SES

PRESS RELEASE

SES HALF YEAR 2016 RESULTS

BUILDING GLOBAL CAPABILITIES TO ACCELERATE RETURN TO GROWTH

Luxembourg, 29 July 2016 – SES S.A. (Euronext Paris and Luxembourg Stock Exchange: SESG) reports financial results for the six months ended 30 June 2016.

H1 2016 HIGHLIGHTS

Strong business foundations excluding non-comparables in H1 2015

- Revenue of EUR 956.8 million, down 4.2% as reported (-4.8% at constant FX[1])
- EBITDA of EUR 699.8 million, down 5.4% as reported (-5.8% at constant FX[1] and same scope[2])
- EBITDA margin 73.1% (H1 2015: 74.1%) and 73.5% at same scope[2]
- Net profit attributable to shareholders of EUR 227.3 million (H1 2015: EUR 275.4 million)
- Net operating cash flow of EUR 566.8 million (H1 2015: EUR 784.4 million)
- Substantial contract backlog of EUR 7.3 billion (H1 2015: EUR 7.4 billion)

Executing on SES's differentiated strategy to deliver return to top-line growth

- Growing Video with HD penetration at 32.7%, 16 UHD channels and International channels +11.1% (YOY)
- Securing the largest ever capacity commitments in aeronautical connectivity with Gogo and Panasonic
- Winning new U.S. Government business and renewals and expanding global government customers
- Reshaping Enterprise business with benefit of focus on managed services and tier one customers
- Accelerating top line growth as of Q3 2016 and expanding global capabilities with O3b Networks and MX1
- EUR 1.65 billion secured to fund move to 100% ownership of O3b and accelerate important synergies
- Generating EUR 750 million of annualised incremental revenue from GEO/MEO investments by 2021

Karim Michel Sabbagh, President and CEO, commented: *"SES's first half results were in line with management's expectations, while the appeal of SES's differentiated and holistic solutions to major customers has continued to deliver substantial contract backlog and validates SES's capability-driven strategy.*

SES is well positioned with strong foundations to generate sustainable and long-term growth. SES is globalising the business and developing the strongest, most scalable and flexible solutions across the four market verticals. SES has continued to build market-leading positions in global video and aeronautical connectivity. In Government, SES is delivering robust performance with the benefit of new contracts and renewals with the U.S. Government, as well as expanding with new global government customers.

In Enterprise, SES is growing the proportion of revenue from tier one global/regional customers and the provision of value-add managed services and network platforms. Although changing market dynamics result in short-term headwinds for the balance of SES's Enterprise business, these will be more than offset in the medium to longer term, as SES continues to scale up and complement its global network and capabilities with additional products and solutions. This global network will seamlessly combine our GEO and MEO systems.

O3b expands SES's global reach and satellite-enabled solutions, augments SES's differentiated capabilities in data-centric verticals and enhances SES's growth profile, including Enterprise. The transaction to move to 100% exceeds SES's investment hurdle rates and accelerates over EUR 100 million of synergies by 2021. The completion of the equity raising and hybrid bond issue will allow SES to execute this important transaction, while retaining SES's investment grade credit status (BBB/Baa2) and commitment to a progressive dividend policy."

[1] "Constant FX" refers to the restatement of comparative figures to neutralise currency variations and thus facilitate comparison
[2] "Same scope" excludes transaction-related costs associated with the acquisition of RR Media and the remaining shares of O3b Networks

OPERATIONAL REVIEW

SES's fully protected contract backlog remains robust at EUR 7.3 billion as at 30 June 2016 (30 June 2015: EUR 7.4 billion), benefiting from new business and renewals across SES's four market verticals.

Video: 70% of group revenue (H1 2015: 66%)

- Reported revenue grew by 0.8% (+0.3% at constant FX) to EUR 665.7 million
- HDTV channels up 12.1% (YOY) to 2,442 channels, improving HD penetration from 30.4% to 32.7%
- Expanding commercial Ultra HD channels with 16 now broadcasting across Europe and North America
- Growing TV channels in emerging markets by 11.1% (YOY) to over 2,850 TV channels

Revenue comparison for the period was affected by the contribution of periodic revenue in Q2 2015. Excluding this contribution, Video revenue growth (at constant FX) increases from 0.3% to 1.1% compared with the prior period. This reflects the growth in European video services and additional revenues captured from the development of new neighbourhoods in emerging markets.

SES has continued to benefit from the transition from Standard Definition (SD) to High Definition (HD) TV channel formats. Of the 7,463 total TV channels broadcast by SES's global fleet (30 June 2015: 7,164), 32.7% are broadcast in HD (30 June 2015: 30.4%). This represents a growth in HDTV channels of 12.1% (YOY) to 2,442 HDTV channels. At 30 June 2016, 60% of SES's total TV channels are broadcast in MPEG-4 (30 June 2015: 54%).

SES is also growing its commercial Ultra HD (UHD) portfolio. At 30 June 2016, SES now broadcasts 16 commercial UHD TV channels (30 June 2015: none), including all regional variations. In January 2016, SES and Vivicast Media unveiled UHD-1 for audiences of North American cable operators and telcos. Then, in May 2016, SES announced an agreement for the world's first Ultra HD sports channel, Viasat Ultra HD. The new channel is to be launched in Scandinavia in August 2016, and broadcasts a range of sporting events, including selected live Champions League matches.

The expansion of SES's global video business in fast-growing emerging markets was also an important growth driver. In Africa, SES and K-NET signed a multi-year renewal to continue to support the roll-out of Direct to Home (DTH) and digital terrestrial television (DTT) services in Ghana. Since 2014, SES's technical reach in Ghana has grown by 18% to two million TV households and SES now distributes video content to over 90% of all TV homes in the country.

On 1 June 2016, SES-9 was brought into commercial service increasing capacity over key markets in Asia-Pacific. The satellite, co-located with SES-7 at around 108.2 degrees East, enables SES to further expand technical reach and channel count for this important video neighbourhood, which already delivers more than 600 TV channels to over 22 million households.

In May 2016, SES announced a multi-year, multi-transponder agreement with the Philippines' largest cable TV operator, Sky Cable, for capacity on SES-9 for DTH broadcasting. The contracted capacity allows Sky Cable to complement existing cable offerings with the deployment of a nationwide DTH service, which will be available across more than 250 cities and municipalities.

SES Platform Services (SES PS) continued to win new business and renewals. This included the renewal of a multi-year contract with Tele 5 to provide video distribution services. In addition, FOX Network Group (FNG) Germany contracted SES PS to deliver content management and playout services for its four Pay-TV channels – Fox, Nat Geo People, National Geographic Channel and Nat Geo Wild. Both Tele 5 and FNG Germany are using SES PS's FLUID Media Asset Management product to deliver content management and delivery services to both linear and non-linear (video on demand) platforms.

In July 2016, SES completed the merger of RR Media with SES PS. The combination of these two successful and complementary businesses will create a world-leading media solutions provider. The new company, MX1, enhances and expands SES's capabilities to deliver and monetise a range of video services across both linear and non-linear platforms. MX1 will provide a global network and cloud-based technologies to deliver a full suite of innovative digital video and media end-to-end solutions. The new combined company already distributes over 1,000 TV channels, manages the playout of 440 TV channels and delivers syndicated content to more than 120 video on demand platforms around the world.

Enterprise: 12% of group revenue (H1 2015: 15%)

- Reported revenue of EUR 117.5 million was 19.0% lower (-20.0% at constant FX)
- Growing proportion of 'tier one' customers, including agreements with Facebook and Telkom
- Repositioning Enterprise business with addition of new global solutions, such as O3b

The revenue comparison was impacted by the prior year contribution from capacity contracted by ARSAT, in advance of the planned migration to its own satellite, and the 2015 capacity renewals with EchoStar on AMC-15 and AMC-16. Excluding these items, Enterprise revenue was 16.3% lower (at constant FX) reflecting the impact of the stronger U.S. Dollar on small and medium-sized capacity resellers, beginning in the second half of 2015.

75% of SES's Enterprise revenue is comprised of major global and regional service providers, telcos and mobile operators, as well as applications requiring wide beam satellite coverage. These include corporate networks, Enterprise Broadband and transaction processing (such as for petrol stations and ATMs), which SES complements with the provision of managed services and network platforms to deliver additional value-added solutions.

In April 2016, SES secured an agreement to support Facebook's Express Wi-Fi programme in Sub-Saharan Africa. SES provides a highly tailored service, including satellite capacity, data centre solutions and implementation services. The solution uses SES's Enterprise+ Broadband services, launched in February 2016, which provides a simple, affordable and flexible connectivity platform for service providers.

In May 2016, SES and Gilat Satellite Networks Ltd. launched SES Enterprise+ Hybrid Broadband in Asia. The combination of SES-9 capacity with Gilat's hybrid terminal enables customers to deliver cost effective broadband connectivity to underserved areas. The solution also allows mobile network operators to reduce network congestion and improve data rates.

Additionally, SES established a new strategic partnership with Indonesia's largest telecommunications services company, PT Telekomunikasi Indonesia, to deliver connectivity services using SES-9.

SES is repositioning its Enterprise business and developing new products and solutions, in the context of the changing market dynamics in this vertical. While there may be some further headwinds in the short term, these initiatives will enhance SES's ability to deliver optimal solutions for customers over the medium to long term.

The consolidation of O3b Networks' unique Medium Earth Orbit (MEO) satellite constellation, which has been operating since September 2014, represents an important component of SES's differentiated network and capabilities, particularly for applications where low latency is an increasingly essential customer requirement.

Mobility: 5% of group revenue (H1 2015: 3%)

- Reported revenue increased 52.4% to EUR 44.5 million (+49.8% at constant FX)
- Largest ever capacity contracts for aeronautical connectivity secured with Gogo and Panasonic
- Expanding products and solutions in maritime with SES Maritime+ and O3b Maritime

Growth in revenue reflected the important benefit from the commercialisation of capacity across SES's existing global fleet for in-flight connectivity. In H1 2016, SES also signed two further significant long-term pre-commitments for future SES satellites, which contributed to SES's future contract backlog.

In February 2016, SES signed important agreements with Gogo and Panasonic to provide capacity for in-flight connectivity and entertainment services using the high-powered HTS spot beams and wide beam capacity on SES-14 and SES-15. This capacity will enable SES's customers to provide a quality, home-equivalent passenger experience.

Panasonic Avionics signed a long-term contract for its highest bandwidth commitment to date, while Gogo has signed one of the largest satellite capacity deals ever struck in the aero market to meet growing demand for high-speed in-flight connectivity on travel routes over the Americas.

In combination with the pre-commitment agreed with Global Eagle Entertainment (GEE) in 2015, SES's global mobility solution (SES-12, SES-14 and SES-15) has already secured a high level of pre-commitment, well in advance of launch during 2017.

In April 2016, SES secured further agreements with GEE to provide multiple wide-beam transponders. The additional capacity allows GEE to meet fast-growing demand across India, Central Asia, the Middle East and North America. GEE is now contracting capacity on 12 SES satellites, having more than doubled their requirements in the last 12 months.

In Maritime, SES launched the Maritime+ service to provide competitive connectivity solutions, based on SES Techcom Services' Astra Connect. Maritime+ will provide connectivity services to the maritime and inland shipping sector. In July 2016, SES secured an important multi-year agreement with a leading provider of global communications solutions to the maritime and land sectors, who will become the first partner for SES's Maritime+ service.

In addition, SeaVsat selected SES's Enterprise+ Broadband service and contracted additional SES capacity to deliver broadband connectivity and voice over IP services for its worldwide maritime customers. The new solution enables SeaVsat to provide secure and reliable communications for offshore operations and enhanced crew welfare communication services.

Government: 12% of group revenue (H1 2015: 13%)

- Reported revenue down 14.6% (-15.2% at constant FX) to EUR 112.9 million
- SES GS winning new business and renewals, including both SES and O3b capacity and solutions
- Growing global government business, including new contracts in Canada and Denmark

Reported revenue was lower than the prior year period, which had benefitted from the accelerated revenue contribution associated with the construction phase of the Wide Area Augmentation Systems (WAAS) and Global-Scale Observations of the Limb and Disk (GOLD) hosted payloads. Excluding these two U.S. Government-funded payloads, Government revenue was 8.9% lower (at constant FX).

In April 2016, SES Government Solutions (SES GS) was the sole winner of two U.S. Government TROJAN follow-on contracts, which will support the U.S. Army Intelligence and Security Command (INSCOM). The TROJAN Network will utilise SES's data solutions to deliver a customised, global end-to-end network, complete with multi-band service. Both contracts were secured as Blanket Purchase Agreements with five-year performance periods.

In addition, SES GS and O3b Networks completed the first O3b managed services installation for the U.S. National Oceanic and Atmospheric Administration (NOAA). The service provides an uninterrupted, high-speed data connection between NOAA's National Weather Service Office in American Samoa and the primary Pacific

National Weather Service Office in Hawaii. As a result, NOAA is able to rapidly transfer large weather files and critically important information, such as tropical weather alerts and cyclone warning information, to a large part of the Pacific region and the U.S. mainland.

SES now supports a total of 57 global government customers and has continued to expand its global government business. In January 2016, SES secured a new contract with the Kativik Regional Government, in Canada, to provide satellite services across the northern Quebec region. The contract, which began on 30 June 2016, includes 12 transponders on SES-2 to deliver critical C-band communications capabilities. The service will triple the bandwidth currently available across the region.

In addition, SES Techcom Services was contracted to provision and maintain two Wideband Global Satcom (WGS) system stations for the Danish Defence Acquisition and Logistics Organisation. The new anchor stations provide flexible, high-capacity communications capabilities for defence operations and link Denmark's armed forces with the U.S. military's global satellite communications program.

O3b Networks

O3b has continued to deliver strong growth during 2016. In June 2016, O3b announced an increase in capacity take-up of 34% this year, with throughput now exceeding 10 Gigabits per second (Gbps). This growth in capacity is the direct result of consistent customer upgrades to expand services with O3b. In Asia-Pacific, Digicel Pacific has increased capacity by seven times across its markets, and Palau National Communications Corporation has been able to offer high-performance connectivity as a result of O3b's satellite services.

In the first six months of 2016, O3b revenue has doubled compared with the prior period. For FY 2016, O3b revenue is expected to more than double to over USD 100 million. This is supported by the development of O3b's contract backlog, which has increased to USD 360 million at 30 June 2016.

On 1 July 2016, SES exercised its call option over the remaining O3b shares. This allows SES to increase its fully diluted shareholding in O3b from 49.1% to 100%. As SES has received all regulatory approvals for taking control of O3b, the acquisition of the remaining O3b shares is expected to close on 1 August 2016. Consequently, SES will fully consolidate O3b from that date.

At closing, on 1 August 2016, SES will pay USD 722 million for the remaining shares using proceeds from the company's recent equity raising. On completion, SES will consolidate USD 1.2 billion of O3b net debt and will refinance a significant proportion of the debt facilities using the proceeds secured by the recent hybrid bond issuance, as well as the remaining proceeds from the equity raising. This will significantly reduce O3b average cost of debt of 9.5%, noting that SES's current average cost of financing is below 4%.

The consolidation of O3b's unique and global high throughput, low latency solution expands SES's global reach and satellite-enabled solutions, augments SES's differentiated capabilities in data-centric verticals and enhances SES's foundations for sustainable growth.

The transaction is expected to generate a return (pre-synergies) in excess of SES's hurdle rate for infrastructure investments. In addition, SES expects to generate EUR 53 million of annual commercial, operational, product development and financial synergies in 2017, increasing to EUR 106 million annually by 2021.

Utilisation and satellite health

As at 30 June 2016, the SES fleet had 1,550 available transponders (30 June 2015: 1,518 available transponders). The movement in available capacity includes the entry in commercial service of SES-9 (+53 incremental transponders) on 1 June 2016. This was partly offset by the ARSAT migration (-16 transponders) and reduction in available capacity on NSS-6 (-5 transponders) as a result of power degradation.

For NSS-6, no existing commercial traffic was impacted and the satellite will be replaced by SES-12 (expected to be launched end-2017). There were no other events affecting commercially available capacity on the SES fleet in the period.

The number of utilised transponders grew by 10 (net) transponders, compared with Q1 2016, to 1,081 utilised transponders at 30 June 2016 (30 June 2015: 1,101 utilised transponders). Consequently, the group's satellite utilisation rate was 69.7% at 30 June 2016 (30 June 2015: 72.5%). This included the impact of SES-9's entry into commercial service on 1 June 2016. Average revenue per utilised transponder remained unchanged across the market segments and the discrete national markets served.

Future capacity

Satellite	Region	Application	Launch Date
SES-10	Latin America	Video, Enterprise	Q4 2016
SES-11	North America	Video	Q4 2016
SES-12[1]	Asia-Pacific	Video, Enterprise, Mobility, Government	H2 2017
SES-14[1]	Latin America	Video, Enterprise, Mobility	H2 2017
SES-15[1]	North America	Enterprise, Mobility, Government	H1 2017
SES-16/GovSat-1[2]	Europe/MENA	Government	H1 2017

[1] *SES-12, SES-14 and SES-15 to be positioned using electric orbit raising, entry into service typically four to six months after launch*
[2] *Procured by LuxGovSat*

These six projects will add a total of 127 incremental (36 MHz equivalent) transponders. Additionally, SES-12, SES-14 and SES-15 will carry a total of 36 GHz of HTS capacity, which will have the revenue generation potential of around 250 (36 MHz) wide beam transponder equivalents.

Financing activities

During the period, SES raised EUR 1.65 billion (gross) from the issuance of new shares and the company's inaugural hybrid bond offering.

In May 2016, SES raised total gross proceeds of EUR 909 million from the issuance of 39.86 million new Fiduciary Depositary Receipts (FDRs) and 19.93 million new Class B shares. The Class B shares have 40% of the economic rights of Class A shares or FDRs. As a result, the total number of shares increased from 515.40 million to 575.19 million, and the total number of economic shares increased from 412.32 million to 460.15 million.

This was followed, in June 2016, by the issuance of a EUR 750 million hybrid bond at a coupon of 4.625%. The hybrid bond is a non-dilutive instrument and receives 50% equity treatment from each of Moody's and S&P. It is classified as equity under International Financial Reporting Standards (IFRS).

The proceeds from the equity raising and the hybrid bond will be used to acquire the remaining shares in O3b Networks (for USD 722 million). The proceeds will also be used to repay and refinance O3b's most expensive debt facilities and accelerate an important synergy arising from the full consolidation of O3b.

Together these transactions are fully consistent with SES's commitment to maintaining its investment grade credit rating (BBB/ Baa2) in the context of the acquisition of a 100% interest in O3b.

FINANCIAL REVIEW

Income Statement

Reported revenue declined by 4.2% over the prior period to EUR 956.8 million. At constant FX, revenue was EUR 48.4 million (or 4.8%) lower, of which EUR 35 million was due to the impact of the revenue contribution in H1 2015 from the sale of European transponders, capacity contracted by ARSAT in advance of the planned migration to its own satellite, the AMC-15/AMC-16 capacity renewal and the accelerated revenue associated with the construction phase of the WAAS and GOLD hosted payloads.

In millions of euros	**H1 2016**	H1 2015	Change	Change
As reported:				
Video	**665.7**	660.6	+5.1	+0.8%
Enterprise	**117.5**	145.1	(27.6)	-19.0%
Mobility	**44.5**	29.2	+15.3	+52.4%
Government	**112.9**	132.2	(19.3)	-14.6%
Other[1]	**16.2**	32.0	(15.8)	n/m
Group total	**956.8**	**999.1**	**(42.3)**	**-4.2%**
At constant FX:				
Video	**665.7**	663.4	+2.3	+0.3%
Enterprise	**117.5**	146.9	(29.4)	-20.0%
Mobility	**44.5**	29.7	+14.8	+49.8%
Government	**112.9**	133.2	(20.3)	-15.2%
Other[1]	**16.2**	32.0	(15.8)	n/m
Group total	**956.8**	**1,005.2**	**(48.4)**	**-4.8%**

[1] *Includes revenue not directly applicable to a particular vertical, periodic revenue contributions and European transponder sales in 2015*

EBITDA was 5.4% lower than the prior period, primarily due to lower revenue. **Operating expenses** for the period were 0.8% lower than H1 2015, and included EUR 2.9 million of transaction costs associated with the acquisition of RR Media and remaining shares in O3b Networks. The **EBITDA margin** was 73.1% for the period, and 73.5% excluding transaction-related costs (H1 2015: 74.1%).

In millions of euros	**H1 2016**	H1 2015	Change	Change
Operating expenses (reported)	**(257.0)**	(259.1)	+2.1	+0.8%
Operating expenses (with prior at constant FX)	**(257.0)**	(259.0)	+2.0	+0.8%
EBITDA (reported)	**699.8**	740.0	(40.2)	-5.4%
EBITDA (with prior at constant FX)	**699.8**	746.2	(46.4)	-6.2%

Operating profit was down 7.2% (-7.9% at constant FX) over the prior period. The reduction in **depreciation** of 3.3%, due to changes in depreciable fleet, was partly offset by an increase of 1.9% in **amortisation**.

In millions of euros	**H1 2016**	H1 2015	Change	Change
Depreciation	**(251.0)**	(259.6)	+8.6	+3.3%
Amortisation	**(31.2)**	(30.5)	(0.7)	-1.9%
Depreciation and amortisation (reported)	**(282.2)**	(290.1)	+7.9	+2.8%
Depreciation and amortisation (with prior at constant FX)	**(282.2)**	(292.6)	+10.4	+3.6%
Operating profit (reported)	**417.6**	449.9	(32.3)	-7.2%
Operating profit (with prior at constant FX)	**417.6**	453.6	(36.0)	-7.9%

Profit after tax of EUR 282.4 million included an increase over the prior period in **net financing costs** due to positive net foreign exchange gains recognised in H1 2015, as a result of the stronger U.S. Dollar. SES's refinancing activities since 2014 resulted in a 4.7% reduction in group net interest expense. Capitalised interest was EUR 7.3 million higher than H1 2015, reflecting SES's investment in replacement and future growth capacity.

The group's **income tax expense** of EUR 59.6 million was in line with prior period and represented an **effective tax rate** of 17.4% (H1 2015: 14.8%).

The effect of non-cash movements associated with O3b Networks was the principal contributor to SES's **share of associates' result** being a loss of EUR 54.1 million. The improvement against the prior period includes the combined benefit of growth in O3b revenue and the achievement of EBITDA break-even in May 2016.

Consequently, **net profit attributable to SES shareholders** was EUR 227.3 million (H1 2015: EUR 275.4 million). **Earnings per share** of EUR 0.55 (H1 2015: EUR 0.68) included the impact of the increase in the number of shares following the group's equity raising, which was completed in May 2016.

In millions of euros	**H1 2016**	H1 2015	Change	Change
Net interest expense	**(93.8)**	(98.4)	+4.6	+4.7%
Capitalised interest	**16.4**	9.1	+7.3	+80.3%
Net foreign exchange gains	**1.8**	38.5	(36.7)	-95.3%
Net financing costs	**(75.6)**	(50.8)	(24.8)	-48.8%
Profit before tax	**342.0**	399.1	(57.1)	-14.3%
Income tax expense	**(59.6)**	(59.1)	(0.5)	-0.9%
Profit after tax	**282.4**	340.0	(57.6)	-16.9%
Share of associates' result	**(54.1)**	(63.0)	+8.9	+14.2%
Non-controlling interests	**(1.0)**	(1.6)	+0.6	+35.1%
Profit attributable to SES shareholders	**227.3**	275.4	(48.1)	-17.5%

Cash Flow and Financing

Net operating cash flow was lower than the prior period due the impact of timing in working capital and up-front payments related to hosted payloads in H1 2015. **Investing activities** was higher, reflecting the group's investment in future committed satellite programs.

In millions of euros	**H1 2016**	H1 2015	Change	Change
Net operating cash flow	**566.8**	784.4	(217.6)	-27.7%
Investing activities	**(286.8)**	(248.5)	(38.3)	-15.4%
Free cash flow before financing activities	**280.0**	535.9	(255.9)	-47.8%

As at 30 June 2016, group **loans and borrowings** of EUR 4,358.9 million was 4.9% lower than the prior year. Group cash and equivalents includes EUR 1.65 billion of proceeds received from the issuance of 39.9 million new FDRs and 19.9 million new Class B shares, as well as the hybrid bond.

Consequently, the group's **Net Debt to EBITDA ratio** was lower at 1.77 times under IFRS, which treats the hybrid bond as 100% equity. Using rating agency methodology, which treats the hybrid bond as 50%/50% debt and equity, the group's Net Debt to EBITDA ratio was 2.03 times.

In millions of euros	**June 30, 2016**	June 30, 2015	Change	Change
Loans and borrowings	**4,358.9**	4,582.3	(223.4)	-4.9%
Cash and equivalents	**(1,777.7)**	(610.7)	+1,167.0	n/m
Net Debt	**2,581.2**	3,971.6	(1,390.4)	-35.0%
Net Debt / EBITDA (IFRS)	**1.77 times**	2.69 times		
Net Debt / EBITDA (rating agency)	**2.03 times**	2.69 times		

At 30 June 2016, SES's weighted **average interest rate** was 3.78% (excluding loan origination costs and commitment fees), compared with 3.85% a year ago. The group's weighted **average debt maturity** was 8.0 years (30 June 2015: 8.5 years).

Financial guidance

All of the financial guidance that was presented on 26 February 2016 is unchanged. Outlined below is the guidance for revenue and EBITDA.

SES's FY 2016 revenue is expected to be between EUR 2,010 million and EUR 2,050 million. The group's EBITDA margin is expected to be between 73.5% and 74.0%. The financial guidance assumes an average EUR/USD exchange rate of 1.10, as well as nominal satellite health and launch schedule.

SES is continuing to benefit from the execution of the group's differentiated strategy of providing scalable and global end-to-end capabilities, products and solutions. SES's unique global offering is supporting growth in Video and Mobility, while Government revenue remains robust. However, the impact of short-term headwinds in Enterprise is likely to partly offset growth in the second half of 2016.

In addition, the acquisition of RR Media (completed on 6 July 2016) and consolidation of O3b Networks (to be completed on 1 August 2016) are expected to contribute around EUR 70 million and around EUR 45 million (based on an average EUR/USD exchange rate of 1.10) to overall group revenue for FY 2016, respectively. This is before the elimination of between EUR 7 million and EUR 10 million of inter-company revenue, as a result of consolidation. In addition, SES expects to expense between EUR 6 million and EUR 8 million of transaction and integration-related costs in FY 2016.

SES is setting the foundations for sustainable growth. The group's recently added and future incremental wide beam and HTS capacity (from SES-9 to SES-16/GovSat-1), when combined with SES's investment in O3b Networks, is expected to represent up to EUR 750 million of potential annualised revenue (equivalent to over 35% of SES's FY 2015 group revenue) at 'steady state' utilisation by 2021.

SES's Interim Management Statement for the Third Quarter 2016 will be published on 28 October 2016

SUPPLEMENTARY INFORMATION

U.S. dollar exchange rate

	H1 2016 average	**H1 2016 closing**		H1 2015 average	H1 2015 closing
EUR 1 = U.S. dollars	**1.1106**	**1.1102**		1.1272	1.1189

Business segmentation

In millions of euros	Infrastructure	Services	Elimination/ Unallocated[1]	**Group total**
Revenue	809.9	262.3	(115.4)	**956.8**
EBITDA	677.7	42.6	(20.5)	**699.8**
H1 2016 EBITDA margin	83.7%	16.2%		**73.1%**
H1 2015 EBITDA margin (with prior at constant FX)	84.6%	15.2%		**74.2%**

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

Quarterly development of operating results (as reported)

In millions of euros	Q2 2015	Q3 2015	Q4 2015	Q1 2016	**Q2 2016**
Average U.S. Dollar exchange rate	*1.0981*	*1.1124*	*1.0933*	*1.0898*	***1.1314***
Revenue	521.3	493.5	521.9	481.6	**475.2**
Operating expenses	(137.4)	(127.0)	(134.2)	(125.4)	**(131.6)**
EBITDA	383.9	366.5	387.7	356.2	**343.6**
Depreciation expense	(133.0)	(134.2)	(143.0)	(126.4)	**(124.6)**
Amortisation expense	(16.1)	(15.8)	(16.5)	(15.6)	**(15.6)**
Operating profit	234.8	216.5	228.2	214.2	**203.4**

Quarterly development of operating results (at constant FX)

In millions of euros	Q2 2015	Q3 2015	Q4 2015	Q1 2016	**Q2 2016**
Revenue	514.4	489.8	514.1	473.3	**475.2**
Operating expenses	(135.1)	(126.0)	(131.7)	(123.2)	**(131.6)**
EBITDA	379.3	363.8	382.4	350.1	**343.6**
Depreciation expense	(130.5)	(133.0)	(139.9)	(123.7)	**(124.6)**
Amortisation expense	(15.9)	(15.8)	(16.5)	(15.5)	**(15.6)**
Operating profit	232.9	215.0	226.0	210.9	**203.4**

CONSOLIDATED INCOME STATEMENT

For the six month period ended June 30

In millions of euros	**2016**	2015
Revenue	**956.8**	999.1
Operating expenses	**(257.0)**	(259.1)
EBITDA[1]	**699.8**	740.0
Depreciation expense	**(251.0)**	(259.6)
Amortisation expense	**(31.2)**	(30.5)
Operating profit	**417.6**	449.9
Finance income	**6.9**	38.5
Finance costs	**(82.5)**	(89.3)
Net financing costs	**(75.6)**	(50.8)
Profit before tax	**342.0**	399.1
Income tax expense	**(59.6)**	(59.1)
Profit after tax	**282.4**	340.0
Share of associates' result, net of tax	**(54.1)**	(63.0)
Profit for the period	**228.3**	277.0
Profit attributable to:		
Owners of the parent	**227.3**	275.4
Non-controlling interests	**1.0**	1.6
	228.3	277.0
Basic earnings per share (in euro)[2]		
Class A shares	**0.55**	0.68
Class B shares	**0.22**	0.27

[1] *Earnings before interest, tax, depreciation, amortisation and share of associates' result, net of tax.*

[2] *Earnings per share is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of shares outstanding during the period, 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. Earnings per share reflect the impact of the increase in number of shares due to the equity raising, which was completed in May 2016.*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In millions of euros	**June 30, 2016**	December 31, 2015	June 30, 2015
Non-current assets:			
Property, plant and equipment	**4,477.6**	4,464.8	4,615.3
Assets in the course of construction	**828.9**	894.3	625.7
Intangible assets	**3,513.0**	3,587.4	3,514.8
Financial and other non-current assets	**244.5**	247.8	233.7
Total non-current assets	**9,064.0**	9,194.3	8,989.5
Current assets:			
Inventories	**17.1**	8.5	8.1
Trade and other receivables	**667.3**	782.7	644.6
Prepayments	**41.5**	39.0	39.2
Derivatives	**0.7**	1.6	-
Income tax receivable	**-**	-	22.3
Cash and cash equivalents	**1,777.7**	639.7	610.7
Total current assets	**2,504.3**	1,471.5	1,324.9
Total assets	**11,568.3**	10,665.8	10,314.4
Equity:			
Attributable to the owners of the parent	**5,192.6**	3,932.5	3,536.5
Non-controlling interests	**138.2**	128.3	129.4
Total equity	**5,330.8**	4,060.8	3,665.9
Non-current liabilities:			
Loans and borrowings	**4,105.4**	4,177.9	4,309.5
Provisions	**43.3**	62.7	149.8
Deferred income	**346.2**	383.3	392.2
Deferred tax liabilities	**635.7**	655.9	691.7
Other long-term liabilities	**45.3**	75.9	51.5
Total non-current liabilities	**5,175.9**	5,355.7	5,594.7
Current liabilities:			
Loans and borrowings	**253.5**	253.8	272.8
Provisions	**28.3**	10.8	16.0
Deferred income	**396.9**	450.7	344.6
Trade and other payables	**362.4**	524.0	414.1
Income tax liabilities	**20.5**	10.0	6.3
Total current liabilities	**1,061.6**	1,249.3	1,053.8
Total liabilities	**6,237.5**	6,605.0	6,648.5
Total equity and liabilities	**11,568.3**	10,665.8	10,314.4

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six month period ended June 30

In millions of euros	**2016**	2015
Profit before tax	**342.0**	399.1
Taxes paid during the period	**(52.7)**	(25.0)
Adjustment for non-cash items	**329.5**	348.6
Consolidated operating profit adjusted for tax payments, non-cash items and before working capital changes	**618.8**	722.7
Changes in operating assets and liabilities	**(52.0)**	61.7
Net operating cash flow	**566.8**	784.4
Cash flow from investing activities:		
Payments for purchases of intangible assets	**(12.2)**	(28.8)
Payments for purchases of tangible assets	**(252.5)**	(219.7)
Proceeds from disposal of tangible assets	**0.1**	-
Investment in associates	**(22.2)**	-
Net cash absorbed by investing activities	**(286.8)**	(248.5)
Free cash flow before financing activities	**280.0**	535.9
Cash flow from financing activities:		
Proceeds from borrowings	**124.4**	-
Repayment of borrowings	**(163.8)**	(68.4)
Proceeds from issuance of perpetual bond, net of transaction costs	**733.5**	-
Interest paid	**(108.1)**	(114.7)
Dividends paid to the equity holders of the parent	**(527.5)**	(434.1)
Dividends paid to non-controlling interests	**(3.6)**	(2.8)
Equity contribution from non-controlling interests	**12.5**	39.3
Issuance of shares, net of transaction costs	**885.5**	218.7
Payments for acquisition of treasury shares	**(172.1)**	(164.2)
Proceeds from treasury shares sold and exercise of stock options	**63.6**	79.7
Other financing activities	**-**	(6.1)
Net cash flow from financing activities	**844.4**	(452.6)
Free cash flow after financing activities	**1,124.4**	83.3
Net foreign exchange movements	**13.6**	2.9
Net increase/(decrease) in cash	**1,138.0**	86.2
Net cash at beginning of the financial period	**639.7**	524.5
Net cash at end of the financial period	**1,777.7**	610.7

For further information:

Richard Whiteing
Investor Relations
Tel. +352 710 725 261
Richard.Whiteing@ses.com

Markus Payer
Corporate Communications
Tel. +352 710 725 500
Markus.Payer@ses.com

Additional information is available on the SES website at **www.ses.com**

PRESENTATION OF RESULTS

A call for **investors and analysts** will be hosted at 12:00 CEST on 29 July 2016.

Participants are invited to call one of the following numbers five minutes prior to this time.

Belgium	+32(0)2 400 1972
France	+33 (0)1 76 77 22 34
Germany	+49 (0)69 2222 10639
Luxembourg	+352 2088 0168
UK	+44 (0)20 3427 1929
USA	+1 646 254 3376

Confirmation Code: **3066453**
A presentation, which will be referred to during the calls, will be available for download from the Investor Relations section of the SES website at **www.ses.com**

A replay will be available for one week on the SES website at **www.ses.com**