

SES to take control of O3b Networks

29 April 2016



Strengthening SES's differentiated capabilities

Acquiring controlling interest of 50.5% in O3b

Acquiring controlling share of O3b

- ▲ SES to pay USD 20 million to increase ownership from 49.1% to 50.5%
- ▲ Brings cumulative investment in O3b to USD 323 million (EUR 257 million)
- ▲ Acquisition subject to regulatory approvals, expected to be completed H2 2016
- ▲ SES investment grade credit status (BBB/Baa2) expected to be re-affirmed

Setting a clear future framework

- ▲ Board of O3b to evaluate IPO process for remaining 49.5% of shares
- ▲ SES has call option⁽¹⁾ from now to acquire all remaining shares (49.5%) in O3b
- ▲ Put option⁽¹⁾ held by other O3b shareholders, under which SES would have obligation to acquire all remaining shares (effective from 1 October 2017)

1) Subject to O3b not having launched an IPO

Strengthening SES's differentiated global network and capabilities

Expanding ...

... SES's global reach and satellite-enabled solutions

- ▲ Complementing GEO network with O3b's unique, 'game-changing' solution, already in operation
- ▲ Integrating O3b's advanced, holistic infrastructure and network platform solution

Augmenting ...

... SES's differentiated capabilities in Enterprise, Mobility and Government

- ▲ Adding O3b's dynamic suite of customers and products
- ▲ Extending SES's global capabilities and solutions

Enhancing ...

... SES's foundations for sustainable growth

- ▲ O3b's strong growth outlook underpinned by unique service offering
- ▲ Improving SES's long-term growth profile within SES financial framework

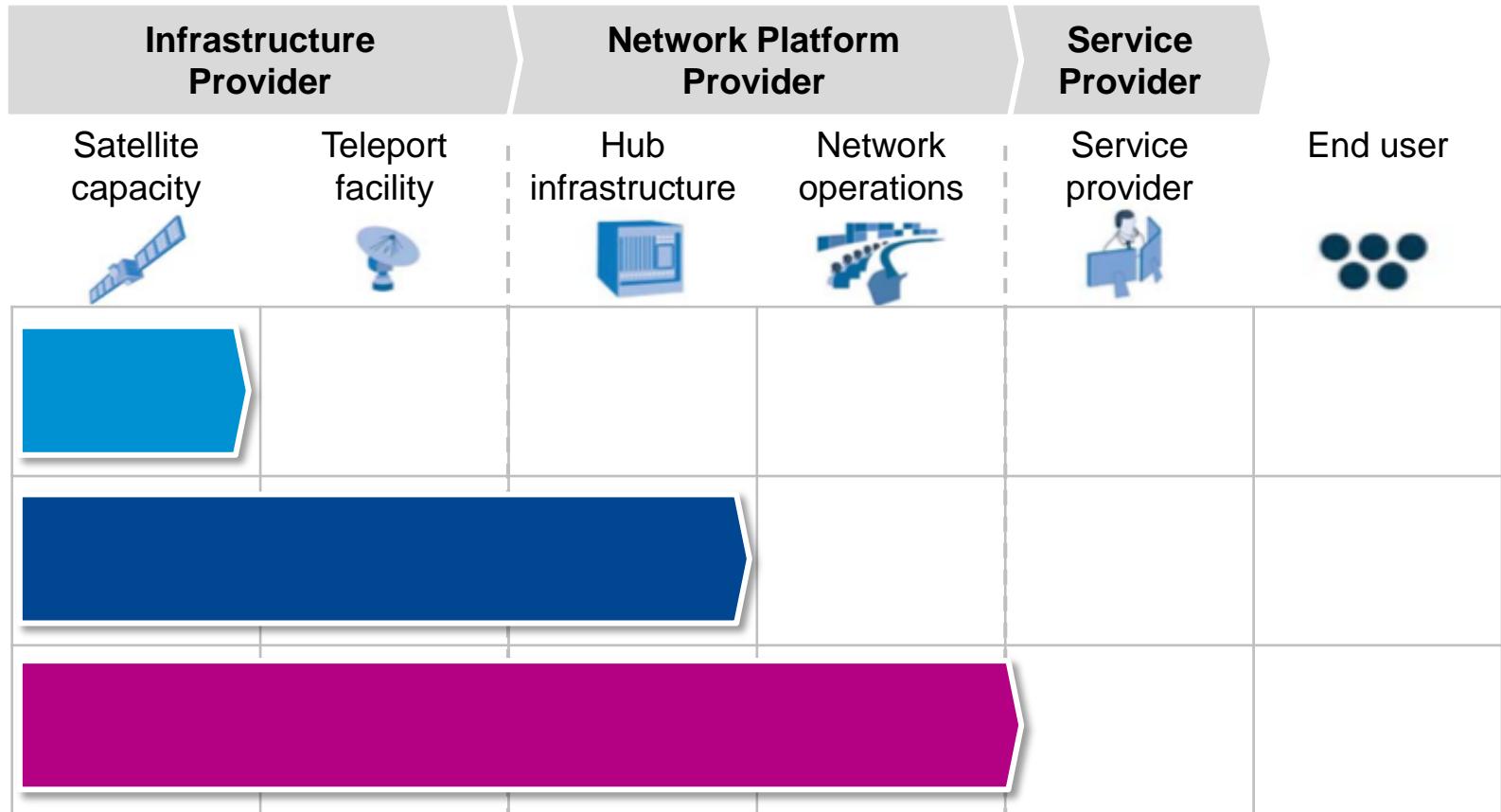
Unique, 'game-changing' global solution already in operation

Vast coverage area including emerging markets and insufficiently connected regions in developed markets



- ▲ Delivering low-cost, 'fibre in the sky' connectivity to businesses and their end consumers
- ▲ Up to 1.6 Gbps of throughput per beam, with low latency of less than 150 milliseconds
- ▲ Fastest growing satellite network in terms of capacity contracted

SES[^] Integrating O3b's advanced infrastructure and network solution



- ▲ Allowing SES to provide a customised solution, employing the optimal satellite technology to provide the best customer solution

Dynamic suite of products and customers in three verticals

	% of 2015 revenue	Solution	Key customers
<p>Enterprise</p>	70%	<i>Trunk Cell</i>	
<p>Mobility</p>	24%	<i>Energy Maritime</i>	
<p>Government</p>	6%	<i>Government</i>	<p>(via)</p>

- ▲ Over 40 customers across more than 30 countries, and growing
- ▲ Over 50% of customers have already upgraded their service commitments
- ▲ Fully protected contract backlog of USD 350 million

SES[^] Shaping the future of SES's data-centric offering today



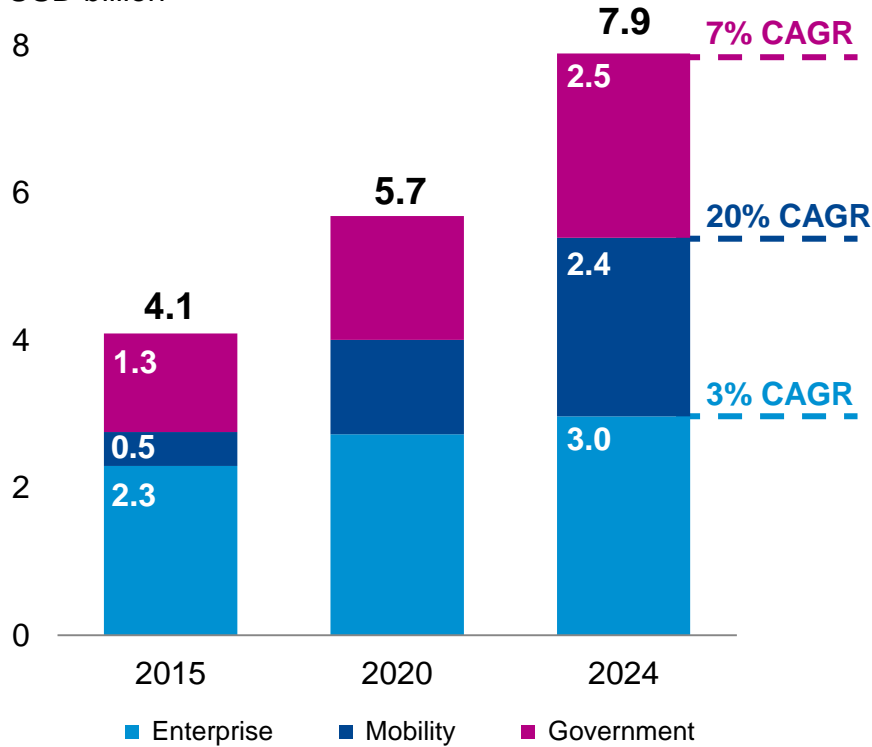
		SES [^]	SES [^]	3b Networks
Application		GEO wide beam	GEO HTS	MEO HTS
Enterprise	Corporate networks	←	→	
	Enterprise broadband	←	→	→
	Energy		←	→
	Mobile backhaul		←	→
	Consumer broadband		←	→
	Trunking			←
Mobility	Aeronautical	←	→	
	Maritime	←	→	→
	Oil & Gas	←	→	→
Government	Military	←	→	→
	Civilian	←	→	→

▲ Unlocking significant applications and opportunities in Enterprise, Mobility and Government

Strong growth outlook underpinned by unique service offering

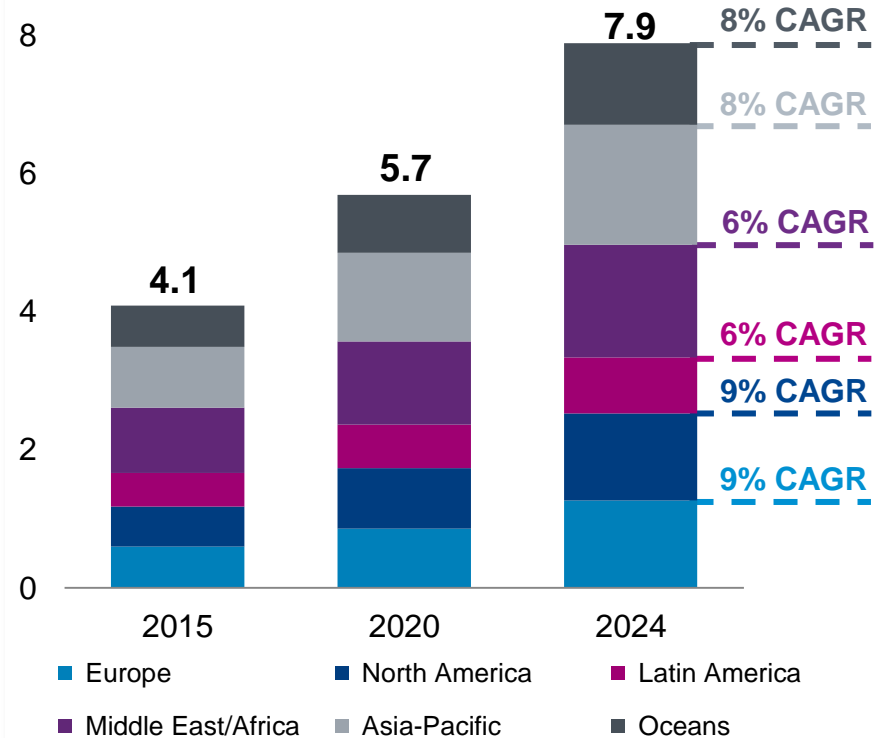
Global satellite capacity revenues by vertical⁽¹⁾

USD billion



Global satellite capacity revenues by region⁽¹⁾

USD billion (Enterprise, Mobility and Government)

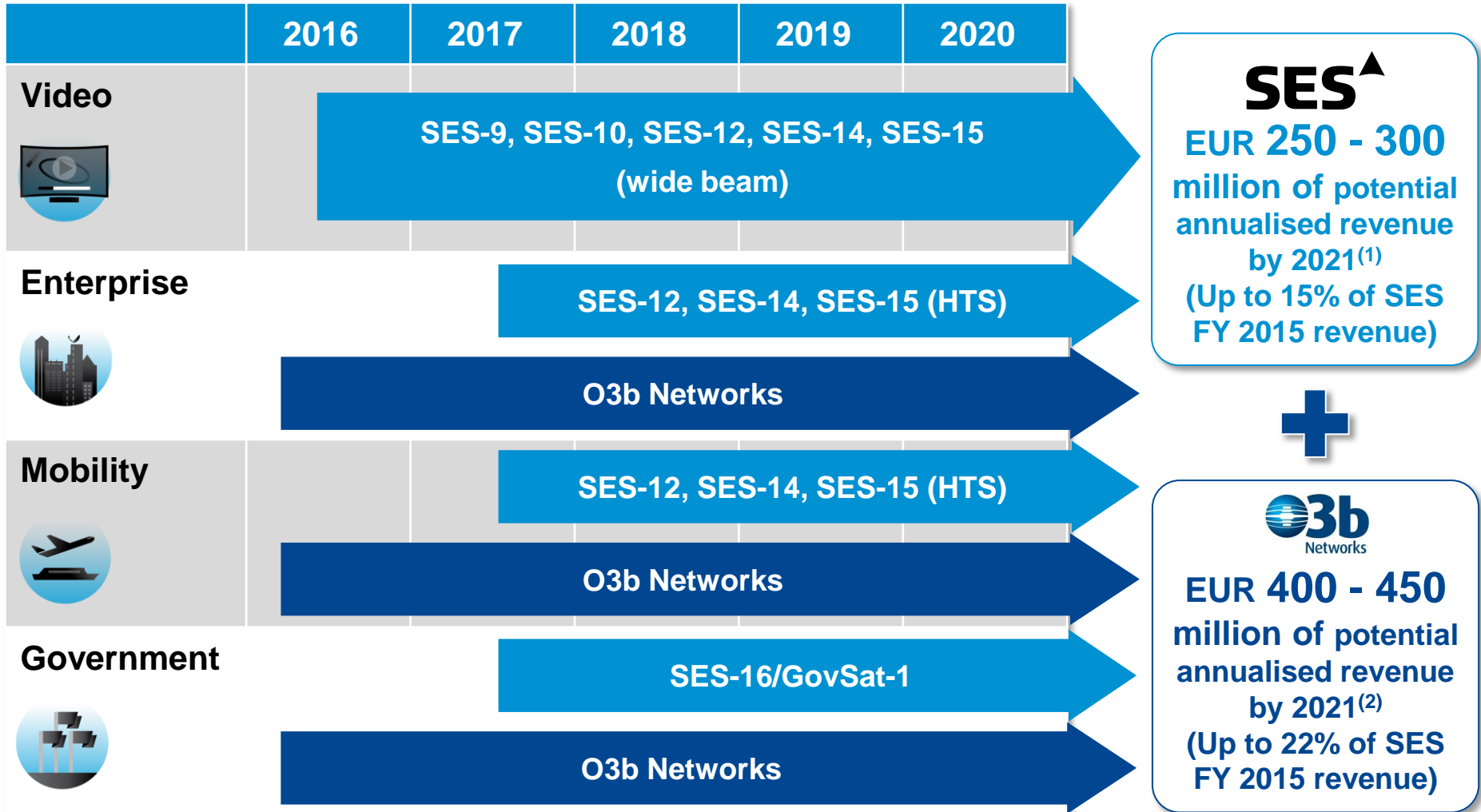


▲ Up to 20% of data applications are latency sensitive⁽²⁾

1) Source: NSR

2) Source: NSR, SES estimates

SES[^] Significantly improving SES's long-term growth profile



1) Annualised incremental revenue at average "steady-state" utilisation of around 75% (based on FX rate of EUR 1: U.S. Dollar 1.10)
 2) With 17 satellites in operation and at 'steady-state' utilisation (based on FX rate of EUR 1: U.S. Dollar 1.10)

Enhancing foundations for sustainable growth

Acquiring control of O3b (50.5%)

- ▲ SES to pay USD 20 million to increase ownership from 49.1% to 50.5%
- ▲ Brings cumulative investment to USD 323 million (EUR 257 million) for 50.5% of O3b
- ▲ Acquisition subject to regulatory approvals and expected to be completed by H2 2016
- ▲ On completion, SES will consolidate USD 1.2 billion of O3b net debt
- ▲ IFRS accounting gain of around USD 500 million to be recognised on completion

Delivering on SES's financial framework

- ▲ Generates IRR in excess of SES's minimum hurdle rate for infrastructure investments
- ▲ Business expected to be free cash flow⁽¹⁾ and net income accretive to SES by 2018/2019
- ▲ SES's investment grade credit rating (BBB/Baa2) expected to be re-affirmed
- ▲ SES maintaining its commitment to a progressive dividend policy

Setting a clear future framework

- ▲ Board of O3b to evaluate IPO process for remaining 49.5%
- ▲ SES has call option⁽²⁾ to acquire all remaining shares (49.5%) for baseline sum of USD 710 million⁽³⁾
- ▲ Put option⁽²⁾ effective from 1 October 2017 held by other O3b shareholders, under which SES would have obligation to acquire all remaining shares (49.5%) for baseline sum of USD 710 million⁽³⁾

1) Free cash flow before financing activities

2) Subject to O3b not having launched an IPO

3) Adjusted for an interest charge, calculated at market rates, to reflect the timing of the potential exercise of the option

SES[^] Capturing additional benefits from synergies

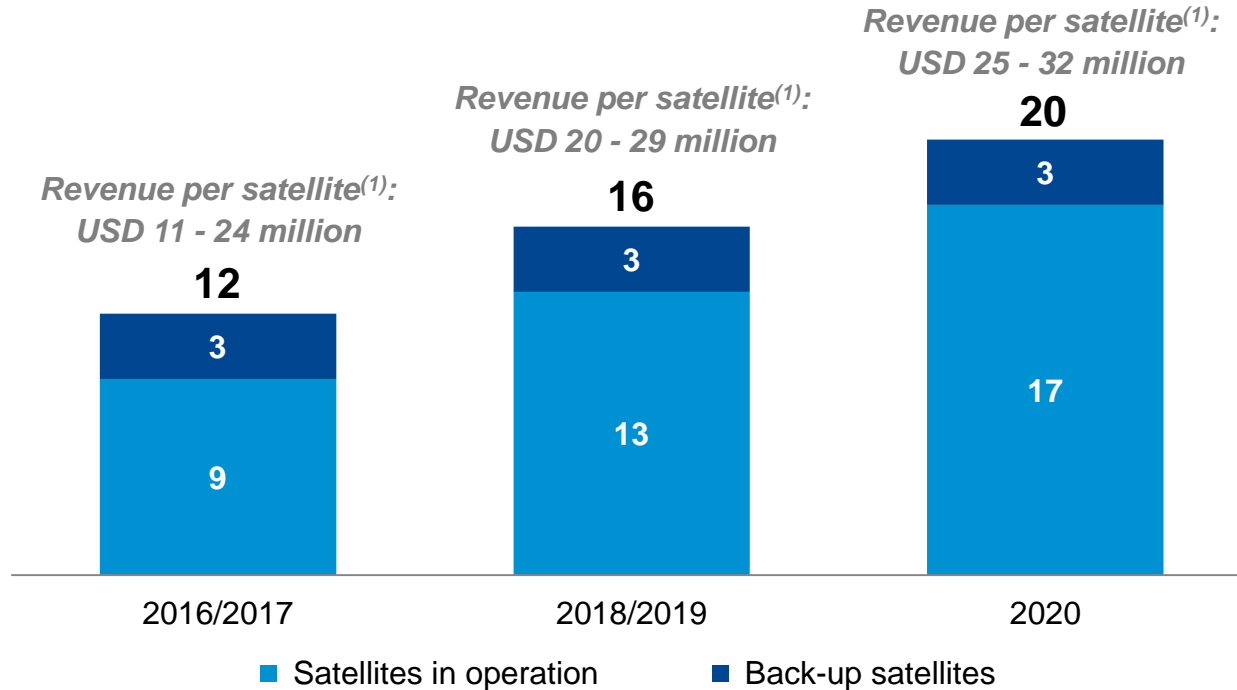
Commercial synergies	+ Operational and Technical synergies	+ Financial synergies
<ul style="list-style-type: none">▲ Delivering differentiated GEO/MEO network and solution combination▲ Providing single, combined interface increasingly becoming a customer requirement▲ Increasing flexibility to move between GEO and MEO to best serve customer needs▲ Expanding joint sales, marketing and other commercial activities	<ul style="list-style-type: none">▲ Integrating O3b's expertise in delivering advanced virtual network solutions▲ Extending global teleport and IP access network▲ Delivering increased interoperability to provide seamless GEO/MEO network▲ Aligning and incorporating key features and innovations across technologies	<ul style="list-style-type: none">▲ Reducing financing costs from current rate of 9.5% as business develops and revenue grows▲ On closing of 50.5%, plan to refinance up to 25% of O3b debt, improving average interest rate▲ Financial synergies accelerated in event of SES moving to 100% (subject to satisfying investment hurdle rates and commitment to investment grade credit rating)▲ SES will assess opportunities to optimise group's enlarged funding structure

- ▲ Delivering a differentiated customer solution
- ▲ Accelerating top-line growth and enhancing future returns for SES

Expanding fleet size to accommodate capacity demand

O3b's satellite fleet targeted to reach a 20-satellite constellation by 2020

Number of O3b satellites in operation and as in-orbit back-up



Constellation growing from 12 to 20 satellites to accommodate fast-growing demand

Annualised revenue per satellite increases to USD 32 - 36 million at 'steady-state'⁽²⁾

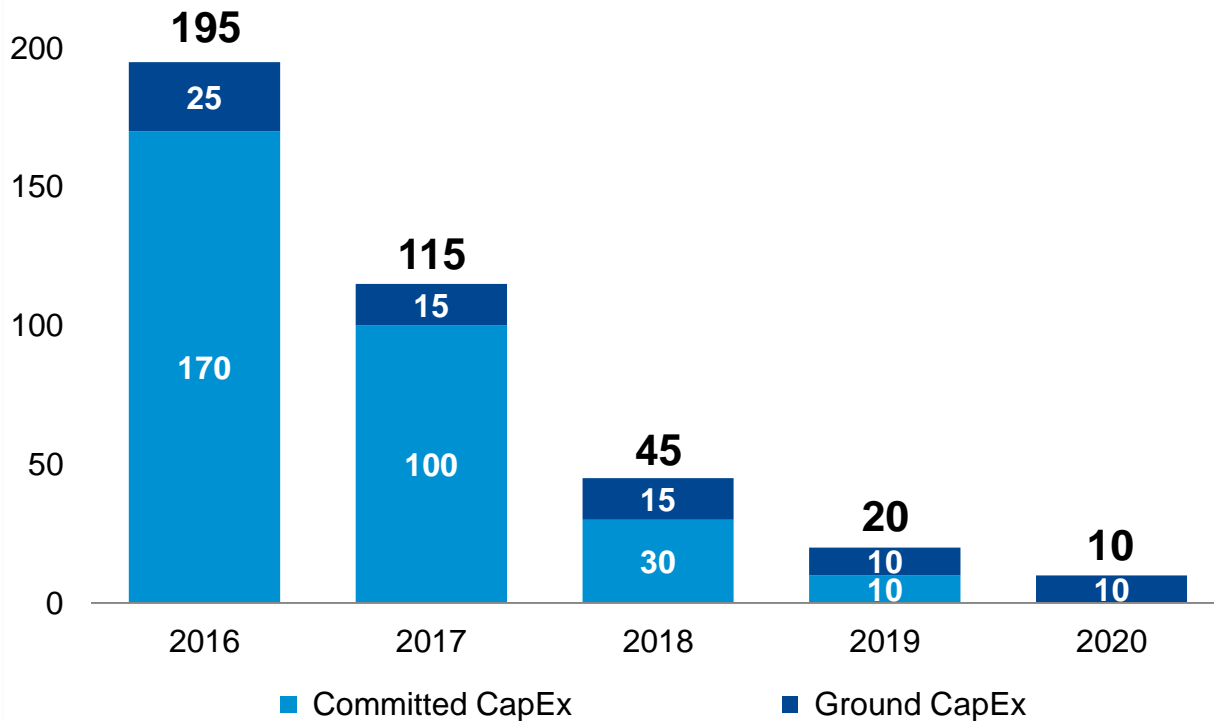
- ▲ Modular approach increases constellation efficiency as new satellites are added
- ▲ Further upside from additional satellite procurements

1) Indicative range of revenue per operational satellite

2) Based on constellation of 20 operational satellites at 'steady-state' utilisation (which is expected to be achieved around three years after satellite's launch)

O3b's committed capital expenditure profile over next five years⁽¹⁾

USD million



USD 80 million cost per O3b satellite⁽²⁾

12 years expected satellite design life

'Normalised CapEx' of USD 130 million⁽³⁾

▲ Further satellite procurements will be evaluated in due course

1) CapEx profile excludes cost of launch and insurance for satellites 17-20, which is assumed to be financed by operating cash flow

2) Cost (including launch, insurance and capitalised interest) of satellites 9-20

3) 'Normalised CapEx' applied to 20 operational satellites with design life of 12 years

SES[^] O3b Networks key financial modelling elements



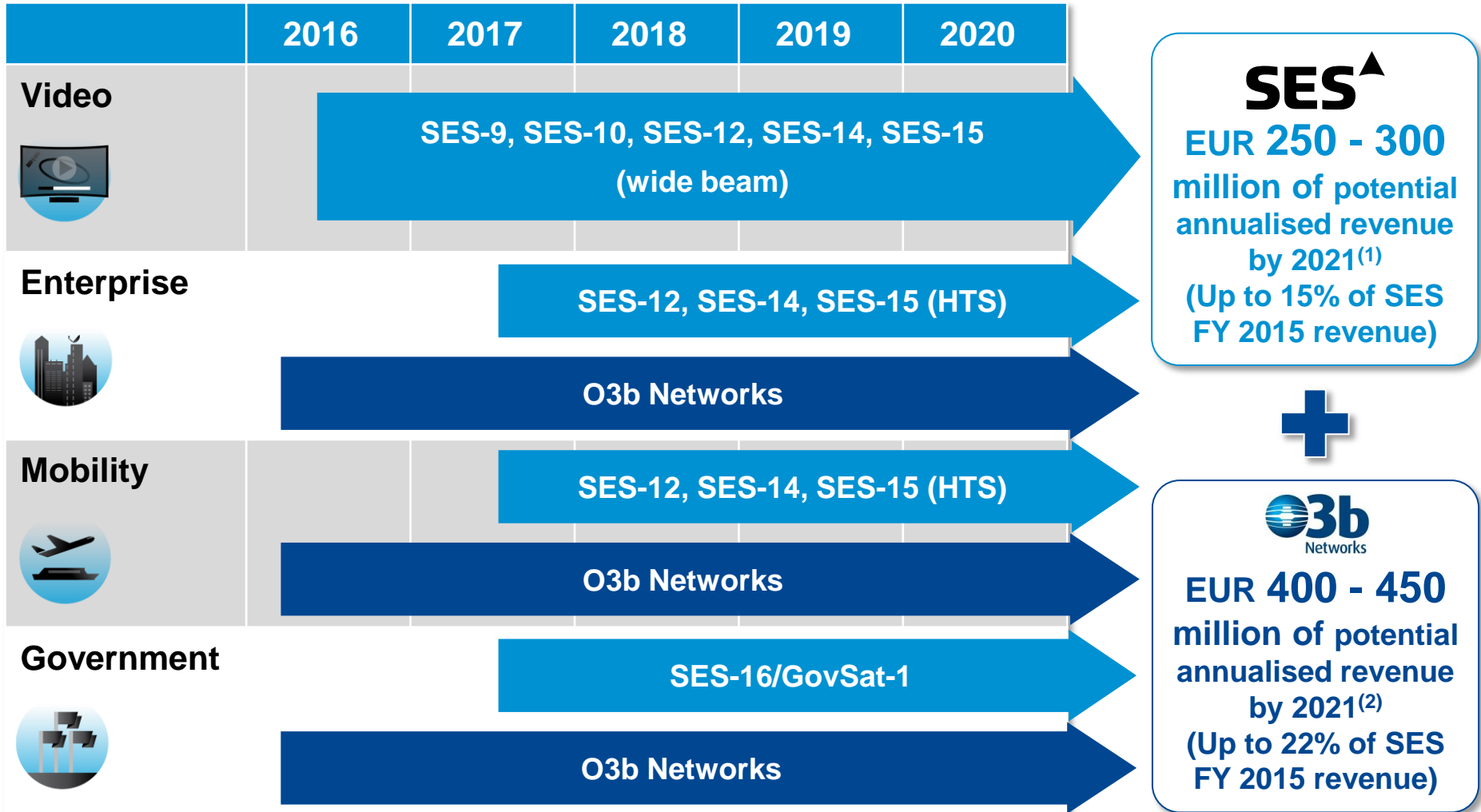
Revenue	<ul style="list-style-type: none"> ▲ 2016 revenue expected to be more than USD 100 million ▲ Annualised revenue per satellite of USD 32 - 36 million at 'steady-state'⁽¹⁾
EBITDA	<ul style="list-style-type: none"> ▲ Significantly improving EBITDA performance ▲ EBITDA margin comparable to FSS industry at 'steady-state'
CapEx / Depreciation expense	<ul style="list-style-type: none"> ▲ After initial eight satellites, cost per satellite of approximately USD 80 million⁽²⁾ ▲ Expected satellite design life of 12 years ▲ First four satellites accelerated (with favourable impact on depreciation from 2017)
Debt / Financing costs	<ul style="list-style-type: none"> ▲ Net debt of USD 1.2 billion ▲ 'All-in'⁽³⁾ average interest rate of 9.5%
Effective Tax Rate (ETR)	<ul style="list-style-type: none"> ▲ Negligible in near-term; and thereafter ~15%

1) Based on constellation of 20 operational satellites at 'steady-state' utilisation (which is expected to be achieved around three years after satellite's launch)

2) Including payload, launch, insurance, ground equipment and capitalised interest

3) Including amortisation of loan origination cost and commitment fees

SES[^] Setting the foundations for sustainable growth



1) Annualised incremental revenue at average "steady-state" utilisation of around 75% (based on FX rate of EUR 1: U.S. Dollar 1.10)

2) With 17 satellites in operation and at 'steady-state' utilisation (based on FX rate of EUR 1: U.S. Dollar 1.10)



Globalisation
Building scale to serve rapidly increasing demand for global solutions



Verticalisation
Focused development of differentiated capabilities in four market verticals



Shaping the future
Delivering the best user experience today, entrenching satellite in the ecosystem

Benefits of controlling share of

- ▲ Unique global MEO satellite constellation
- ▲ Accelerating SES's top-line growth
- ▲ Expanding SES's International revenue base
- ▲ Differentiated capabilities from combining GEO/MEO
- ▲ Complementary solutions to serve global requirements across Enterprise, Mobility and Government verticals
- ▲ Delivering solutions to areas underserved by terrestrial
- ▲ Unlocking new applications and growth opportunities

Disclaimer

- ▲ This presentation does not, in any jurisdiction, including without limitation in the U.S., constitute or form part of, and should not be construed as, any offer for sale of, or solicitation of any offer to buy, or any investment advice in connection with, any securities of SES, nor should it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever.
- ▲ No representation or warranty, express or implied, is or will be made by SES, its directors, officers or advisors, or any other person, as to the accuracy, completeness or fairness of the information or opinions contained in this presentation, and any reliance you place on them will be at your sole risk. Without prejudice to the foregoing, none of SES, or its directors, officers or advisors accept any liability whatsoever for any loss however arising, directly or indirectly, from use of this presentation or its contents or otherwise arising in connection therewith.
- ▲ This presentation includes “forward-looking statements”. All statements other than statements of historical fact included in this presentation, including without limitation those regarding SES’s financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to SES products and services), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of SES to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding SES and its subsidiaries and affiliates, present and future business strategies, and the environment in which SES will operate in the future, and such assumptions may or may not prove to be correct. These forward-looking statements speak only as at the date of this presentation. Forward-looking statements contained in this presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. SES, and its directors, officers and advisors do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.