



Société Anonyme
RCS Luxembourg B 81.267

Registered office: Château de Betzdorf, L-6815 Betzdorf

(the „Company“)

Report by the board of directors to the shareholders pursuant to article 32-3 (5) of the Luxembourg law of 10 August 1915 regarding commercial companies, as amended.

Dear Sirs,

1. SES, a *société anonyme*, having its registered office in Château de Betzdorf, L-6815 Betzdorf, is registered with the Luxembourg Trade and Companies' Register under number B 81.267 (the „Company“). The current share capital of the Company is fixed at six hundred twenty-four million three hundred forty-seven thousand one hundred eighteen euro and seventy-five cent (EUR 624,347,118.75.-) represented by four hundred ninety-nine million four hundred seventy-seven thousand six hundred ninety-five (499,477,695) shares without indication of a par value. The share capital is divided in three hundred thirty-two million nine hundred eighty-five thousand one hundred and thirty (332,985,130) shares of Class A and one hundred sixty-six million four hundred ninety-two thousand five hundred sixty-five (166,492,565) shares of Class B.
2. The board of directors of the Company intends to propose to the shareholders to increase the current share capital of the Company and thus to authorize the board of directors of the Company to issue, from time to time, up to six million nine hundred twenty two thousand three hundred and five (6,922,305) shares without indication of a par value, hence creating an authorized share capital (including the issued share capital) of six hundred thirty three million euro (EUR 633,000,000.-) in accordance with the provisions of article 32 of the law of 10 August 1915 regarding commercial companies, as amended.
3. This authorization shall be limited to a period of five (5) years from the date of the publication of the notarial deed in the Luxembourg official gazette (*Mémorial C, Recueil des Sociétés et Associations*), pursuant to which the board of directors

will be authorized to issue new shares and to grant options to subscribe for such shares. The board of directors shall be in a position to decide to issue such shares without reserving to the holders of existing Class A shares a preferential right of subscription.

4. At the extraordinary general meeting of shareholders to be held on 5 April 2012, it will be proposed to the shareholders to amend the provisions of the share capital so that the board of directors will be granted the authorization to increase the share capital of the Company within the limits of the authorized capital also without reserving a preferential right to the holders of existing Class A shares. The board of directors expressly requests that it be granted the authorization to issue shares within the authorized capital mechanism, with or without reserving to holders of Class A shares a preferential right to subscribe for such new shares.
5. Such authorization granted by the shareholders to the board of directors to suppress or limit the preferential subscription rights of holders of Class A shares requires the submittal of a report by the board of directors, detailing the justifications for such powers, pursuant to article 32-3 (5) of the Luxembourg law of 10 August 1915 regarding commercial companies, as amended.
6. The board of directors is of the opinion that the existence of a preferential subscription right for the benefit of the holders of Class A shares will seriously reduce the flexibility of the Company to carry out the above capital increase(s) in the Company in the most efficient and timely manner and, in addition, would risk delaying any increases of share capital and issues of new shares at a moment or during a transaction where timing may be of essence. Thus, it would be beneficial for the Company to be able to issue new A shares without reserving a preferential subscription right to the existing holders of Class A shares.

By SES



Name François Tesch
Title Vice-Chairman

Date February 29th, 2012



Name René Steichen
Title: Chairman of the Board

Date February 29th, 2012