REINFORCING OUR TRACK RECORD

Introduction by the Chairman of the Board - Romain Bausch

We further reinforced our world-leading position in 2016, expanding our global reach with over 50 satellites in GEO and 12 in MEO. In addition to the continued organic investment programme in the extension and replacement of our satellite fleet, we completed two significant acquisitions, namely O3b Networks and RR Media, which have further strengthened our position in both of our segments, data and video. Our continued investment in space and ground technology continues to define our reputation for excellence across the board.

As our services move across the value chain to deliver increasingly better experiences to end-users, we are seeing customers connect even more with our service. We are increasingly seeing the benefits of our strategy, and we are well-positioned to generate sustainable and long-term growth.

Our revenue in 2016 was EUR 2,068.8 million (+2.4% at constant FX). Our EBITDA was 2.9% lower than last year, but we maintained a strong EBTIDA margin at 70.2%. Profit of the group after tax increased to EUR 1,027.1 million, representing growth of 52.4% from last year.

Our strong commercial activity in 2016 led to an increase in SES's contract backlog (future revenue already contracted under irrevocable agreements) from EUR 7.4 billion to EUR 7.7 billion, or EUR 8.1 billion when including RR Media and O3b. This represents the highest in SES's history. We raised EUR 2.2 billion in financing, principally in relation to the O3b acquisition, demonstrating the confidence of stakeholders in this new venture.

The SES Board of Directors continues to apply a progressive dividend policy per share and is proposing a dividend of EUR 1.34 for A-shares and EUR 0.536 for B-shares. The dividend, which is subject to approval at the company's annual general meeting on 6 April 2017, will be paid to shareholders on 26 April 2017.

SES continues to be the satellite industry leader in Video, and this business represents 68% of the group revenue at EUR 1,398.8 million, an increase of 4.6% at constant FX from last year. We offer an unrivalled technical reach and differentiated services, which are further enhanced by our acquisition of RR Media and the subsequent creation of MX1 through a merger with SES Platform Services. The launch of SES-9 and the continued development of our HD and Ultra HD business were also significant factors supporting growth. HDTV increased to 2,495 channels, an increase of 7.2% year-on-year.

In Enterprise, which represents 12% of group revenue, we have continued to substantially improve our business mix with the aquisition of O3b. The positive contribution from the acquired company partially offsets the reduction in Enterprise revenue to 252.0 million (-13.7% at constant FX). This decrease was mainly due to changes in point-to-point and wholesale capacity revenues. We have a deliberate strategy to move our business focus in Enterprise away from small- and medium-sized resellers for point-to-point applications towards major tier one global and regional service providers, including telcos and mobile operators. O3b has been central to this strategy, attracting tier one providers and generating high demand from existing customers. Around 65% of O3b customers have upgraded their contracts after their initial service period, with the African and Pacific markets in particular producing strong growth.

The Mobility business generated significant revenues in 2016, with an increase of 95.4% (+95.3% at constant FX). This vertical now represents 6% of the group revenue, compared to 3% at year-end 2015. The contribution from O3b was strengthened by the growth of SES's Mobility business, demonstrating the benefit of commercialising capacity across the existing global fleet for aeronautical and maritime services. Our continued investment in HTS satellites, including SES-12, SES-14, SES-15 and SES-17 is focused on supporting this growth. In 2016, we advanced our market-leading position in inflight connectivity, with Global Eagle Entertainment more than doubling their contracted capacity and with Thales becoming a committed customer for SES-17, our latest procured satellite.

The Government vertical developed a number of key deals in 2016, although revenues declined slightly to EUR 241.8 million, -6.6% at constant FX compared to 2015. The Government vertical now represents 12% of the group's revenue. Renewed growth is expected as SES Government Solutions (SES GS) continues to deliver innovative and differentiated products and solutions, which contribute to important US contract backlog. Additionally, our international business is gaining strength and attracted five new customers in 2016. We have continued to develop end-to-end solutions and our increased capability to integrate O3b services into SES solutions and offers should generate positive effects on revenue going forward.

Overall, continuing SES investment in satellite and ground technologies points towards a future of sustainable growth. The substantial increase in our backlog to over EUR 8 billion is a strong indicator of this trend. SES plans to launch six new satellites in 2017, adding about 127 transponder equivalents and 36 GHz of HTS capacity to the SES fleet. These programmes are complemented by the addition of eight new satellites to O3b's unique high throughput and low latency MEO constellation, starting in 2018. These investments, plus SES-9 (which entered into service on 1 June 2016) are projected to create an incremental annualised revenue of approximately EUR 750 million (equivalent to over 35% of group revenue).

On behalf of the Board of Directors, I am pleased to report these positive results for the business year 2016. These results show the direct impact our strategy is having on growth and underline the sustainable nature of the current business direction.

I will conclude by thanking the management and the entire SES community for their commitment and dedication to realising the goals as defined in our strategy, and thus propelling SES into the next chapter of its success story.

Romain Bausch