,029**	91,027
2004	2014	6.76	**--**	8,000
			3,613,129	4,359,026

3) Long-term Incentive programme ('LTI')

The LTI programme, initiated in 2005, is also a programme for executives and senior executives of the Group. Under the scheme, until end of 2008, restricted shares were allocated to executives on July 1 and these vest on the third anniversary of the grant. Senior executives also had the possibility to be allocated performance shares whose granting was dependent on the achievement of defined performance criteria which are a) individual objectives and b) the economic value added ("EVA") target established by the Board from time to time. Where these criteria were met, the shares vested on the third anniversary of the original grant. Since January 1, 2009, both executives and senior executives are granted restricted and performance shares. Since 2011 the LTI vest on June 1.

	2014	2013
Restricted and performance shares outstanding at the end of the year	843,570	999,684
Weighted average fair value in euro	19.49	16.77

During 2014, 71,216 restricted shares and 206,148 performance shares have been granted. On the same period, 23,603 restricted shares and 24,687 performance shares have forfeited, 149,536 performance shares and 239,652 restricted shares have been exercised. During 2014, 4,000 additional restricted shares have been granted related to 2013 LTI plan with a retroactive effect.

The fair value of equity-settled share options (restricted and performance shares) granted is estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options (restricted and performance shares) were granted. The following table lists the average value of inputs to the model used for the years ended December 31, 2014, and December 31, 2013.

2014	**EICP**	**STARs**	**LTI**
Dividend yield (%)	**5.73%**	**5.73%**	**5.06%**
Expected volatility (%)	**28.82%**	**28.82%**	**20.11%**
Risk-free interest rate (%)	**0.70%**	**0.70%**	**0.36%**
Expected life of options (years)	**9.67**	**7**	**3**
Share price at inception (EUR)	**27.06**	**27.06**	**27.06**
Fair value per option/share (EUR)	**3.52-3.87**	**3.55-3.81**	**23.55**
Total expected cost for each plan (in millions of euros)	**4.1**	**2.0**	**6.3**

2013	EICP	STARs	LTI
Dividend yield (%)	6.08%	6.08%	5.35%
Expected volatility (%)	35.22%	35.22%	25.92%
Risk-free interest rate (%)	0.55%	0.55%	0.20%
Expected life of options (years)	9.67	7	3
Share price at inception (EUR)	23.28	23.28	23.28
Fair value per option/share (EUR)	3.46-3.99	3.45-3.85	19.76
Total expected cost for each plan (in millions of euros)	2.7	2.1	5.2

The expected life of options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may or may not necessarily be the actual outcome. The total charge for the period for share-based compensation payments amounted to EUR 11.3 million (2013: EUR 11.2 million).

Note 23 – Interest-bearing loans and borrowings

As at December 31, 2014 and 2013, the Group's interest-bearing loans and borrowings were:

			Carried at amortised cost	
In millions of euros	Effective interest rate	Maturity	**Amounts outstanding 2014**	Amounts outstanding 2013
Non-current				
U.S. Private Placement				
Series B (USD 513 million)	5.83%	September 2015	**-**	74.4
Series C (USD 87 million)	5.93%	September 2015	**-**	63.1
Euro Private Placement 2016 (EUR 150 million issued under EMTN)	5.05%	August 2016	**149.7**	149.5
European Investment Bank (EUR 200 million)	3.618%	May 2017	**66.7**	100.0
Eurobond 2018 (EUR 500 million)	1.875%	October 2018	**494.1**	493.7
US Bond (USD 500 million)	2.500%	March 2019	**403.1**	-
Eurobond 2020 (EUR 650 million)	4.625%	March 2020	**646.2**	645.5
US Ex-Im	3.11%	June 2020	**64.2**	69.3
Eurobond 2021 (EUR 650 million)	4.75%	March 2021	**645.6**	644.9
COFACE	EURIBOR + 1.7%	October 2022	**352.2**	395.8
US Bond (USD 750 million)	3.60%	April 2023	**610.1**	537.6
Euro Private Placement 2027 (EUR 140 million issued under EMTN)	4.00%	May 2027	**139.4**	139.3
German bond (EUR 50 million), non-listed	4.00%	November 2032	**49.8**	49.8
US Bond (USD 250 million)	5.30%	April 2043	**203.4**	179.3
US Bond (USD 500 million)	5.300%	March 2044	**403.1**	-
Total non-current			**4,227.6**	**3,542.2**

Current				
U.S. Private Placement				
Series B (USD 513 million)	5.83%	September 2015	**84.5**	74.4
Series C (USD 87 million)	5.93%	September 2015	**71.7**	
European Investment Bank (EUR 200 million)	3.618%	May 2015	**33.3**	33.3
Eurobond 2014 (EUR 650 million)	4.875%	July 2014	**-**	649.5
COFACE	EURIBOR + 1.7%	Various in 2015	**54.2**	33.9
US Ex-Im	3.11%	Various in 2015	**14.8**	12.6
Total current			**258.5**	**803.7**

- **U.S. Private Placement**

  On September 30, 2003, the Group issued in the U.S. Private Placement market four series of unsecured notes amounting to USD 1,000.0 million and GBP 28.0 million. These notes comprised:

  1) Series A USD 400.0 million of 5.29% Senior Notes due September 2013, repayable as of September 2007. The Private Placement Series A was repaid on September 30, 2013.
  2) Series B USD 513.0 million of 5.83% Senior Notes due September 2015, repayable as of September 2011.
  3) Series C USD 87.0 million of 5.93% Senior Notes due September 2015.
  4) Series D GBP 28.0 million of 5.63% Senior Notes due September 2013, repayable as of September 2007. The Private Placement Series D was repaid on September 30, 2013.

  On these four series, the Group pays interests semi-annually. SES is committed under the U.S. Private Placement to maintaining covenants requiring certain financial ratios to be upheld within agreed limits in order to provide sufficient security to the lenders. Of these, the covenant which management monitors the most actively is the requirement to maintain the Net Debt / EBITDA ratio at a level of 3.5 or below.

- **European Medium-Term Note Programme ('EMTN')**

  On December 6, 2005, SES put in place a EUR 2,000.0 million EMTN enabling SES, or SES Global Americas Holdings GP, to issue as and when required notes up to a maximum aggregate amount of EUR 2,000.0 million. In May 2007, this programme was increased to an aggregate amount of EUR 4,000.0 million. On October 3, 2014 this programme has been extended for one further year. As of December 31, 2014, SES had issued EUR 2,090.0 million (2013: EUR 2,740.0 million) under the EMTN Programme with maturities ranging from 2014 to 2027.

- **EUR 650.0 million Eurobond (2014)**

  On July 9, 2009 (pricing June 30, 2009), SES issued a EUR 650.0 million bond under the Company's European Medium-Term Note Programme. The bond had a 5-year maturity and has borne interest at a fixed rate of 4.875%. It was fully repaid on July 9, 2014.

- **EUR 150.0 million Private Placement (2016)**

  On July 13, 2009, SES issued a EUR 150.0 million Private Placement under the Company's European Medium-Term Note Programme with Deutsche Bank. The Private Placement has a 7-year maturity, beginning August 5, 2009, and bears interest at a fixed rate of 5.05%.

- **EUR 500.0 million Eurobond (2018)**

  On October 16, 2013, SES issued a EUR 500.0 million bond under the Company's European Medium-Term Note Programme. The bond has a 5-year maturity and bears interest at a fixed rate of 1.875%.

- **144A Bond USD 500 million (2019)**

  On March 25, 2014, SES completed a 144A offering in the US market issuing USD 500 million 5-year bond with a coupon of 2.50% and a final maturity date of March 25, 2019.

- **EUR 650.0 million Eurobond (2020)**

  On March 9, 2010 (pricing March 1, 2010), SES issued a EUR 650.0 million bond under the Company's European Medium-Term Note Programme. The bond has a 10-year maturity and bears interest at a fixed rate of 4.625%.

- **EUR 650.0 million Eurobond (2021)**

  On March 11, 2011 (pricing March 2, 2011), SES issued a EUR 650.0 million bond under the Company's European Medium-Term Note Programme. The bond has a 10-year maturity and bears interest at a fixed rate of 4.75%.

- **EUR 140.0 million Private Placement (2027)**

  Between May and July 2012, SES issued three individual tranches of a total EUR 140.0 million Private Placement under the Company's European Medium-Term Note Programme with ING Bank N.V. The Private Placement has a 15-year maturity, beginning May 31, 2012, and bears interest at a fixed rate of 4.00%.

- **EUR 200.0 million European Investment Bank funding**

  On April 21, 2009, SES signed a financing agreement with the European Investment Bank concerning the investment by the Group in certain satellite investment projects. This facility, bearing interest at a fixed rate of 3.618%, is repayable in six annual installments between May 2012 and May 2017.

- **German bond issue of EUR 50.0 million**

  On October 29, 2012, the Group signed an agreement to issue EUR 50 million in the German bond ('Schuldschein') market. The German bond bears a fixed interest rate of 4.0% and matures on November 12, 2032.

- **144A Bond USD 750 million (2023)**

  On April 4, 2013, SES completed a 144A offering in the US market issuing USD 750 million 10-year bond with a coupon of 3.60% and a final maturity date on April 4, 2023.

- **144A Bond USD 250 million (2043)**

  On April 4, 2013, SES completed a 144A offering in the US market issuing USD 250 million 30-year bond with a coupon of 5.30% and a final maturity date on April 4, 2043.

- **144A Bond USD 500 million (2044)**

  On March 25, 2014, SES completed a 144A offering in the US market issuing USD 500 million 30-year bond with a coupon of 5.30% and a final maturity date of March 25, 2044.

- **Syndicated loan 2020**

  In January 2014, the Group updated its previous syndicated loan facility ('Syndicated loan 2015'). The updated facility is being provided by 20 banks and has been structured as a 5 year multicurrency revolving credit facility with two one-year extension options at the discretion of the lenders. The facility is for EUR 1.2 billion 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 December 23, 2014, all lenders granted an extension of the facility by one year to January 14, 2020. The facility expiry date is December 14, 2019. As at December 31, 2014, no amount drawn from this facility.

- **EUR 522.9 million COFACE facility**

  On December 16, 2009, SES signed a financing agreement with COFACE (Compagnie Française d'Assurance pour le Commerce Extérieur) in respect of the investment in four geostationary satellites (ASTRA 2E, ASTRA 2F, ASTRA 2G, ASTRA 5B). The facility is divided into five loans. The drawings under the facility are based on invoices from the supplier of the satellites. The first drawing was done on April 23, 2010 and all loan tranches became fully drawn in November 2014 Each Coface tranche is repayable in 17 equal semi-annual installments where Coface A has a final maturity date of August 1, 2022, Coface B and F are maturing on May 21, 2021 and Coface C and D are maturing on October 3, 2022. The entire facility bears interest at a floating rate of six month EURIBOR plus a margin of 1.7%.

- **USD 158 million US Ex-Im facility**

  In April 2011, SES signed a financing agreement with Ex-Im Bank (Export-Import Bank of the United States) over USD 158 million for the investment in one geostationary satellite (QuetzSat). At the in-orbit acceptance date of the satellite, the facility was fully drawn with USD 152.2 million which will be repaid in 17 equal semi-annual installments starting on June 22, 2012. The loan has a final maturity date of June 22, 2020 and bears interest at a fixed rate of 3.11%.

- **French Commercial paper programme**

  On October 25, 2005, SES put in place a EUR 500.0 million ‘Programme de Titres de Créances Négociables’ in the French market where the Company issued ‘Billets de Trésorerie’ (commercial paper) in accordance with articles L.213-1 to L213-4 of the French Monetary and Financial Code and decree n°92.137 of February 13, 1992 and all subsequent regulations. The maximum outstanding amount of ‘Billet de Trésorerie’ issuable under the programme is EUR 500.0 million or its counter value at the date of issue in any other authorised currency. On May 26, 2014, this programme was extended for one further year. As of December 31, 2014 borrowings of EUR nil million (2013: EUR nil million) were outstanding under this programme.

- **European Commercial paper programme**

  In July 2012, SES signed the documentation for the inception of a joint EUR 1 billion guaranteed European commercial paper programme of SES S.A. and SES Global Americas Holdings GP. The issuance under the programme represents senior unsecured obligations of the issuer and any issuance under the programme is guaranteed by the non-issuing entity. The programme is rated by Moody's Investors Services and is compliant with the standards set out in the STEP Market Convention. As of December 31, 2014 borrowings of EUR nil million (2013: EUR nil million) were outstanding.

Note 24 – Provisions

In millions of euros	Non-current	Current
As at January 1, 2014	**129.0**	**12.6**
Increase in provisions	58.7	7.9
Decrease in provisions	(15.5)	(12.6)
Transfer	(35.1)	35.1
Impact of currency translation	3.4	0.7
As at December 31, 2014	**140.5**	**43.8**

In millions of euros	Non-current	Current
As at January 1, 2013	**169.8**	**16.0**
Increase in provisions	16.4	–
Decrease in provisions	(42.0)	(16.0)
Transfer	(12.6)	12.6
Impact of currency translation	(2.6)	–
As at December 31, 2013	**129.0**	**12.6**

Provisions relate primarily to Group tax provisions, provision for post-retirement benefit schemes and other items arising in the normal course of business.

In U.S. operations, certain employees benefit from a post-retirement health benefits programme which is externally insured. As at December 31, 2014, accrued premiums of EUR 14.8 million (2013: EUR 16.6 million) are included in this position. Contributions made in 2014 to Group pension schemes totalled EUR 1.6 million (2013: EUR 1.6 million), which are recorded in the income statement under ‘staff costs’. During 2014, the Company modified the benefits under this programme, and as a result recognised an income of EUR 8.3 million in "Other operating expenses" of the year. The EUR 1.8 million reduction in the balance during 2014 is the result of this credit, partially offset by the 2014 expenses under the plan and the change in the discount rate in valuing the liability as of year-end 2014 and 2013.

Note 25 – Deferred income

In millions of euros	Non-current	Current
As at January 1, 2014	**227.8**	**385.6**
Movement on deferred income	90.2	10.3
Impact of currency translation	17.1	14.7
As at December 31, 2014	**335.1**	**410.6**

In millions of euros	Non-current	Current
As at January 1, 2013	**285.4**	**238.2**
Movement on deferred income	(48.1)	144.6
Impact of currency translation	(9.5)	2.8
As at December 31, 2013	**227.8**	**385.6**

Note 26 – Trade and other payables

In millions of euros	**2014**	2013
Trade creditors	**89.8**	72.4
Payments received in advance	**18.1**	40.2
Interest on loans	**80.8**	89.1
Personnel-related liabilities	**35.3**	27.1
Tax liabilities other than for income tax	**33.2**	22.4
Other liabilities	**78.1**	90.2
Total	**335.3**	341.4

In the framework of receivables securitisation transactions completed in June 2010, in June 2012 and June 2013, the Group received a net cash amount of EUR 50.6 million, EUR 59.5 million and EUR 40.2 million respectively from a financial institution as advance settlement of future receivables arising between 2011 and 2016 under contracts with a specific customer. A corresponding liability of EUR 41.6 million (2013: EUR 82.7 million), representing SES' obligation towards the financial institution to continue to provide services to the customer in accordance with the terms of the customer contract, is recorded in the Statement of Financial Position as at December 31, 2014 under 'Other long-term liabilities', for EUR 23.6 million (2013: EUR 41.6 million), and 'Trade and other payables' for EUR 18.0 million (2013: EUR 41.1 million).

Note 27 – Commitments and contingencies

Capital commitments

The Group had outstanding commitments in respect of contracted capital expenditure totalling EUR 190.9 million at December 31, 2014 (2013: EUR 25.2 million). These commitments largely reflect the purchase and launch of future satellites for the expansion and replacement of the Group satellite system, together with the necessary expansion of the associated ground station and control facilities. In the case of termination by the Group of these contracts, contractual penalty provisions apply.

Operating lease commitments

Future minimum rentals payable under non-cancellable operating leases are as follows as at December 31:

In millions of euros	**2014**	2013
Within one year	**5.9**	8.4
After one year but not more than five years	**4.5**	10.1
More than five years	**2.5**	4.4
Total	**12.9**	22.9

Total operating lease expense was EUR 8.4 million in 2014 (2013: EUR 11.0 million).

Commitments under transponder service agreements

The Group has entered into transponder service agreements for the purchase of satellite capacity from third parties under contracts with a maximum life of eight years. The commitment arising under these agreements as at December 31 is as follows:

In millions of euros	**2014**	2013
Within one year	**9.8**	8.4
After one year but not more than five years	**1.1**	4.1
After more than five years	**--**	1.9
Total	**10.9**	14.4

Total operating lease expense for transponder service agreements was EUR 8.4 million in 2014 (2013: EUR 29.3 million).

Litigation

There were no significant litigation claims against the Group as of December 31, 2014.

Guarantees

On December 31, 2014 the Group had outstanding bank guarantees for an amount of EUR 78.1 million (2013: EUR 19.7 million) with respect to performance and warranty guarantees for services of satellite operations.

Restrictions on use of cash

At the year-end, there were no restricted cash balances (2013: nil).

Note 28 – Related parties

The state of Luxembourg holds a direct 11.58% voting interest in the Company and two indirect interests, both of 10.88%, through two state owned banks, Banque et Caisse d'Epargne de l'Etat and Société Nationale de Crédit et d'Investissement. These shares constitute the Company's Class B shares, which are described in more detail in Note 21.

The total payments to directors for attendance at board and committee meetings in 2014 amounted to EUR 1.3 million (2013: EUR 1.4 million). These payments are computed on a fixed and variable basis, the variable part being based upon attendance at board and committee meetings.

In 2014, SES recognised revenue of EUR 7.2 million (2013: nil) from O3b Networks Limited in connection with the provision of satellite-related services to that company. O3b Networks Limited has commitments to SES for similar services totalling EUR 10.4 million, of which EUR 3.0 million will be incurred within one year and EUR 7.4 million between 2 and 5 years (refer also to Note 16).

There were no other significant transactions with related parties.

The key management of the Group, defined as the Group's Executive Committee, received compensation as follows:

In millions of euros	**2014**	2013
Remuneration including bonuses	**5.2**	5.0
Pension benefits	**0.7**	0.6
Share-based payments	**12.6**	5.0
Other benefits	**0.3**	0.1
Total	**18.8**	10.7

Total share-based payment instruments allocated to key management as at December 31, 2014 were 893,150 (2013: 1,521,328).

Note 29 – Non-controlling Interest

Set out below is the summarised financial information for each subsidiary that has non-controlling interests (NCI) that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

In millions of euros	Ciel Satellite Limited Partnership, Canada (30% held by NCI)		Al Maisan Satellite Communications (YahSat) LLC, UAE (65% held by NCI)	
Summarised balance sheet	**2014**	2013	**2014**	2013
Current assets	**5.4**	4.6	**16.5**	11.9
Current liabilities	**(16.8)**	(14.5)	**(5.8)**	(4.2)
Current net assets	**(11.4)**	(9.9)	**10.7**	7.7
Non-current assets	**147.3**	143.6	**74.6**	71.5
Non-current liabilities	**(43.1)**	(49.1)	**-**	-
Non-current net assets	**104.2**	94.5	**74.6**	71.5
Net assets	**92.8**	84.6	**85.3**	79.2
Accumulated NCI	**27.8**	25.4	**55.4**	51.5

In millions of euros	Ciel Satellite Limited Partnership, Canada (30% held by NCI)		Al Maisan Satellite Communications (YahSat) LLC, UAE (65% held by NCI)	
Summarised statement of comprehensive income	**2014**	2013	**2014**	2013
Revenue	**36.6**	36.2	**14.8**	8.9
Operating expenses	**(3.6)**	(3.0)	**(13.1)**	(7.1)
Profit for the period	**16.1**	15.4	**4.2**	4.2
Other comprehensive income	**-**	-	**-**	-
Total comprehensive income	**16.1**	15.4	**4.2**	4.2
Profit/(loss) allocated to NCI	**4.8**	4.6	**2.7**	2.7
Dividend paid to NCI	**5.6**	5.6	**-**	-

In millions of euros	Ciel Satellite Limited Partnership, Canada (30% held by NCI)		Al Maisan Satellite Communications (YahSat) LLC, UAE (65% held by NCI)	
Summarised cash flows	**2014**	2013	**2014**	2013
Cash flows from/(absorbed by) operating activities	**19.2**	18.8	**(2.3)**	(1.5)
Cash flows from/(absorbed by) investing activities	**(0.3)**	(0.3)	**-**	-
Cash flows from/(absorbed by) financing activities	**(19.1)**	(18.1)	**-**	2.9
Net increase/(decrease) in cash and cash equivalents	**(0.2)**	0.4	**(2.3)**	1.4

There were no transactions with non-controlling interests in 2013 and 2014.

Note 30 – Eutelsat settlement

On January 30, 2014 SES and Eutelsat Communications announced the conclusion of a series of agreements including a comprehensive settlement of legal proceedings concerning the right to operate at the 28.5 degrees East orbital position and containing long-term commercial as well as frequency coordination elements.

- The first agreement ends the arbitral procedure between Eutelsat and SES that was initiated in October 2012 under the rules of the International Chamber of Commerce in Paris. The dispute concerned a right of use of 500 MHz spectrum at the 28.5 degrees East orbital position. Eutelsat ceased to operate this spectrum on 3 October 2013 and SES has operated this spectrum since that date. The dispute over this right of use has now been resolved, with SES continuing to operate its satellites at this location, and Eutelsat independently commercialising part of the capacity of the previously disputed frequencies.
- According to the second agreement between both companies, Eutelsat has therefore contracted long-term satellite capacity on the SES satellite fleet at the 28.5 degrees East orbital position. Eutelsat is commercialising over Europe on the SES fleet 125 MHz (eight Band-B transponders) of the formerly disputed 500 MHz. Eutelsat is also commercialising on the SES fleet the 250 MHz (12 Band-A transponders) which was not the subject of the legal proceedings. The 20 transponders are operated on three new satellites which SES is deploying at the 28.2/28.5 degrees East neighbourhood – ASTRA 2F, ASTRA 2E and ASTRA 2G. The first two of these satellites have been launched and commenced operational service; ASTRA 2G was launched in December 2014 and is expected to commence providing the service to Eutelsat during the first half of 2015.
- The third agreement between the two companies addresses technical frequency coordination under the rules of the International Telecommunication Union. It will allow both parties an optimised use of their respective spectrum at a number of orbital positions over Europe, the Middle East and Africa. It confirms and clarifies in technical terms the geographic coverage and transmission power levels for frequencies at these positions.

Within the framework of these agreements, SES is recognising revenues in connection with the sale of the 12 Band-A transponders, with eight of these recognised in 2014. SES will recognise revenue on the provision of services on the eight Band-B transponders over the term of the agreement. SES has also recognised additional intangible assets to reflect the economic benefit generated through the clarification of the technical frequency coordination matters at the various orbital positions.

Note 31 – Post-Balance Sheet events

Incorporation of LuxGovSat

On February 12, 2015, SES and the Luxembourg Government jointly incorporated a legal entity LuxGovSat as a limited liability Company (Société Anonyme) under Luxembourg Law. LuxGovSat will procure and operate a satellite which is expected to be launched in the second quarter of 2017.

The Luxembourg Government and SES are each subscribing EUR 50 million for their interest in the equity of the new company, which will also enter into a EUR 125 million bank loan with a consortium of Luxembourg banks to finance the satellite procurement and launch. The spacecraft is to be positioned in the European arc, covering Europe, the Middle East, and Africa.

The capacity of the new satellite will satisfy Luxembourg's requirements for satellite communications in military frequencies and will be made available to governmental and institutional customers for defence and governmental applications. The multi-mission satellite will use dedicated military frequencies (known as X-band and military Ka-band), providing high-powered and fully steerable spot beams to support multiple operations.

Procurement of SES-14, SES-15 and SES-16

On 16 February 2015 SES announced the addition of three next-generation satellites to its family; SES-14, SES-15 and SES-16/Govsat, which will allow SES to address the accelerating needs of fast growing markets and add significant high-power capacity to all four key strategic business verticals - video, data, mobility and government. All three satellites, manufactured by Airbus Space and Defence, Boeing and Orbital AKT, respectively, will be using the newest spacecraft technologies, leading to optimal performance and highest efficiency. SES-14 and SES-15 are both powerful hybrid satellites, using Ku-, Ka- and -- in the case of SES-14 -- also C-band in wide-beam and high-throughput (HTS) technology and a purely electric propulsion system that significantly enhances the satellites' economic efficiency thanks to the enhanced payload that can be carried as a result of the reduction in fuel mass. SES-16/GovSat, which is the satellite referred to above in the 'Incorporation of LuxGovSat' section, is a state-of-the-art multi-mission satellite with high-powered and fully steerable beams for government missions which will be owned and operated by LuxGovSat,. The aggregate capital commitment associated with these three programmes is approximately EUR 750 million excluding the capitalisation of interest. This includes 100% of the capital commitment concerning SES-16, although the Luxembourg Government will be sharing in the funding of this satellite on an equal basis with SES.

Note 32 – Consolidated subsidiaries, associates and affiliates

The consolidated financial statements include the financial statements of the material subsidiaries and associates listed below:

	Economic interest (%) 2014	Economic interest (%) 2013	Method of consolidation 2014
Held directly by SES:			
SES ASTRA S.A., Luxembourg	**100.00**	100.00	Full
SES GLOBAL-Americas Inc., U.S.A.	**100.00**	100.00	Full
SES GLOBAL Americas Holdings General Partnership, U.S.A.	**100.00**	100.00	Full
SES GLOBAL Africa S.A., Luxembourg	**100.00**	100.00	Full
SES Participations S.A., Luxembourg	**100.00**	100.00	Full
SES Finance S.à r.l., Switzerland	**100.00**	100.00	Full
SES Holdings (Netherlands) B.V., Netherlands	**100.00**	100.00	Full
SES ASTRA Services Europe S.A., Luxembourg	**100.00**	100.00	Full
SES Latin America S.A., Luxembourg	**100.00**	100.00	Full
SES Belgium S.p.r.l, Belgium	**100.00**	100.00	Full
SES Insurance International S.A., Luxembourg	**100.00**	100.00	Full
SES Insurance International Re S.A., Luxembourg	**100.00**	100.00	Full
SES Lux Finance S.à r.l., Luxembourg	**100.00**	100.00	Full
SES NL Finance S.à r.l., Luxembourg	**100.00**	100.00	Full
Held through SES Participations S.A., Luxembourg:			
Ciel Satellite Holdings Inc., Canada	**100.00**	100.00	Full
Ciel Satellite Limited Partnership, Canada	**70.00**	70.00	Full
Northern Americas Satellite Ventures, Inc., Canada	**100.00**	100.00	Full
Held through SES ASTRA Services Europe S.A., Luxembourg:			
Glocom (Communications and Images) Limited (Isle of Man) [4]	**--**	75.00	--
SES TechCom S.A., Luxembourg	**100.00**	100.00	Full
SES ASTRA TechCom Belgium S.A., Belgium	**100.00**	100.00	Full
Astralis S.A., Luxembourg[4]	**--**	100.00	--
SES Broadband Services S.A., Luxembourg	**100.00**	100.00	Full
SES Digital Distribution Services AG, Switzerland	**100.00**	100.00	Full
SES Digital Distribution Services S.à r.l., Luxembourg	**100.00**	100.00	Full
Redu Operations Services S.A., Belgium	**48.00**	48.00	Equity
Redu Space Services S.A., Belgium	**52.00**	52.00	Full
HD Plus GmbH, Germany	**100.00**	100.00	Full
SES ASTRA Real Estate (Betzdorf) S.A., Luxembourg	**100.00**	100.00	Full
SES Capital Belgium S.A., Belgium[3]	**100.00**	100.00	Full
SES Platform Services GmbH, Germany	**100.00**	100.00	Full
SES Digital Distribution Services GmbH, Germany	**100.00**	100.00	Full
Virtual Planet Group GmbH, Germany	**90.00**	90.00	Full
SmartCast GmbH[2]	**100.00**	--	Full
SmartCast Technologies Ltd[2]	**100.00**	--	Full
SmartCast Asia Ltd[2]	**100.00**	--	Full

	Economic interest (%) 2014	Economic interest (%) 2013	Method of consolidation 2013
Held through SES ASTRA S.A.:			
ASTRA Deutschland GmbH, Germany	**100.00**	100.00	Full
ASTRA (U.K.) Ltd, United Kingdom	**100.00**	100.00	Full
ASTRA Iberica S.A., Spain	**100.00**	100.00	Full
ASTRA France S.A., France	**100.00**	100.00	Full
ASTRA (GB) Limited, United Kingdom	**100.00**	100.00	Full
ASTRA Benelux B.V., The Netherlands	**100.00**	100.00	Full
SES ASTRA CEE Sp. z o.o, Poland	**100.00**	100.00	Full
SES ASTRA Italia S.r.l.	**100.00**	100.00	Full
SES ENGINEERING (Luxembourg) S.à r.l., Luxembourg	**100.00**	100.00	Full
New Skies Investments S.à r.l, Luxembourg	**100.00**	100.00	Full
SES ASTRA AB, Sweden	**100.00**	100.00	Full
Sirius Satellite Services SIA, Latvia	**100.00**	100.00	Full
SES SIRIUS Ukraine, Ukraine	**100.00**	100.00	Full
SES ASTRA 1KR S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 1L S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 1M S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 3B S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 5B S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 1N S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 2E S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 2F S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 2G S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA (Romania) S.à r.l.	**100.00**	100.00	Full
SES 10 S.à r.l.[1]	**100.00**	--	Full
Held through SES Finance S.à r.l.:			
SES Re International (Bermuda) Ltd, Bermuda[3]	**100.00**	100.00	Full
SES Satellite Leasing Ltd, Isle of Man	**100.00**	100.00	Full
Al Maisan Satellite Communications (YahSat) LLC, UAE	**35.00**	35.00	Full
Satellites Ventures (Bermuda), Ltd	**100.00**	100.00	Full
Held through SES GLOBAL Africa S.A.:			
SES ASTRA Africa (Proprietary) Ltd, South Africa	**100.00**	100.00	Full
ODM (Proprietary) Ltd, South Africa	**14.67**	15.08	Equity
SES Satellites Ghana Ltd	**100.00**	100.00	Full
Held through SES GLOBAL-Americas Inc.:			
SES AMERICOM, Inc., U.S.A.	**100.00**	100.00	Full
SES AMERICOM PAC, Inc., U.S.A.	**100.00**	100.00	Full
SES AMERICOM International Holdings, Inc., U.S.A.	**100.00**	100.00	Full
SES AMERICOM (Brazil) Holdings, LLC, U.S.A.	**100.00**	100.00	Full
SES AMERICOM do Brasil Servicos de Telecomunicacoes, Ltda, Brazil	**100.00**	100.00	Full
AMERICOM Government Services, Inc., U.S.A.	**100.00**	100.00	Full
Sistemas Satelitales de Mexico S. de R.L. de C.V., Mexico	**100.00**	73.99	Full

	Economic interest (%) 2014	Economic interest (%) 2013	Method of consolidation 2014
Socios Aguila S.de R.L de C.V., Mexico	**49.00**	49.00	Equity
Columbia Communications Corporation, U.S.A.	**100.00**	100.00	Full
SES Satellites International, Inc., U.S.A.	**100.00**	100.00	Full
SES Satellites (Gibraltar) Ltd, Gibraltar	**100.00**	100.00	Full
SES AMERICOM Colorado, Inc., U.S.A.	**100.00**	100.00	Full
AMC-1 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-2 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-3 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-5 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-6 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-8 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-9 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-10 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-11 Holdings LLC, U.S.A.	**100.00**	100.00	Full
SES AMERICOM (Asia 1A) LLC, U.S.A.	**100.00**	100.00	Full
AMERICOM Asia Pacific LLC, U.S.A.	**100.00**	100.00	Full
AMC-12 Holdings LLC, U.S.A.	**100.00**	100.00	Full
SES AMERICOM California, Inc., U.S.A.	**100.00**	100.00	Full
AMC-4 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-7 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-15 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-16 Holdings LLC, U.S.A.	**100.00**	100.00	Full
SES-1 Holdings, LLC, U.S.A.	**100.00**	100.00	Full
QuetzSat Directo, S. de R.L. de C.V., Mexico	**100.00**	49.00	Full
SES ENGINEERING (U.S.) Inc., U.S.A.	**100.00**	100.00	Full
AOS Inc., U.S.A.	**100.00**	100.00	Full
SES-2 Holdings LLC, U.S.A.	**100.00**	100.00	Full
SES-3 Holdings LLC, U.S.A.	**100.00**	100.00	Full
Held through SES Latin America S.A.:			
QuetzSat S. de R.L. de C.V., Mexico	**100.00**	73.99	Full
Satellites Globales S. de R.L. de C.V., Mexico	**100.00**	49.00	Full
SES Satelites Directo Ltda, Brazil	**100.00**	100.00	Full
SES DTH do Brasil Ltda, Brazil	**100.00**	100.00	Full
SES GLOBAL South America Holding S.L., Spain	**100.00**	100.00	Full
Held through SES Holdings (Netherlands) B.V.:			
New Skies Satellites, Inc., U.S.A.	**100.00**	100.00	Full

	Economic Interest (%) 2014	Economic interest (%) 2013	Method of Consolidation 2014
New Skies Satellites Mar B.V., The Netherlands	**100.00**	100.00	Full
New Skies Satellites Ltda, Brazil	**100.00**	100.00	Full
New Skies Networks, Inc., U.S.A.	**100.00**	100.00	Full
New Skies Networks (U.K.) Ltd, U.K.	**100.00**	100.00	Full
SES ENGINEERING (Netherlands) B.V., The Netherlands	**100.00**	100.00	Full
New Skies Asset Holdings, Inc., U.S.A.	**100.00**	100.00	Full
SES NEW SKIES Marketing B.V., The Netherlands	**100.00**	100.00	Full
New Skies Satellites India B.V., The Netherlands	**100.00**	100.00	Full
New Skies Satellites Argentina B.V., The Netherlands	**100.00**	100.00	Full
New Skies Networks Australia B.V., The Netherlands	**100.00**	100.00	Full
New Skies Satellites Australia Pty Ltd, Australia	**100.00**	100.00	Full
New Skies Satellites Licensee B.V., The Netherlands	**100.00**	100.00	Full
SES Asia S.A., Luxembourg	**100.00**	100.00	Full
SES Finance Services AG, Switzerland	**100.00**	100.00	Full
O3b Networks Ltd, Jersey (Channel Islands)[5]	**44.75**	46.85	Equity
SES World Skies Singapore Pty Ltd, Singapore	**100.00**	100.00	Full

1 Entity created in 2014.

2 Entity acquired in 2014.

3 Entity sold, merged, liquidated or in the process of liquidation in 2014.

4 Entity sold, merged or liquidated in 2013

5 See Note 15.

SES S.A.
Château de Betzdorf
L-6815 Betzdorf

R.C.S. Luxembourg B 81267

Annual accounts as at 31 December 2014

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Audit report

To the Shareholders of
SES S.A.

Report on the annual accounts

We have audited the accompanying annual accounts of SES S.A., which comprise the balance sheet as at 31 December 2014, the profit and loss account for the year then ended and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the "Réviseur d'entreprises agréé"

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

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

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

PricewaterhouseCoopers, Société coopérative, 2 rue Gerhard Mercator, B.P. 1443, L-1014 Luxembourg
T : +352 494848 1, F : +352 494848 2900, www.pwc.lu

Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of SES S.A. as of 31 December 2014, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Directors is consistent with the annual accounts.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 19 February 2015

Gilles Vanderweyen

SES
Société Anonyme

Balance sheet
As at 31 December 2014

Assets	Note	2014 EUR million	2013 EUR million
Fixed Assets			
Financial fixed assets			
Shares in affiliated undertakings	3	**7,027.1**	7,404.3
Amounts owed by affiliated undertakings	3	**1,479.0**	1,269.6
Amounts owed by undertakings with which the company is linked by virtue of participating interests		**-**	0.5
		8,506.1	8,674.4
Current Assets			
Debtors			
Amounts owed by affiliated undertakings becoming due and payable within one year	4	**3,120.8**	2,319.3
Other receivables becoming due and payable within one year		**21.7**	200.5
Transferable securities and other financial instruments			
Own shares or own corporate units	3	**32.8**	22.9
Cash at bank, cash in postal checque accounts, cheques and cash in hand		**458.8**	343.9
		3,634.1	2,886.6
Prepayments	2.2.2	**57.3**	47.6
Total assets		**12,197.5**	11,608.6

SES
Société Anonyme

Balance sheet
As at 31 December 2014

Liabilities	Note	2014 EUR million	2013 EUR million
Capital and reserves			
Subscribed capital	5	**633.0**	633.0
Share premium and similar premiums		**835.3**	835.3
Reserves			
Legal reserve	6	**63.3**	63.2
Other reserves	7	**292.6**	337.4
Profit or loss for the financial year		**482.8**	388.8
		2,307.0	2,257.7
Non subordinated debts	2.2.8		
Debenture loans - Non convertible loans	8		
becoming due and payable within one year		**234.0**	811.0
becoming due and payable after more than one year		**3,787.3**	3,002.6
Amounts owed to credit institutions	8		
becoming due and payable within one year		**105.3**	80.2
becoming due and payable after more than one year		**491.6**	574.9
Trade creditors			
becoming due and payable within one year		**0.3**	1.2
Amounts owed to affiliated undertakings	8		
becoming due and payable within one year		**3,880.8**	3,567.5
becoming due and payable after more than one year		**1,384.9**	1,261.2
Tax and social security debts			
Tax debts	9		
Social security debts		**0.4**	0.3
Other creditors			
becoming due and payable within one year		**5.9**	52.0
		9,890.5	9,350.9
Total liabilities		**12,197.5**	11,608.6

The accompanying notes form an integral part of the annual accounts.

SES
Société Anonyme

Profit and loss account
For the year ended 31 December 2014

Charges	Note	**2014 EUR million**	2013 EUR million
Other external charges		**24.5**	27.2
Staff costs	10		
Salaries and wages		**27.4**	15.3
Social security on salaries and wages		**1.9**	1.6
Other operating charges		**2.8**	2.7
Value adjustments and fair value adjustments			
on financial fixed assets	3	**10.5**	12.5
Interest and other financial charges			
concerning affiliated undertakings		**60.4**	72.2
other interest and similar financial charges	12	**254.5**	214.3
Income tax	9	**(96.3)**	(79.5)
Profit for the financial year		**482.8**	388.8
Total Charges		**768.5**	655.1

Income	Note	**2014 EUR million**	2013 EUR million
Other operating income	13	**19.1**	17.9
Income from financial fixed assets			
derived from affiliated undertakings	14	**717.8**	578.6
Other interests and other financial income			
derived from affiliated undertakings		**13.2**	33.1
other interest and similar financial income	15	**18.4**	25.5
Total Income		**768.5**	655.1

SES
Société Anonyme

Statement of changes in shareholders' equity
As at 31 December 2014

	Subscribed capital EUR million	Share premium EUR million	Legal reserve EUR million	Other reserves* EUR million	Result for the year EUR million	Total EUR million
At 1 January 2013	633.0	835.3	62.5	336.0	395.0	2,261.8
Allocation of result	-	-	0.7	394.4	(395.1)	-
Distribution of dividends	-	-	-	(393.0)	-	(393.0)
Profit for the financial year	-	-	-	-	388.9	388.9
At 31 December 2013	633.0	835.3	63.2	337.4	388.8	2,257.7
At 1 January 2014	633.0	835.3	63.2	337.4	388.8	2,257.7
Allocation of result	-	-	0.1	388.7	(388.8)	-
Distribution of dividends	-	-	-	(433.5)	-	(433.5)
Profit for the financial year					482.8	482.8
At 31 December 2014	633.0	835.3	63.3	292.6	482.8	2,307.0

** Including reserves for own shares of EUR 32.8 million as at 31 December 2014 (2013: EUR 22.9 million).*

The accompanying notes form an integral part of the annual accounts.

Note 1 – General Information

SES S.A. (hereafter “SES” or “the Company”) was incorporated on 16 March 2001 as a limited liability company (Société Anonyme) under the laws of the Grand-Duchy of Luxembourg for an unlimited period.

The registered office of the Company is established at the Château de Betzdorf in Luxembourg.

The purpose of the Company is to take generally any interest whatsoever in electronic media and to be active, more particularly, in the communications area via satellites and to invest, directly or indirectly, in other companies that are actively involved in the satellite communication industry.

The accounting period of the Company is from 1 January to 31 December.

The Company has a 99.94% interest in a partnership, SES Global Americas Holdings GP, whose accounts are integrated in those of the Company to the level of its share in the partnership.

As from 1 January 2013, the Company has established a branch in Switzerland in order to centralise the cash pooling. The annual accounts of the branch are integrated in those of the Company.

The Company also prepares consolidated financial statements for the SES Group (“the Group”), which are published according to the provisions of the Luxembourg law.

The Company has been listed on the Luxembourg Stock Exchange since 1998 and on Euronext Paris since 2004. Fiduciary Depositary Receipts each in respect to Class A share of SES S.A. are listed on the Stock Exchange of Luxembourg and on Euronext Paris under the symbol SESG.

Note 2 – Summary of significant accounting policies

2.1. Basis of preparation

.

The annual accounts are prepared in accordance with the Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Accounting policies and valuation rules are, besides the ones laid down by Law of 19 December 2002, as amended determined and applied by the Board of Directors.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions are changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Management makes estimates and assumptions that may affect the reported amounts of assets and liabilities in the next financial year(s). Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Note 2 – Summary of significant accounting policies (continued)

2.1. Basis of preparation (continued)

Whenever necessary, comparative amounts are reclassified to conform with changes in presentation in the current year. An amount of EUR 1,695.5 million owed to affiliated undertakings has been reclassified from long-term to short-term liabilities in the comparative 2013 balance sheet.

2.2. Significant accounting policies

The main valuation rules applied by the Company are the following:

2.2.1. Financial fixed assets

Financial assets held by the Company are valued at purchase price. Loans are valued at their nominal value.

In the case of a permanent diminution in the value of a financial fixed asset in the opinion of the Board of Directors, a value adjustment is made such that the investment is valued at the lower figure. In some instances, where the Board of Directors believes that it is more appropriate in the circumstances and better reflects the substance of the activity, interdependency of cash flows between the legal entities of SES and their level of integration have been considered to assess the carrying value of the financial assets.

In those instances, investments in certain undertakings have therefore been grouped together for the purposes of testing them for impairment - similarly to Cash Generating Units as defined in IAS 36 “Impairment of Assets” under International Financial Reporting Standards. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.2.2 Transferable securities

Transferable securities are valued at the lower of purchase price, including expenses incidental thereto and calculated on the basis of average weighted average prices or market value, expressed in the currency in which the annual accounts are prepared. A value adjustment is recorded where the market value is lower than the purchase price. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.2.3. Prepayments

Loan origination costs are capitalised and included in prepayments. These costs are amortised over the remaining estimated loan periods based on the Company’s financing strategy.

2.2.4. Dividends

Dividends are declared after the accounts for the year have been approved. Accordingly dividends payable are recorded in the subsequent year’s annual accounts. Dividends receivable from affiliated undertakings are recorded as income in the year in which they are approved by the subsidiary.

Note 2 – Summary of significant accounting policies (continued)

2.2.5. Convertible profit participating loan

Returns on convertible profit participating loans ("PPL") issued by the Company are calculated based on the cumulative profits of the PPL recipient over the life of the loan. The Company's entitlement to the return is therefore only certain at the date of maturity of the loan. The return is therefore recorded as income on final maturity of the PPL.

2.2.6. Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is uncertain. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.2.7. Foreign currency translation

The Company maintains its accounting records in Euro ("EUR") and the annual accounts are expressed in this currency.

Transactions expressed in currencies other than Euro are translated into Euro at the exchange rates ruling at the time of the transaction.

With the exception of fixed assets, all assets and liabilities denominated in foreign currencies are converted at the rate of exchange ruling at the balance sheet date. Related realised and unrealised gains and losses are recognised in the profit and loss account.

Fixed assets acquired in currencies other than Euro are translated into Euro at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historical exchange rates. Long term financial liabilities, which are hedged by financial derivatives, are translated at the closing rate.

2.2.8. Derivative financial instruments

The Company may enter into derivative transactions, principally forward currency contracts, in order to manage exchange rate exposure on the Company's and Group's assets, liabilities and financial operations.

Such financial instruments are mainly used to reduce the Company's or Group's exposure to risks in connection with financial liabilities denominated in US dollars. Such instruments are denominated in the same currency as the hedged item and can cover up to 100% of the total value of the hedged item.

It is the Company's policy not to enter into forward contracts until a firm commitment is in place, and to match the terms of hedge derivatives to those of the hedged item to maximize effectiveness.

SES is not a party to leveraged derivatives and, in accordance with the Company's policy, does not use derivative financial instruments for speculative purposes.

Additionally, the Company has significant foreign operations whose functional currency is not the Euro. The primary currency exposure in terms of foreign operations is the U.S. dollar and the Company may enter into derivatives, such as forward currency contracts or cross-currency swaps in order to manage exchange rate exposure on the Company's investments.

Note 2 – Summary of significant accounting policies (continued)

2.2.8. Derivative financial instruments (continued)

Financial derivatives hedging balance sheet positions in foreign currencies are generally revalued at year-end using the closing rate. Both unrealised gains and unrealised losses resulting from the conversion of these contracts are recognised. Assets or liabilities generated by unrealised gains/losses are recognised and recorded in “Other debtors” and “Other creditors”, respectively, or under “amounts owed to/by affiliated undertakings” where the counterparty is a member of the SES Group.

2.2.9. Debts

Debts are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is shown as an asset and is written off over the period of the debt based on a linear method.

Note 3 – Financial fixed assets

a) Shares in affiliated undertakings

	2014 EUR million	2013 EUR million
Cost at beginning of year	**7,409.0**	8,349.1
Increase	**-**	76.5
Decrease[1]	**(377.2)**	(1,016.6)
Cost at end of year	**7,031.8**	7,409.0
Value adjustments at beginning of year	**(4.7)**	(4.7)
Value adjustment of the year	**-**	-
Value adjustment at the end of year	**(4.7)**	(4.7)
Net book value at end of year	**7,027.1**	7,404.3

[1] In September 2014, the Board of Directors of SES Global Americas Inc. declared a dividend distribution to SES Global Americas Holding GP in the amount of USD 500.0 million. This distribution has been made by reduction of the share capital of SES Global Americas Inc. and recorded as a reduction in the shares in affiliated undertakings of the Company.

Note 3 – Financial fixed assets (continued)

a) Shares in affiliated undertakings (continued)

As at 31 December 2014, the Company holds the following investments:

Net book value		2014 EUR million	2013 EUR million
Infrastructure			
SES Astra S.A. (1)	100%	**1,046.8**	1,046.8
SES Global – Americas, Inc. (2)	99.94%	**3,477.6**	3,854.8
SES Astra A.B. (3)	32.34%	**50.1**	50.1
SES Participations S.A. (1)	100%	**206.8**	206.8
SES Global Africa S.A. (1)	100%	**406.6**	406.6
SES Finance S.à r.l. (4)	100%	**1,502.2**	1,502.2
SES Holdings (Netherlands) BV (5)	100%	**96.7**	96.7
SES Insurance International (Luxembourg) S.A. (1)	100%	**15.2**	15.2
SES Insurance International Re (Luxembourg) S.A. (2)	100%	**76.3**	76.3
Services			
SES Astra Services Europe S.A. (1)	100%	**148.8**	148.8
SES Astra TechCom Belgium S.A. (6)	1%	**-**	-
SES Latin America S.A. (1)	100%	**-**	-
SES Broadband Services S.A. (1)	0.01%	**-**	-
SES Belgium Sprl (6)	99%	**-**	-
SES NL Finance S.à r.l. (1)	100%	**-**	-
Total		**7,027.1**	**7,404.3**

Country of incorporation : (1) Luxembourg; (2) United States; (3) Sweden; (4) Switzerland; (5) Netherlands; (6) Belgium.

Affiliated undertakings listed under “Infrastructure” above form part of the “Infrastructure” business of the SES Group. They have been grouped together for the purposes of testing their carrying values for impairment, considering the interdependency of their cash flows and their level of integration.

The recoverable amount of this group of companies is determined based on a value-in-use calculation (Note 2) using the most recent business plan information approved by the Board of Directors which covers a period up to seven years. This relatively long period reflects the long-term contractual base for the satellite business. Pre-tax discount rate used in 2014 is 6.1% (2013: 6.2%) and was selected to reflect market interest rates and commercial spreads; the capital structure of businesses in the SES Group's business sector; and the specific risk profile of the business concerned. The terminal growth rate used in the valuation is set at 2% (2013: 2%), which reflects the most recent long-term planning assumptions approved by the Board and can be supported by reference to the trading performance of the companies concerned over a longer period. As a result of this impairment testing, the Board of Directors believes that no value adjustment should be recorded on the carrying values of the shares in affiliated undertakings.

Note 3 – Financial fixed assets (continued)

a) Shares in affiliated undertakings (continued)

An impairment test performed on each investment taken individually (the "line by line method"), would potentially lead to a different conclusion, in particular, for the investment held by the Company in SES Global - Americas. Inc.. However, for the reasons stated above and as described in note 2.2.1., the Board of Directors of the Company does not believe that the “line by line method” is appropriate considering the integrated nature of the Infrastructure business of the SES Group and the interdependency of its cash flows.

Affiliated undertakings listed under “Services” are services companies of the SES Group. They each form a separate cash generating unit and are therefore tested for impairment individually. As a result of this impairment testing, the Board of Directors believes that none of them has suffered a permanent diminution in value.

Art. 65 paragraph (1) 2º of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings (the “law”) requires the disclosure of the amount of capital and reserves and profit and loss for the last financial year of each affiliated undertaking. In conformity with Art.67 (3) of the law these details have been omitted as the Company prepares consolidated accounts and these consolidated accounts and the related consolidated management report and auditors' report thereon have been lodged with the Luxembourg Trade Registry.

b) Amounts owed by affiliated undertakings

Amounts owed by affiliated undertakings of EUR 1,479.0 million mainly consist of:

- EUR 805.0 million (2013: EUR 725.4 million) of Convertible Profit Participating Loans with SES Finance S.à r.l.;
- EUR 567.9 million with SES NL Finance S.à r.l.. This loan was initially granted to SES Holdings (Netherlands) B.V on 20 December 2013 and subsequently transferred to SES NL Finance S.à r.l. on 18 December 2014;
- EUR 23.1 million with SES Asia S.A. (2013: EUR 23.1 million;
- EUR 19.5 million with SES DTH do Brazil Ltda. granted on 24 July 2014;
- EUR 19.5 million with SES Digital Distribution Services AG (2013: EUR 19.0 million);
- EUR 43.9 million with SES NL Finance S.à r.l. granted on 29 September 2014.

During 2014, the Company recorded a EUR 10.5 million value adjustment on the current account held with SES Capital Belgium S.A. following the liquidation of this entity.

c) Own shares or own corporate units

Own Fiduciary Deposit Receipts:

All Fiduciary Deposit Receipts (“FDRs”) in respect of Class A shares owned by the Company are for use in connection with the share option schemes for executives and staff of the SES Group. These shares are valued at the weighted average cost.

As at 31 December 2014, the Company owned 1,187,145 FDRs (2013: 1,678,009).

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Note 4 – Debtors

a) Amounts owed by affiliated undertakings

The Group operates a centralised treasury function at the level of the Company which manages, among others, the liquidity of the Group in order to optimise the funding costs. This is supported by a daily cash pooling mechanism. Amounts owed by affiliated undertakings of EUR 3,120.8 million (2013: EUR 2,319.3 million) consist of in-house bank accounts which are current accounts.

As at 31 December 2014 current accounts represent short-term advances bearing interest at market rates.

Note 5 – Subscribed capital

As at 31 December 2014 the issued and fully paid share capital of the Company amounted to EUR 633.0 million, represented by 506,400,000 shares with no par value (337,600,000 Class A ordinary shares and 168,800,000 Class B ordinary shares).

The Company has issued two classes of shares: Class A and Class B shares (referred to also as “A-shares” and “B-shares”, respectively).

Although they constitute separate classes of shares, Class A and Class B shares have the same rights except that the shares of Class B, held by the State of Luxembourg and by two entities wholly-owned by the State of Luxembourg, entitle their holders to only 40% of the dividend, or in case the Company is dissolved, to 40% of the net liquidation proceeds paid to shareholders of Class A. Class B shares are not freely traded. Each share, whether of Class A or Class B, is entitled to one vote.

Note 6 – Legal reserve

In accordance with Luxembourg legal requirements, a minimum of 5% of the yearly net profit is transferred to a legal reserve. This requirement is satisfied when the reserve reaches 10% of the issued share capital. This reserve may not be distributed.

Note 7 – Other reserves

In accordance with paragraph 8a of the 16 October 1934 Law as amended, the Company is entitled to reduce the net wealth tax due for the year by an amount which cannot exceed the corporate income tax due for that year. In order to avail itself of the above the Company must set up a restricted reserve equal to five times the amount of the net wealth tax credited. This reserve has to be maintained for a period of five years following the year in which it was created. In case of distribution of the restricted reserve, the tax credit falls due during the year in which it was distributed.

Note 7 – Other reserves (continued)

As at 31 December 2014, the restricted portion of "other reserves" in the books of SES S.A. is as follows:

	Reduction in net wealth tax EUR million	Restricted reserve EUR million
2009	**12.7**	**63.4**
2010	**14.1**	**70.7**
2011	**12.4**	**61.8**

Since 2012 the reserve for net wealth tax is recorded at the level of SES Astra S.A.. This entity forms part of the Luxembourg tax unity.

Note 8 – Non subordinated debts

a) Non convertible loans

U.S. Private Placement
On 30 September 2003, SES, through SES Global Americas Holdings GP, issued in the U.S. Private Placement market four series of unsecured notes amounting to USD 1,000.0 million and GBP 28.0 million. These notes comprised:

Series A USD 400.0 million of 5.29% Senior Notes due September 2013, amortising as of September 2007. The Private Placement Series A was reimbursed on 30 September 2013.

Series B USD 513.0 million of 5.83% Senior Notes due September 2015, amortising as of September 2011.

Series C USD 87.0 million of 5.93% Senior Notes due September 2015.

Series D GBP 28.0 million of 5.63% Senior Notes due September 2013, amortising as of September 2007. The Private Placement Series D was reimbursed on 30 September 2013.

On these four series, SES pays interest semi-annually. SES is committed under the U.S. Private Placement to maintaining covenants requiring certain financial ratios to be upheld within agreed limits in order to provide sufficient security to the lenders. These financial ratios are based on the consolidated financial statements of SES S.A. Of these, the covenant which management monitors the most actively is the requirement to maintain the Net Debt / EBITDA ratio at a level of 3.5 or below. The Company was in compliance with these covenants as at 31 December 2014 and throughout the year then ended.

European Medium-Term Note Programme (EMTN)
On 6 December 2005, SES put in place a EUR 2,000.0 million EMTN enabling SES, or SES Global Americas Holdings GP, to issue as and when required notes up to a maximum aggregate amount of EUR 2,000.0 million. In May 2007, this programme was increased to an aggregate amount of EUR 4,000.0 million. As of 31 December 2014, SES has issued EUR 2,090.00 million (2013: EUR 2,740.0 million) under the EMTN Programme with maturities ranging from 2016 to 2027.

Note 8 – Non subordinated debts (continued)

a) Non convertible loans (continued)

EUR 650.0 million Eurobond (2014)
On 9 July 2009 (pricing 30 June 2009), SES issued a EUR 650.0 million bond under the Company's European Medium-Term Note Programme. The bond has a 5-year maturity and bears interest at a fixed rate of 4.875%. It was fully repaid on 9 July 2014.

EUR 150.0 million Private Placement (2016)
On 13 July 2009, SES issued a EUR 150.0 million Private Placement under the Company's European Medium-Term Note Programme with Deutsche Bank. The Private Placement has a 7-year maturity, beginning 5 August 2009, and bears interest at a fixed rate of 5.05%.

EUR 500.0 million Eurobond (2018)

On 16 October 2013, SES issued a EUR 500.0 million bond under the Company's European Medium-Term Note Programme. The bond has a 5-year maturity and bears interest at a fixed rate of 1.875%.

EUR 650.0 million Eurobond (2020)
On 9 March 2010 (pricing 1 March 2010), SES issued a EUR 650.0 million bond under the Company's European Medium-Term Note Programme. The bond has a 10-year maturity and bears interest at a fixed rate of 4.625%.

EUR 650.0 million Eurobond (2021)
On 11 March 2011 (pricing 2 March 2011), SES issued a EUR 650.0 million bond under the Company's European Medium-Term Note Programme. The bond has a 10-year maturity and bears interest at a fixed rate of 4.75%.

EUR 140.0 million Private Placement (2027)
Between May and July 2012, SES issued three individual tranches of a total EUR 140.0 million Private Placement under the Company's European Medium-Term Note Programme with ING Bank N.V. The Private Placement has a 15-year maturity, beginning 31 May 2012, and bears interest at a fixed rate of 4.00%.

144A Bond USD 750 million (2023)
On 4 April 2013, SES completed a 144A offering in the US market issuing USD 750 million (EUR 617.7 million at 31 December 2014) 10-year bond with a coupon of 3.60% and a final maturity date on 4 April 2023.

144A Bond USD 250 million (2043)
On 4 April 2013, SES completed a 144A offering in the US market issuing USD 250 million (EUR 205.9 million at 31 December 2014) 30-year bond with a coupon of 5.30% and a final maturity date on 4 April 2043.

144A Bond USD 500 million (2019)
On 25 March 2014, SES completed a 144A offering in the US market issuing USD 500 million (EUR 411.8 million at 31 December 2014) 5-year bond with a coupon of 2.50% and a final maturity date of 25 March 2019.

144A Bond USD 500 million (2044)
On 25 March 2014, SES completed a 144A offering in the US market issuing USD 500 million (EUR 411.8 million at 31 December 2014) 30-year bond with a coupon of 5.30% and a final maturity date of 25 March 2044.

Note 8 – Non subordinated debts (continued)

a) Non convertible loans (continued)

German Bond issue of EUR 50.0 million
On 29 October 2012, SES signed an agreement to issue EUR 50 million in the German bond ("Schuldschein") market. The German bond bears a fixed interest rate of 4.0% and matures on 12 November 2032.

The maturity profile of notes, bonds and commercial papers is as follows as at 31 December 2014 and 2013:

	2014	2013
	EUR million	EUR million
Within one year (1)	**234.0**	811.0
Between one to two years	**150.0**	137.5
Between two to five years	**500.0**	650.0
After five years	**3,137.3**	2,215.1
Total after one year	**3,787.3**	3,002.6

(1) Includes accrued interest in the amount of EUR 77.8 million at year-end 2014 (2013: EUR 85.4 million)

b) Amounts owed to credit institutions

As at 31 December 2014 and 2013, the amount owed to credit institutions was as follows:

	2014	2013
	EUR million	EUR million
Becoming due and payable after more one year	**491.6**	574.9
European Investment Bank	**66.7**	100.0
COFACE facility	**358.6**	403.5
US Ex-Im	**66.3**	71.4
Becoming due and payable within one year (1)	**105.3**	80.2
European Investment Bank	**33.9**	33.3
COFACE facility	**56.4**	33.9
US Ex-Im	**15.0**	13.0

(1) Includes accrued interests in the amount of EUR 3.0 million at year-end 2014 (2013: EUR 1.3 million)

EUR 200.0 million European Investment Bank funding
On 21 April 2009, SES signed a financing agreement with the European Investment Bank for the investment by the SES Group in certain satellite investment projects. This facility, bearing interest at a fixed rate of 3.618% is repayable in six annual instalments between May 2012 and May 2017.

Note 8 - Non subordinated debts (continued)

b) Amounts owed to credit institutions (continued)

Syndicated loan 2019

In January 2015, the SES Group updated its previous syndicated loan facility (syndicated loan 2015). The revised facility is made available by 20 banks and has been structured as a 5 year multicurrency revolving credit facility with two one-year extension options exercisable at the discretion of the lenders. The amended facility is for EUR 1.2 billion and the interest due is linked to a ratings grid. At the current rating of BBB / Baa2 the margin is 45 basis points per year above EURIBOR or LIBOR. On 23 December 2014, all lenders agreed to extend the termination date by a further period of 365 days to 14 January 2020.

EUR 522.9 million COFACE facility

On 16 December 2009, SES signed a financing agreement with COFACE (Compagnie Française d'Assurance pour le Commerce Extérieur) in respect of the investment in four geostationary satellites (ASTRA 2E, ASTRA 2F, ASTRA 2G, ASTRA 5B). The facility is divided into five loans. The drawings under the facility are based on invoices from the supplier of the satellites. The first drawing was done on 23 April 2010 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 will mature on May 21, 2021 and Coface C and D will mature on October 3, 2022. The facility bears interest at a floating rate of six month EURIBOR plus a margin of 1.7%.

USD 158 million US Ex-Im facility

In April 2011, SES signed a financing agreement with Ex-Im Bank (Export-Import Bank of the United States) for USD 158 million for the investment in one geostationary satellite (QuetzSat). At the in-orbit acceptance date of the satellite, the facility was fully drawn with USD 152.2 million which will be repaid in 17 equal semi-annual instalments starting on 22 June 2012. The loan has a final maturity date of 22 June 2020 and bears interest at a fixed rate of 3.11%.

The maturity profile of the amounts drawn is as follows as at 31 December 2014 and 2013:

	2014 EUR million	2013 EUR million
Between one and two years	**204.6**	100.1
Between two and five years	**199.5**	267.0
After five years	**87.5**	**207.8**
Total	**491.6**	**574.9**

Committed and uncommitted loan facilities

As at 31 December 2014, the Company had not drawn down under uncommitted loan facilities (2013: USD 0 million).

Note 8 - Non subordinated debts (continued)

c) Amounts owed to affiliated undertakings

Amounts owed to affiliated undertakings of EUR 5,265.7 million (2013: EUR 4,828.7 million) include the following:

	2014 EUR million	2013 EUR million
Long-term loans (maturity after 5 years)	**1,384.9**	1,261.2
Short-term loans	**500.0**	0.0
Notes	**952.6**	1,695.6
Current accounts	**2,428.2**	1,871.9
Total	**5,265.7**	4,828.7

As at 31 December 2014 and 2013 long-term loans included:
- Seven loans bearing interest at a rate of 4.12% with a maturity of April 2021,
- Two loans bearing interest at a rate of one month USD LIBOR plus a margin of 0.50% with a maturity of November 2020
- A loan with a maturity of December 2022 bearing interest at a rate of 4.00%. Part of this loan initially allocated to SES Americom Inc. has been allocated to SES Global Americas Inc. for a total amount of 848.5 MUSD. This allocated portion is interest free.
- A new loan for a total amount of USD 118 million with a maturity of December 2016 at a rate of 0.99% that has been entered into in 2014 with SES Global Americas Inc.

Short term loan outstanding as at 31 December 2014 is the loan with SES Lux Finance S.à r.l. with a maturity in September 2015.

As at 31 December 2014 and 2013 the notes are interest free and are repayable upon demand.

As at 31 December 2014 and 2013 current accounts represent short-term debts bearing interest at market rates.

Note 9 – Tax debts

The Company is subject to the tax regulations in Luxembourg, in Switzerland for the Swiss branch and in US for the partnership.

In accordance with Article 164bis of the Luxembourg income tax law, SES S.A. is the head of the Luxembourg tax unity with its subsidiaries as follows:

- SES Astra S.A.
- SES Asia S.A.
- SES Astra Broadband Services S.A.
- SES Participations S.A.
- SES Global Africa S.A.
- SES Astra 3B S.à r.l.
- SES Astra 1KR S.à r.l.
- SES Astra 1L S.à r.l.
- SES Astra 1M S.à r.l.
- SES Astra TechCom S.A.
- SES Engineering S.à r.l.

Note 9 – Tax debts (continued)

- SES Astra 1N S.à r.l.
- SES Astra 5B S.à r.l.
- SES Astra 2E S.à r.l.
- SES Astra 2F S.à r.l.
- SES Astra 2G S.à r.l.
- SES Digital Distribution Services S.à r.l.
- SES Astra Services Europe S.A.
- SES Lux Finance S.à r.l.

The balance sheet position takes into consideration the tax payable or receivable of the tax unity to the Luxembourg tax authorities, which is due by the head of the tax unity, i.e. SES SA.

The respective tax charge/income of each subsidiary is computed and recharged on a stand-alone basis via intercompany accounts.

In 2014, the tax sharing agreement in place between the Company and its subsidiaries has been amended and allows the Company not to accept the recharge of tax income from its subsidiaries if it is not able itself to use that tax income for that year. The recharge of the tax income of SES Astra 5B S.à.r.l. and SES Astra 2G S.à r.l related to prior years has been adjusted in 2014 to the extent that SES S.A. was not able to use the respective tax income.

Note 10 – Staff costs

As at 31 December 2014, the number of full time equivalent employees was 68 (2013: 55) and the average number of employees in the workforce for 2014 was 68.5 (2013: 58). Staff costs can be analysed as follows:

	2014 **EUR million**	2013 EUR million
Wages and salaries	**27.4**	15.3
Social security costs	**1.9**	1.6
Total	**29.3**	16.9

Note 11 – Audit fees

Art. 65 paragraph (1) 16º of the Law of 19 December 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings (the “law”) requires the disclosure of the independent auditor fees. In conformity with the law these details have been omitted as the Company prepares consolidated accounts in which this information is disclosed and these consolidated accounts and the related consolidated management report and auditors' report thereon have been lodged with the Luxembourg Trade Registry.

Note 12 – Other interest and similar financial charges

Other interest and similar financial charges include the following:

	2014 **EUR million**	2013 EUR million
Interest charges	**184.9**	185.4
Foreign exchange losses, net	**54.1**	12.3
Interests on swaps	**0.0**	0.8
Loan origination costs	**15.5**	15.8
Total	**254.5**	214.3

Note 13 – Other operating income

Other operating income amounting to EUR 19.1 million (2013: EUR 17.9 million) consists mainly of group recharge revenues from advisory support services rendered to various affiliates.

Note 14 – Income from financial fixed assets

Income from financial fixed assets derived from affiliated undertakings consists of the following:

	2014 **EUR million**	2013 EUR million
Dividends received from affiliated undertakings	717.8	578.6
Total	717.8	578.6

Note 15 – Other interest and other financial income

Other interest and similar income include the following:

	2014 **EUR million**	2013 EUR million
Other financial income	1.2	3.4
Foreign exchange gain, net	0	22.1
Profit on disposal of own shares	17.2	
Total	18.4	25.5

Note 16 – Board of Directors' remuneration

At the Annual General Meeting held on 3 April 2014, payments to directors for attendance at Board and Committee meetings were approved. These payments are computed on a fixed and variable basis. The variable payments are based upon attendance at Board and Committee meetings. Total payments arising in 2014 were EUR 1.3 million (2013: EUR 1.4 million).

Note 17 – Off balance sheet commitments

Guarantees
On 31 December 2014 the SES Group had outstanding bank guarantees for an amount of EUR 78.1 million (2013: EUR 19.7 million) with respect to performance and warranty guarantees for services of satellite operations.

Corporate guarantees
In 2014, SES has given several corporate guarantees to space and ground segment suppliers for the provision of communications spacecraft and related equipment contracted by fully-owned subsidiaries of the SES Group for EUR 0.2 million (2013: EUR 49.3 million).

SES S.A. is not subject to legal proceedings or litigations in the normal course of business.

Assemblée Générale Annuelle de SES
Jeudi 2 avril 2015 à 10 heures 30

Projet de résolution se rapportant au point 7 de l'ordre du jour

Le Conseil d'administration propose à l'Assemblée d'approuver les comptes annuels et les comptes consolidés comme indiqués sous le point 6 de l'ordre du jour "Rapport du réviseur d'entreprises".

* * *

Draft resolution related to point 7 of the agenda

The Board of Directors proposes to the Meeting to approve the annual accounts and the consolidated annual accounts as shown under agenda item 6 "Presentation of the audit report".

Assemblée Générale Annuelle de SES
Jeudi 2 avril 2015 à 10 heures 30

Projet de résolution se rapportant au point 8 de l'ordre du jour

Le Conseil d'administration propose à l'Assemblée d'approuver l'affectation du résultat net de l'exercice 2014 conformément aux indications figurant dans le tableau ci-joint, intitulé "Allocation of 2014 Profits", points 1 à 5.

* * *

Draft resolution related to point 8 of the agenda

The Board of Directors proposes to the Meeting to approve the allocation of the 2014 profits according to the indications of the enclosed table entitled "Allocation of 2014 Profits", items 1 to 5.

* * *

Assemblée Générale Annuelle de SES
Jeudi 2 avril 2015 à 10 heures 30

Allocation of 2014 Profits

				EUR
1	2014 statutory net income of SES S.A. (unconsolidated) available for dividend			482.815.177.33
2	Statutory release (to) / from Legal Reserve [1]			
	Available for distribution after transfer from Legal Reserve			482.815.177.33
3	Payment of a dividend under Article 31:	Shares	Dividend	
	Ordinary A shares	337.600.000	1.180	-398.368.000.00
	Ordinary B shares	168.800.000	0.472	-79.673.600.00
	Total			-478.041.600.00
4	Transfer (to) / from "Other Reserves"			-4.773.577.33
5	Undistributed 2013 profits			0.00

[1] In accordance with Luxembourg legal requirements, a minimum of 5% of the yearly net profit is transferred to a legal reserve from which distribution is restricted. This requirement is satisfied when the reserve reaches 10% of the issued share capital.

Situation des comptes de reserves / situation of the reserve accounts

		EUR
A	Movement on "Other Reserves" *('Free Reserves')*	
	"Other Reserves" before proposed transfer	292.603.325.46
	Transfer to / (from) 'Other reserves'	4.773.577.33
	"Other Reserves" after proposed transfer	297.376.902.79

Shareholders are specifically asked to note and confirm that, in accordance §8a of the Vermögensteuergesetz ("VStG"), an amount of - nil - (2013: nil) [NWT provision built in SES ASTRA]) representing the 2014 Net Worth Tax reserve, has been transferred to a non-distributable reserve within "Other reserves"

B	Movement on "Result Brought Forward" / "Other Reserves"	
	"Result Brought Forward" before proposed transfer	0.00
	Transfer to / from "Other Reserves"	0.00
	"Result Brought Forward" after proposed transfer	0.00
	"Other Reserves" after proposed transfer	297.376.902.79
C	2014 Consolidated net income available for the shareholders of SES S.A.	600.804.302.00
D	Movement on "Legal Reserve"	
	"Legal Reserves" before proposed transfer	63.300.000.00
	Transfer to / (from) "Legal reserves"	0.00
	"Legal Reserves" after proposed transfer - 10% of Subscribed Capital	63.300.000.00
	Note: Subscribed Capital of SES S.A. is	*633.000.000.00*

Assemblée Générale Annuelle de SES
Jeudi 2 avril 2015 à 10 heures 30

Projet de résolution se rapportant au point 9 de l'ordre du jour

Le Conseil d'administration propose d'approuver la situation des comptes de réserves conformément aux indications figurant dans le tableau intitulé "Allocation of 2014 Profits", points A à D comme indiqué sous le point 8 de l'ordre du jour.

* * *

Draft resolution related to point 9 of the agenda

The Board proposes to the Meeting to approve the situation of the reserve accounts according to the indications on the table entitled "Allocation of 2014 Profits", items A to D as shown under agenda item 8.

Assemblée Générale Annuelle de SES
Jeudi 2 avril 2015 à 10 heures 30

Projet de résolution se rapportant au point 10 de l'ordre du jour

Conformément à l'article 27 des statuts, le Conseil d'administration propose à l'Assemblée de donner décharge aux administrateurs.

* * *

Draft resolution related to point 10 of the agenda

According to article 27 of the Articles of Incorporation, the Board of Directors proposes to the Meeting to give discharge to the members of the Board.

Assemblée Générale Annuelle de SES
Jeudi 2 avril 2015 à 10 heures 30

Projet de résolution se rapportant au point 11 de l'ordre du jour

Conformément à l'article 27 des statuts, le Conseil d'administration propose à l'Assemblée de donner décharge au réviseur d'entreprises.

* * *

Draft resolution related to point 11 of the agenda

According to article 27 of the Articles of Incorporation, the Board of Directors proposes to the Meeting to give discharge to the auditor.

Assemblée Générale Annuelle de SES
Jeudi 2 avril 2015 à 10 heures 30

Projet de résolution se rapportant au point 12 de l'ordre du jour

Election statutaire du réviseur d'entreprises pour l'année 2015 et fixation de sa rémunération.

Le Conseil propose de réélire PricewaterhouseCoopers comme réviseur d'entreprises pour l'année 2015.

Le Comité d'Audit et des Risques a approuvé le budget des frais et honoraires pour le réviseur d'entreprises.

* * *

Draft resolution related to point 12 of the agenda

Appointment of the auditor for the year 2015 and determination of its remuneration.

The Board proposes to re-appoint PricewaterhouseCoopers as external auditors for the year 2015.

The Audit and Risk Committee has approved the budget for the external auditor's fees.

Assemblée Générale Annuelle de SES
Jeudi 2 avril 2015 à 10 heures 30

Projet de résolution se rapportant au point 13 de l'ordre du jour

Résolution permettant à la Société l'acquisition de ses propres *FDRs* et/ou actions A et B

L'assemblée générale des actionnaires autorise le Conseil d'administration, avec faculté de délégation au Comité Exécutif, à acquérir un nombre maximal de 10.000.000 actions de la catégorie A, et/ou un maximum de 5.000.000 actions de la catégorie B émises par la Société en respectant les conditions fixées par la loi du 10 août 1915, telle que modifiée, concernant les sociétés commerciales ("LSC") relatives au rachat d'actions propres par une société anonyme ou à en faire acquérir par d'autres sociétés du groupe telles que visées par l'article 49bis LSC. L'autorisation de rachat d'actions de la catégorie A couvre également le rachat de *FDRs* émis par la BCEE sur base d'actions de la catégorie A de la Société.

Les actions de la catégorie A et/ou les *FDRs* pourront être acquis soit par des achats en bourse, soit en bloc, soit de gré à gré au prix du marché en vigueur à ce moment là ou à un prix inférieur. Les actions de la catégorie B pourront être acquises de gré à gré à un prix équivalent à 40% du prix du marché en vigueur des *FDRs.*

Les *FDRs* acquis par la Société pourront ou ne pourront pas être ultérieurement convertis en actions de la catégorie A et pourront être conservés ou cédés ou annulés ou utilisés à toutes autres fins utiles que le Conseil d'administration estime recommandables pour la Société. Les actions de la catégorie A acquises par la Société pourront ou ne pourront pas être ultérieurement converties en *FDRs* et pourront être conservées ou cédées ou annulées ou utilisées à toutes autres fins utiles que le Conseil d'administration estime recommandables pour la Société. Les actions acquises de la catégorie B pourront être annulées, conservées, cédées ou utilisées à toutes autres fins utiles que le Conseil d'administration estime recommandables pour la Société. Toute annulation d'actions est sujette à une résolution des actionnaires de la Société dans une réunion de l'Assemblée Générale Extraordinaire à convoquer par le Conseil d'administration.

L'autorisation est valable (a) pour une période de dix-huit mois à compter de la date de la présente résolution ou (b) jusqu'à la date de son renouvellement ou de son extension par l'assemblée générale des actionnaires si la date d'expiration de cette période est postérieure.

La Société respectera les restrictions prévues par la LSC concernant le rachat d'actions propres.

La contre-valeur d'acquisition des actions de la catégorie A, et/ou des *FDRs* ne pourra pas être inférieure à 20 EUR ni supérieure à 45 EUR par action de la catégorie A, et/ou par *FDR*. La contre-valeur d'acquisition des actions de la catégorie B ne pourra pas être inférieure à 8 EUR ni supérieure à 18 EUR par action de la catégorie B.

La Société pourra décider d'acquérir uniquement des titres d'une ou de deux des catégories d'actions, mais devra respecter le principe de l'égalité de traitement des actionnaires à l'intérieur de chacune de ces catégories d'actions.

Tous pouvoirs sont conférés au Conseil d'administration, avec faculté de délégation au Comité Exécutif, en vue d'assurer l'exécution de la présente autorisation.

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Draft resolution related to point 13 of the agenda

Resolution on Company acquiring FDRs and/or own A- and B-shares

The General Meeting of Shareholders authorizes the Board of Directors, with full power of delegation to the Executive Committee, to purchase a maximum of 10,000,000 A-, and/or a maximum of 5,000,000 B-shares issued by the Company in accordance with the conditions set forth by the law of August 10, 1915, as amended, on commercial companies (the "Companies' Act") regarding the repurchase of own shares by a *société anonyme*, or to have them purchased by other companies of the Group according to the definition of article 49bis of the Companies' Act. The A-shares and/or the FDRs shall be purchased either on the stock-exchange, or by block trade or by mutual agreement at the then current market price or lower. The B-shares shall be purchased by mutual agreement for a price equivalent to 40% of the then current market price of FDRs. The authorization to repurchase A-shares also covers the repurchase of FDRs issued by BCEE with respect to A-shares of the Company.

The FDRs repurchased by the Company may or may not be converted into A-shares and, as the case may be, be kept or sold or cancelled or used for such legitimate purposes as the Board deems advisable. The A-shares repurchased by the Company may or may not be converted into FDRs and, as the case may be, be kept or sold or cancelled or used for such legitimate purposes as the Board deems advisable. The B-shares repurchased by the Company shall be subsequently cancelled, kept, sold or used for such legitimate purposes as the Board deems advisable. Any cancellation of shares shall be subject to approval by the shareholders of the Company taken in an Extraordinary General Meeting of Shareholders to be convened by the Board.

The authorization is valid for the longer of (a) a period of eighteen months from the date of this resolution or (b) the duration of such further period beyond those eighteen months for which it is renewed or extended by the General Meeting of Shareholders.

The Company shall respect the restrictions imposed by the Companies' Act regarding the repurchase of own shares.

The purchase price of the A-shares and/or FDRs shall not be lower than EUR 20 or higher than EUR 45 per FDR or A-share. The purchase price of the B-shares shall not be lower than EUR 8 or higher than EUR 18 per B-share.

The Company may decide to purchase only shares of one or two of the existing categories, but will need to conform with the principle of equal treatment of shareholders within each category of these shares.

All powers are granted to the Board of Directors, with full power of delegation to the Executive Committee, to execute the present authorization.

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Confirmation de la cooptation de deux administrateurs
Projet de résolution se rapportant au point 14 de l'ordre du jour

Dans sa réunion du 4 décembre 2014, le Conseil d'Administration a décidé de coopter avec effet au 1er janvier 2015 :

Mme Anne-Catherine Ries pour compléter le mandat de M. René Steichen, mandat venant à échéance à l'Assemblée Générale des Actionnaires de 2017, et

Mme Katrin Wehr-Seiter pour compléter le mandat de Mme Miriam Meckel, mandat qui aurait dû venir à échéance le 2 avril 2015.

Le Conseil d'Administration propose à l'Assemblée de ratifier la cooptation des deux administrateurs.

Confirmation of Cooptation of two Directors
Draft resolution related to point 14 of the agenda

At its meeting of 4 December 2014, the Board of Directors decided to coopt two Directors effective 1 January 2015:

Mrs Anne-Catherine Ries to complete the mandate of Mr René Steichen, mandate that runs until the Annual General Meeting of Shareholders in 2017, and

Mrs Katrin Wehr-Seiter to complete the mandate of Mrs Miriam Meckel, mandate that would have run out on 2 April 2015.

The Board of Directors proposes to the Meeting to ratify the two cooptations.

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Short biographies of the coopted Directors

Anne-Catherine Ries

Born on 1 April 1973, Mrs Ries became a Director on 1 January 2015. She is Senior Policy Advisor to the Prime Minister and Minister for Media and Communications in Luxembourg with a focus on media, IT and e-commerce 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. Having started 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 technological companies to establish and develop in Luxembourg. She sits on the Board of Directors of POST Luxembourg, and of the Centre Virtuel de la Connaissance pour l'Europe.

Mrs. Ries is a Luxembourg and French national. She is not an independent director because she represents an important shareholder.

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 S.A.. Prior to joining BIP in 2012, she served as a Principal at global private equity firm Permira (2000-2009) and as an independent strategy consultant as well as a Senior Advisor to Bridgepoint (2010-2012). Prior to this, she worked for Siemens AG in strategy consulting, project management and engineering (1995-2000). She serves as a Director of several non-listed corporations as well as Sky Deutschland AG and Nanogate AG (both 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 a German national. She is an independent Director.

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Election de six administrateurs pour trois ans
Projet de résolution se rapportant au point 15 de l'ordre du jour

Le Conseil d'Administration propose à l'Assemblée d'élire les administrateurs suivants pour trois ans :

Election of six Directors for a three year term:
Draft resolution related to point 15 of the agenda

The Board of Directors proposes to the Meeting that the following candidates should be elected as directors for a three year term:

Liste de candidats représentant les actionnaires de la catégorie A

List of candidates representing shareholders of category A

Mr Hadelin de Liedekerke Beaufort, Administrateur, 51, route de la Résidence, CH-1885 Chesieres, Suisse

Mr Conny Kullman, Administrateur, Värmlandsgatan 34, SE-413 28 Göteborg, Suède

Mr Marc Speeckaert, Administrateur, 8a BD Joseph II, L-1840 Luxembourg

Mme Katrin Wehr-Seiter, Administrateur, Weinbergsweg 15, 61348 Bad Homburg, Allemagne

Liste de candidats représentant les actionnaires de la catégorie B

List of candidates representing shareholders of category B

Mr Serge Allegrezza, Administrateur, STATEC, 13 Rue Erasme, L-1468 Luxembourg

Mr Victor Rod, Administrateur, Banque et Caisse d'Epargne de l'Etat, 1 place de Metz, L-2954 Luxembourg

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Short biographies of the Board candidates

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.

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. Mr Kullman graduated with a Master of Science in Electronic Engineering from the Chalmers University of Technology in Gothenburg in 1974. After working as a Systems Engineer for Saab-Ericsson Space AB in Sweden until 1983, he joined Intelsat in Washington 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 is a member of the Remuneration Committee and of the Nomination Committee of SES.

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

Marc Speeckaert

Born May 23, 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 and a member of the Nomination Committee of SES.

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

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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 S.A.. Prior to joining BIP in 2012, she served as a Principal at global private equity firm Permira (2000-2009) and as an independent strategy consultant as well as a Senior Advisor to Bridgepoint (2010-2012). Prior to this, she worked for Siemens AG in strategy consulting, project management and engineering (1995-2000). She serves as a Director of several non-listed corporations as well as Sky Deutschland AG and Nanogate AG (both 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 a German national. She is an independent Director.

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 ‘03. 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 Luxembourg national. He is not an independent director, because he represents an important shareholder.

Victor Rod

Born on 26 April 1950. Mr Rod became a director on 23 November 1995. He retired as President of Commissariat aux Assurances on 31 December 2014. He is the Chairman of the Board of Directors of Banque et Caisse d’Epargne de l’Etat, Luxembourg. Mr Rod graduated with a degree in law from the University of Nancy.

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

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Rémunération des membres du Conseil d'administration
Projet de résolution se rapportant au point 16

Le Conseil d'Administration propose à l'Assemblée que la rémunération des membres du Conseil soit fixée comme suit:

Pour chaque assistance à une séance du Conseil d'Administration ou d'un des comités que le Conseil instituera, autre que le Comité d'Audit et des Risques, les administrateurs recevront une indemnité de EUR 1.600 par séance. Cette indemnité est la même pour les Vice-Présidents et le Président.

Un administrateur qui participera par téléphone à une séance du Conseil d'Administration ou d'un comité, que le Conseil instituera, autre que le Comité d'Audit et des Risques, touchera une indemnité de 800 EUR pour cette séance.

Un administrateur qui participera à une séance du Comité d'Audit et des Risques touchera une indemnité de EUR 1.920 par séance, respectivement de EUR 960 par séance s'il participe par téléphone à cette séance. Cette indemnité est la même pour les Vice-Présidents et le Président.

Un administrateur qui participera à plus d'une séance d'un comité le même jour, ne touchera une indemnité que pour une séance.

Chaque membre du Conseil d'Administration aura droit à une indemnité fixe de EUR 40.000 par an, indépendamment du nombre de présences aux séances. Cette indemnité est de EUR 48.000 par an pour les Vice-Présidents et de EUR 100.000 par an pour le Président.

Un administrateur, autre que le Président du Conseil d'Administration, qui sera Président d'un comité instauré par le Conseil touchera une indemnité supplémentaire de EUR 8.000 par an. Un administrateur, autre que le Président du Conseil d'Administration, qui sera Président du Comité d'Audit et des Risques, touchera une indemnité supplémentaire de EUR 9.600

Tous les montants contenus dans la présente résolution s'entendent net de retenue à la source luxembourgeoise sur la rémunération des administrateurs.

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Remuneration of the Board of Directors: Draft resolution related to point 16 of the agenda

The Board of Directors proposes to the Meeting that the remuneration of the Directors shall be determined as follows:

For the attendance at a meeting of the Board of Directors or of a committee set up by the Board, other than the Audit and Risk Committee, the Directors shall receive a remuneration of EUR 1,600 for that meeting. This remuneration is the same for the attendance by the Vice-Chairmen and the Chairman.

A Director participating by telephone at a meeting of the Board or of a committee set up by the Board, other than the Audit and Risk Committee, shall receive a remuneration of EUR 800 for that meeting.

A Director participating at a meeting of the Audit and Risk Committee shall receive a remuneration of EUR 1,920 for that meeting, or , if the Director participates by telephone, EUR 960 for that meeting. respectively of EUR 960 if the Director participates by telephone at that meeting. This remuneration is the same for the attendance by the Vice-Chairmen and the Chairman.

A Director participating in more than one committee meeting on the same day shall receive the remuneration for one meeting only.

Each Director shall receive a remuneration of EUR 40,000 each year, regardless of the number of attendances at meetings. The Vice-Chairmen shall receive EUR 48,000 each year and the Chairman of the Board shall receive EUR 100,000 each year.

A Director, other than the Chairman of the Board of Directors, chairing one of the committees set up by the Board shall receive an additional remuneration of EUR 8,000 each year. A Director, other than the Chairman of the Board of Directors, chairing the Audit and Risk Committees shall receive an additional remuneration of EUR 9,600 each year.

All the amounts contained in the present resolution will be net of any Luxembourgish withholding tax on directors' fees.