SES, Société anonyme
Interim results
For the six months ended
June 30, 2013

Financial highlights

- Revenue of EUR 910.5 million (+2.1%)
  - Revenue at constant exchange rate (FX) grew by 7.2%, excluding German analogue impact
- EBITDA of EUR 662.0 million (-0.5%)
  - EBITDA at constant FX grew by 6.4%, excluding German analogue impact
  - EBITDA margin of 72.7% (H1 2012: 74.6%)
  - Infrastructure EBITDA margin of 83.2% (2012: 83.6%)

H1 2013 growth compared to prior year period	As reported and at constant FX*	**Excluding German analogue impact, at constant FX**
Revenue	+2.1%	+7.2%
EBITDA	-0.5%	+6.4%

* Revenue and EBITDA comparisons for the period are the same as reported and at constant FX due to similarity of exchange rates

- Operating profit was flat at EUR 408.6 million (H1 2012: EUR 411.5 million)
- Profit of the group EUR 268.0 million (H1 2012: EUR 298.7 million)
- Earnings per A-share of EUR 0.67 (H1 2012: EUR 0.74)
- Closing net debt / EBITDA multiple of 3.07 (H1 2012: 3.07)
- Contract backlog of EUR 7.1 billion (H1 2012: EUR 6.8 billion)

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Key financial highlights

The prior year period included EUR 42.6 million revenue from four months of analogue DTH transmissions in Germany, which ended on 30 April 2012. This affects the year-on-year comparisons for the first six months of 2013.

Reported revenue of EUR 910.5 million increased by 2.1% over the prior year, despite the analogue revenue impact. Excluding analogue, revenue growth accelerated to 7.2%. Both infrastructure and services activities contributed strongly to revenue growth.

The continuing favourable development of services businesses delivered strong revenue growth in the segment, with an accompanying increase in associated cost of goods sold. Excluding this, total operating costs were tightly managed, increasing by only 1.8%. The infrastructure margin was a robust 83.2% (2012: 83.6%; 82.7% excluding analogue), and the aggregate margin for the services businesses rose from 15.0% in the first half of 2012 to 15.3% in the current period.

EBITDA for the period was EUR 662.0 million, down only 0.5% to prior, despite the absence of EUR 42.6 million of analogue EBITDA. Excluding analogue, EBITDA increased by 6.4% compared to 2012.

Depreciation and amortisation charges were flat year-on-year. Operating profit of EUR 408.6 million was EUR 2.9 million, or 0.7%, lower than in the same period in 2012.

Net financing charges increased, with a one-time impairment of a financial asset.

The effective tax rate in the period was 13.9% (H1 2012: 8.4%), in line with the guidance for the full year.

The share of associates' loss was EUR 12.3 million, mainly relating to O3b Networks - which is in a start-up and pre-commercial operations phase.

Profit of the Group was EUR 268.0 million, a reduction of 10.3% from EUR 298.7 million in the first half of 2012, mainly due to the increased share of associates' loss and a higher tax charge.

At 30 June, the net debt/EBITDA ratio stood at 3.07 times, the same level as at 30 June 2012.

Operations review

The principal events in the period included the signature of important customer contracts (*e.g.,* Oi, Orange Romania), the launch of SES-6 and the launch of the first four satellites of O3b Networks' constellation, as well as SES' inaugural US dollar bond issue.

SES-6 was launched on a Proton rocket from the Baikonur cosmodrome on 3 June. Following its insertion into geostationary orbit, it completed in-orbit testing and is expected to enter commercial service before the end of July. Replacing the NSS-806 spacecraft at 40.5°W and doubling the available capacity at that orbital position with an incremental 49 transponders, SES-6 is home to Brazilian DTH Pay-TV provider Oi's new, extended DTH package. The SES-6 satellite, with its high pre-fill rate, is a key driver of SES' growth.

Oi is only one example of the progress SES has made in executing its growth strategy by developing DTH businesses in the thriving emerging markets. SES has signed agreements with new customers such as Orange Romania, as well as with existing customers requiring additional capacity to develop their businesses, including Thai broadcaster IPMTV and Cignal Digital TV, the leading DTH operator in the Philippines. Since the end of June 2013, new agreements have been signed with Platco Digital, sister company of e.TV of South Africa, and Sky Vision of Indonesia, as well as a renewal and extension agreement with Wananchi, the East African DTH operator.

O3b Networks, a company in which SES has a 47% interest, launched the first four satellites of an initial eight of its Medium Earth Orbit constellation on 24 June. O3b expects to launch the second group of four satellites in September 2013, allowing for operations to start in Q4.

SES' first issue in the US dollar bond market was very well received. With the order book almost four times oversubscribed, a total of USD 1 billion was issued in two tranches: USD 750 million 10-year notes at 3.6%; and USD 250 million 30-year notes at 5.3%. The issue opens SES' access to the world's largest and most liquid capital market, and further diversifies the group's financing options, at the same time more closely matching maturities to SES' business profile.

Europe

European revenue, on a constant FX basis, decreased by 3.0% to EUR 454.6 million, the comparative period having included EUR 42.6 million of revenue from analogue transmissions in Germany. When excluding analogue, the year-on-year comparison showed growth of EUR 28.4 million, an increase of 6.7%, primarily driven by new business on 12 transponders and HD+. Available satellite capacity increased by 12 transponders compared to H1 2012, added by SES-5 at the 5°E orbital position. The overall utilisation rate in the region stood at 82.0% at the end of June. Average revenue per utilised transponder remains stable in the discrete national markets served.

The 2012 SES Satellite Monitor survey, published in March, confirmed ASTRA's increased reach in Europe, with strong gains in Germany. The switch-off of analogue satellite signals and the success of the HD+ platform contributed to the increase of over 500,000 satellite homes, bringing the total in Germany to over 18 million homes. Across Europe, ASTRA reaches 143 million TV households (including those served indirectly via cable and IPTV retransmission). In Europe, ASTRA now serves 73 percent of the 85 million satellite TV homes and 80 percent of the 35 million satellite HD homes.

Georgian pay-TV broadcaster MagtiSat completed its first year of operations. In January, the company signed a contract for an additional transponder to further extend its DTH bouquet from the 31.5°E orbital position.

In May, Telekom Srbija signed a multi-year capacity deal on ASTRA 3B, positioned at 23.5°E, for TV, radio and data services feeds, complementing the coverage it already delivers via ASTRA at 19.2°E.

Orange Romania concluded a multi-year contract for seven transponders for a DTH platform in Romania. The new TV package, delivering over 40 HD channels, complements its existing mobile service, enabling the company to offer full multi-device communication services to its customers.

SES Broadband Services launched its enhanced satellite internet access offering in March. Using newly available Ka-band capacity on the ASTRA 2F satellite, the service now features connectivity delivering up to 20 Mbit/s download speeds, doubling the speeds formerly available.

SES TechCom won a contract with BT for the provision of satellite communications infrastructure and services to Galileo. Galileo is the European satellite navigation system which is scheduled to enter full operations by the middle of the decade.

In Germany, the HD+ platform continued to develop well, with 2.7 million active households at the end of June 2013, of which 1.2 million are paying households. The platform is well on course to exceed its target of 1.25 million paying households by the end of the year.

North America

North American operations delivered a good result, with government business performing as expected. North American revenue, on a constant FX basis, increased by 5.9% to EUR 203.1 million. The increase against the prior year period includes a one-time recognition of revenue in Q2 2013 for capacity on AMC-9, as well as higher levels of equipment sales to government customers. Available satellite capacity reduced by 4 transponders compared to H1 2012, due to the payload reduction on AMC-16 during the second half of 2012. Utilised capacity reduced by 17 transponders, including the 4 transponders on AMC-16, compared to the prior year period, resulting in a utilisation rate of 74.0%. Average revenue per utilised transponder remains stable.

Globecast signed a contract renewing its capacity over the Americas. The capacity is on the AMC-1 and NSS-806 satellites.

Leading content distributor iN DEMAND renewed a transponder on AMC-1 for the delivery of Pay-Per-View and Video On Demand sports and entertainment television content to cable audiences across North America.

SES Government Solutions continued to deliver a solid performance in line with expectations, delivering year-on-year revenue growth.

International

International revenue increased by 9.3% over H1 2012 to EUR 252.8 million, on a constant FX basis, as new capacity addressing emerging markets was successfully commercialised. Available satellite capacity increased by 74 transponders compared to H1 2012. The capacity growth was driven by the new capacity on SES-5 (+52) and the relocation of NSS-7. Utilisation increased by 47 transponders compared to H1 2012, resulting in an overall utilisation rate of 73.1%. Average revenue per utilised transponder remains stable.

In the Pacific region, Pactel extended its connectivity offering, signing a multi-year, multi-transponder contract for capacity on NSS-9 at 183°E. The capacity will support its provision of internet access.

Another significant player in the region, Digicel, signed for additional capacity on NSS-9 to support its cellular network in Papua New Guinea. As part of a collaboration with O3b Networks, Digicel will combine SES and O3b capacities for high-quality voice and high-speed mobile data services, thus enabling fibre-like speeds.

In the Russian Far East, Vimpelcom signed an agreement for incremental capacity to serve increased demand in the region.

CET, a major European teleport operator providing corporate VSAT and media broadcast services, signed up for Ku-band capacity on NSS-12, supporting inter-regional connectivity between Europe and East Africa.

As previously mentioned, Oi Brazil has signed a major multi-year transponder capacity agreement for the majority of the Ku-band capacity on the newly launched SES-6 satellite. Its new DTH package, including a substantial HD line-up, is offered to the Brazilian market via this satellite at 40.5°W.

Other new business in Asia included a renewal and capacity extension agreement with Thai DTH broadcaster IPMTV. The agreement renews capacity on the NSS-6 satellite and secures new capacity on SES-8, scheduled to be launched in Q4 2013.

Mediascape, the leading DTH operator in the Philippines, extended its partnership with SES via a new multi-year, multi-transponder deal on SES-7 at 108.2°E. The new capacity expansion will allow MediaScape, through its brand Cignal Digital TV, to further expand its services for the provision of DTH satellite TV in the Philippines. Cignal Digital TV currently offers 22 HD channels and 65 SD channels to more than half a million subscribers across the Philippine archipelago.

After the period end, new agreements have been signed with Platco, sister company of e.TV, a major South African broadcaster, which is now developing a new DTH offering in the region, with Wananchi, a DTH operator in East Africa, and with Sky Vision in Indonesia.

Fleet developments

The total group transponder utilisation rate at the end of June was 75.5%, representing 1,084 of the 1,436 transponders commercially available.

O3b Networks

O3b Networks launched the first four satellites of its constellation on 24 June 2013. The second group of four spacecraft is scheduled for launch early in September and O3b is expected to begin commercial operations in Q4.

Satellite health

SES operates a number of spacecraft which are susceptible to solar array circuit failures. No additional circuit failures requiring a reduction of commercially available capacity have occurred in the year to date.

Management developments

On 4 April, Padraig McCarthy took up the position of Chief Financial Officer following the departure of Andrew Browne, who had decided to relocate to The Hague and to join O3b Networks as CFO. Mr 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. His appointment as CFO maintains management continuity, while bringing deep familiarity with SES and substantial industry knowledge to the role.

On 17 June, Romain Bausch, President and Chief Executive Officer, announced that he would step down from his current position following the AGM in April 2014. He will be succeeded in the position by Karim Michel Sabbagh, a Member of the Board of Directors of SES and of its Audit and Risk Committee since April 2011. Until recently a senior partner and global practice leader for Communications, Media and Technology at Booz & Company, Mr Sabbagh has extensive experience in the communications, media and satellite industry and in developing business in emerging markets. Mr Sabbagh will join the company on 1 September as CEO Designate and will transition to the position of President and CEO on 3 April 2014.

Outlook and guidance

Forthcoming launches in 2013

Three launches are scheduled during the second half of the year. The launch of ASTRA 2E, a replacement satellite at the 28.2°E orbital position, also carrying 12 incremental transponders, was due in July, but following the failure of the preceding Proton launch, will be rescheduled to later in the year on a date yet to be set, and currently assumed in September 2013. The Falcon 9 launch of the SES-8 satellite, with 21 incremental transponders at the 95°E orbital position, has been rescheduled to October, from August. Finally, ASTRA 5B, which will make available 21 incremental transponders for Central and Eastern Europe at the 31.5°E orbital position, is now expected to be launched on an Ariane rocket in December 2013.

The expected launch schedule on which the guidance is based has evolved since its publication on 22 February as shown in the following table:

Satellite	22 February (FY 2012)	17 May (Q1 2013)	26 July (H1 2013)
SES-6	June	3 June	3 June
ASTRA 2E	June	July	September
SES-8	June	Mid-August	October
ASTRA 5B	September	September / October	December

Financial guidance

The 2013 revenue and EBITDA guidance range of 4-5% growth, at constant foreign exchange rates, is based on the launch schedule and satellite health status as of February. Revenue and EBITDA guidance is confirmed, apart from the impact of the revised launch schedule as discussed above. These schedule movements are expected to have a timing impact on revenue and EBITDA of up to EUR 18 million in 2013, with a higher impact on EBITDA growth due to the lower comparable base. This results in a 2013 revenue growth rate of 3%-4% (5.5%-6.5% excluding analogue) and an EBITDA growth rate of 2.5%-3.5% (5.5%-6.5% excluding analogue). As cash outflows also move with launch dates, the favourable project economics and returns associated with the projects are unaffected by shifts in the timing of the launches. As the start of satellite depreciation will also be later than foreseen for these programmes, launch delays are not expected to be dilutive to 2013 EBIT. EBITDA growth should also reflect an increased contribution from services activities in 2013. All other elements of the guidance remain unchanged.

SES is entering a period during which capital expenditure will reduce significantly, even while additional growth investments are pursued. This, coupled with rising revenue and EBITDA, will deliver strong growth in free cash flow which may be applied to additional growth investments and acquisitions and/or be returned to shareholders.

Responsibility statement

The Board of Directors and the executive management 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 that the group's business operations are carried on efficiently and transparently. In accordance with Article 3 of the law of January 11, 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 interim condensed consolidated financial statements for the half year ended June 30, 2013, prepared in accordance with the International Financial Reporting Standards as adopted for use in 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's 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.

René Steichen
Chairman of the
Board of Directors

Romain Bausch
President and CEO

Quarterly development of key operational metrics

Transponder utilisation by regional coverage

In 36 MHz-equivalent	Q2 2012	Q3 2012	Q4 2012	Q1 2013	**Q2 2013**
Europe:					
Utilised transponders	271	270	279	278	**283**
Available transponders	333	345	345	345	**345**
Utilisation rate	81.4%	78.3%	80.9%	80.6%	**82.0%**
North America:					
Utilised transponders	301	297	289	287	**284**
Available transponders	388	388	384	384	**384**
Utilisation rate	77.6%	76.5%	75.3%	74.7%	**74.0%**
International:					
Utilised transponders	470	478	500	516	**517**
Available transponders	633	707	707	707	**707**
Utilisation rate	74.2%	67.6%	70.7%	73.0%	**73.1%**
SES group:					
Utilised transponders	1,042	1,045	1,068	1,081	**1,084**
Available transponders	1,354	1,440	1,436	1,436	**1,436**
Utilisation rate	77.0%	72.6%	74.4%	75.3%	**75.5%**

Operating result

In millions of euros	Q2 2012	Q3 2012	Q4 2012	Q1 2013	**Q2 2013**
Average U.S. dollar exchange rate	*1.2991*	*1.2495*	*1.2970*	*1.3291*	***1.2961***
Revenue	441.7	467.7	468.4	440.8	**469.7**
Operating expenses	(113.9)	(120.8)	(133.8)	(119.6)	**(128.9)**
EBITDA	327.8	346.9	334.6	321.2	**340.8**
Depreciation expense	(118.3)	(124.2)	(155.0)	(116.1)	**(120.1)**
Amortisation expense	(8.5)	(8.5)	(14.8)	(7.9)	**(9.3)**
Operating profit	201.0	214.2	164.8	197.2	**211.4**

Financial review by management

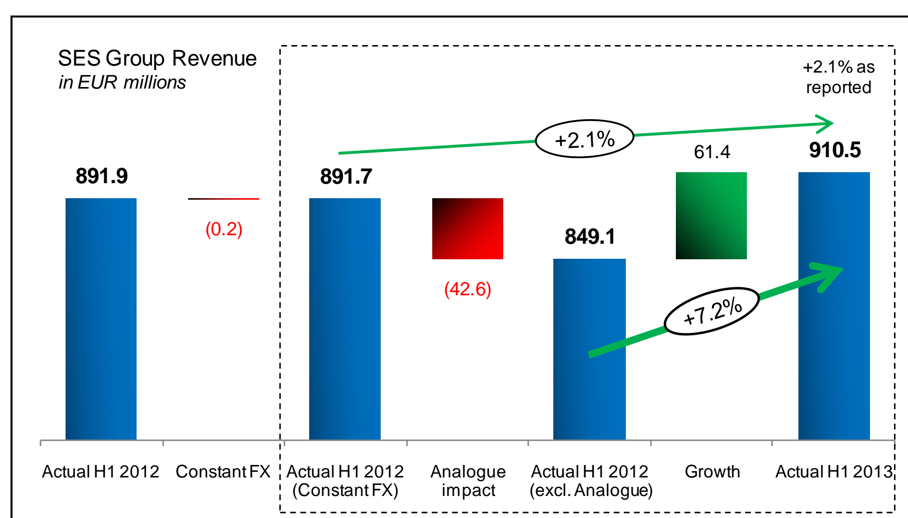
For the six month period ended June 30, 2013

Revenue

In millions of euros	**H1 2013**	H1 2012	Change	Change (%)
Revenue as reported	**910.5**	891.9	+18.6	+2.1%
Revenue at constant FX[1]	***910.5***	*891.7*	*+18.8*	*+2.1%*

Excluding the impact of analogue revenue of EUR 42.6 million recorded in the first four months of 2012, revenue at constant exchange rate rose 7.2%, with an acceleration in revenue growth in both infrastructure and services activities through H1 2013.

The year-on-year revenue growth of EUR 61.4 million at constant FX included infrastructure revenue of EUR 36.1 million and services revenue of EUR 25.3 million, with both HD+ and SES Government Solutions contributing strongly to the latter.



As reported, the revenue allocated to the relevant downlink region developed as follows:

In millions of euros	**H1 2013**	H1 2012	Change	Change (%)
Europe	**454.6**	467.4	-12.8	-2.7%
North America	**203.1**	192.3	+10.8	+5.6%
International	**252.8**	232.2	+20.6	+8.9%
Total	**910.5**	891.9	+18.6	+2.1%
In millions of euro	**H1 2013**	H1 2012	Change	Change (%)

[1] Constant exchange rate basis ('constant FX') compares figures using the same exchange rates for the U.S. dollar and all other applicable currencies, to remove distortions caused by currency movements.

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

In millions of euros	**H1 2013**	H1 2012	Change	Change (%)
Europe	**454.6**	468.8	-14.2	-3.0%
North America	**203.1**	191.7	+11.4	+5.9%
International	**252.8**	231.2	+21.6	+9.3%
Total	**910.5**	891.7	+18.8	+2.1%

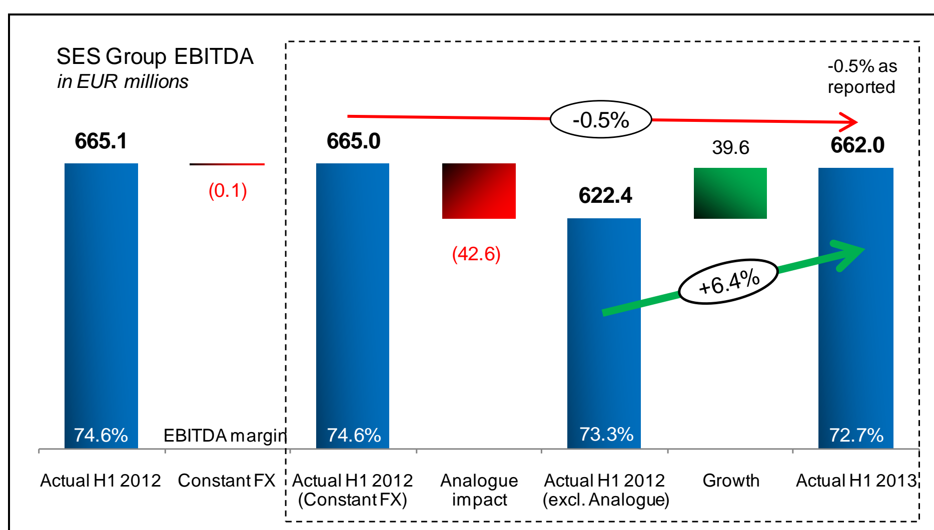
Revenue in the European segment was 3.0% lower than the prior year at constant FX, although this reflects the German analogue revenue recorded in 2012. Excluding this, European revenue grew by 6.7%. In North America, revenue grew by 5.9%, with a one-time recognition of accelerated revenue on AMC-9 enhancing the comparison with the prior period. The International segment showed a strong performance with new business in the emerging markets delivering a 9.3% increase over the prior year.

EBITDA

In millions of euros	**H1 2013**	H1 2012	Change	Change (%)
Operating expenses as reported	**(248.5)**	(226.8)	-21.7	-9.6%
EBITDA as reported	**662.0**	665.1	-3.1	-0.5%
EBITDA % margin	**72.7%**	74.6%	-1.9 pp	--
Operating expenses at constant FX	**(248.5)**	*(226.7)*	*-21.8*	*-9.6%*
EBITDA at constant FX	**662.0**	*665.0*	*-3.0*	*-0.5%*
EBITDA % margin at constant FX	**72.7%**	*74.6%*	*-1.9 pp*	--

Operating expenses rose, at constant FX, by EUR 21.8 million, or 9.6%, year-on-year reflecting an increase in costs of sales of EUR 17.8 million associated with the higher services revenue at HD+ and SES Government Solutions. Excluding these costs of sales, total operating expenses rose EUR 4.0 million, or 1.8%.

EBITDA declined by 0.5% to EUR 662.0 million, reflecting the absence of EUR 42.6 million of analogue EBITDA. Excluding this impact, EBITDA rose 6.4%, with expansion in both infrastructure and services.



Infrastructure operations returned an EBITDA margin of 83.2% (2012: 83.6%; 82.7% excluding analogue impact) in the first half of 2013. The aggregate margin from services activities increased to 15.3% (2012: 15.0%). The overall EBITDA margin was 72.7% (2012: 74.6%; 73.3% excluding analogue), reflecting the favourable development of services activities and an accompanying increase in the associated cost of goods sold.

H1 2013 *In millions of euros*	Infrastructure	Services	Elim./Un-allocated[1]	Total
Revenue	778.3	208.3	-76.1	910.5
EBITDA	647.6	31.8	-17.4	662.0
EBITDA margin (%)	83.2%	15.3%	--	72.7%

H1 2012 (at constant FX) *In millions of euros*	Infrastructure	Services	Elim./Un-allocated[1]	Total
Revenue	783.2	183.0	-74.5	891.7
EBITDA	655.1	27.5	-17.6	665.0
EBITDA margin (%)	83.6%	15.0%	--	74.6%

[1] Revenue elimination refers to cross-charged capacity and other services; EBITDA impact represents unallocated corporate expenses

Operating profit

In millions of euros	**H1 2013**	H1 2012	Change	Change (%)
Depreciation expense as reported	**(236.2)**	(236.4)	+0.2	--
Amortisation expense as reported	**(17.2)**	(17.2)	--	--
Operating profit as reported	**408.6**	411.5	-2.9	-0.7%
Depreciation expense at constant FX	***(236.2)***	*(236.3)*	*+0.1*	--
Amortisation expense at constant FX	***(17.2)***	*(17.2)*	--	--
Operating profit at constant FX	***408.6***	*411.5*	*-2.9*	*-0.7%*

The depreciation charge of EUR 236.2 million for the period was in line with H1 2012, with the EUR 3 million impact of the impairment taken on the AMC-16 satellite in Q1 2012 being matched in H1 2013 by a net increase in the depreciable satellite fleet.

Profit before tax

In millions of euro / As reported	**H1 2013**	H1 2012	Change	Change (%)
Net interest expense	**(103.3)**	(112.5)	+9.2	+8.2%
Capitalised interest	**26.5**	30.1	-3.6	-12.0%
Net foreign exchange gain	**1.8**	3.0	-1.2	-40.0%
Value adjustment on financial assets	**(7.5)**	(0.6)	-6.9	Nm
Net financing charges	**(82.5)**	(80.0)	-2.5	-3.1%
Profit before tax	**326.1**	331.5	-5.4	-1.6%

The group's net interest expense declined in comparison to the same period in 2012, reflecting amongst others a reduction of just over 30 basis points year-on-year in the group's weighted average cost of borrowings after the successful USD 1 billion bond issue in the U.S. 144A market in April.

Overall financing charges rose from EUR 80.0 million to EUR 82.5 million due to the impairment charge of EUR 7.5 million taken on the disposal of the remaining 24.9% interest in ND SatCom.

Profit attributable to equity holders of the parent

In millions of euro, as reported	**H1 2013**	H1 2012	Change	Change (%)
Income tax expense	**(45.3)**	(27.9)	-17.4	-62.4%
Share of associates' result	**(12.3)**	(5.1)	-7.2	-141.2%
Non-controlling interests	**(0.5)**	0.2	-0.7	Nm
Profit attributable to SES equity holders	**268.0**	298.7	-30.7	-10.3%

The effective tax rate of 13.9% (2012: 8.4%) includes the benefit of investment tax credits received in connection with multiple satellite procurements in the Luxembourg entities. The share of associates' result includes a higher loss at O3b Networks, which is now in a pre-commercial operations phase.

Profit attributable to the equity holders of SES declined by 10.3% over the prior year period to EUR 268.0 million.

Cash flow

In millions of euros, as reported	**H1 2013**	H1 2012	Change	Change (%)
Net operating cash flow	**531.2**	593.2	-62.0	-10.5%
Investing activities	**(245.9)**	(282.7)	+36.8	+13.0%
Free cash flow before financing activities	**285.3**	310.5	-25.2	-8.1%

Net operating cash flow of EUR 531.2 million was EUR 62.0 million, or 10.5%, lower than in the corresponding period of 2012, reflecting changes in operating assets and liabilities. Reduced outflows for investing activities in the first half of this year reduce the change to 8.1% at the free cash flow level.

Net debt

In millions of euros, as reported	**30 June 2013**	31 December 2012	Change	Change (%)
Cash and cash equivalents	**(665.5)**	(240.0)	-425.5	-177.3%
Loans and borrowings	**4,787.7**	4,227.7	+560.0	+13.2%
Net debt	**4,122.2**	3,987.7	+134.5	+3.4%
Net debt / EBITDA	**3.07**	2.96	+0.11	+3.7%

Closing net debt of EUR 4,122.2 million for the period was 3.4% above the 31 December 2012 position, resulting in a net debt to EBITDA ratio of 3.07 at the end of June.

Exchange rates

The EUR/USD exchange rates applying to the reported figures were as follows: average rate January to June: 1.3126 (2012: 1.3088); closing rate 1.3080 (December 2012: 1.3194, June 2012: 1.2590).

Report on review of the interim condensed consolidated financial statements

To the shareholders of
SES S.A.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of SES S.A. and its subsidiaries (the “group”) as of 30 June 2013 and the related interim condensed consolidated income statement, statement of comprehensive income, statement of changes in shareholders’ equity and cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes (the “condensed consolidated interim financial information”). The Board of Directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of interim financial information performed by the independent auditor of the entity”, as adopted for Luxembourg by the “Institut des Réviseurs d’Entreprises”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 25 July 2013

Gilles Vanderweyen

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Interim condensed consolidated income statement

For the six month period ended June 30

In millions of euros	**2013**	2012
Revenue	**910.5**	891.9
Operating expenses	**(248.5)**	(226.8)
Earnings before interest, tax, depreciation & amortisation	**662.0**	665.1
Depreciation expense	**(236.2)**	(236.4)
Amortisation expense	**(17.2)**	(17.2)
Operating profit	**408.6**	411.5
Finance revenues	**1.8**	3.0
Finance costs	**(84.3)**	(83.0)
Net financing charges	**(82.5)**	(80.0)
Profit before tax	**326.1**	331.5
Income tax expense	**(45.3)**	(27.9)
Share of joint ventures and associates' result	**(12.3)**	(5.1)
Net profit for the period	**268.5**	298.5
Attributable to equity holders of the parent	**268.0**	298.7
Attributable to non-controlling interests	**0.5**	(0.2)

Weighted basic and diluted earnings per share[1]

For the six month period ended June 30

In euros	**2013**	2012
A – shares	**0.67**	0.74
B – shares	**0.27**	0.30

[1] Earnings per share is calculated by dividing the net profit attributable to ordinary shareholders for the period 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.

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

Interim condensed consolidated statement of comprehensive income

For the six month period ended June 30

In millions of euros	**2013**	2012
Net profit for the period	**268.5**	298.5
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Impact of currency translation	**75.9**	136.4
Net (loss)/gain on hedge of net investment	**(28.9)**	(41.7)
Income tax effect	**9.0**	12.3
Total net (loss)/gain on hedge of net investment, net of tax	**(19.9)**	(29.4)
Net movements on cash flow hedges	**(13.8)**	5.7
Income tax effect	**4.1**	(1.5)
Total net movements on cash flow hedges, net of tax	**(9.7)**	4.2
Total items that may be reclassified subsequently to profit or loss	**46.3**	**111.2**
Total other comprehensive income for the period, net of tax	**46.3**	111.2
Total comprehensive income for the period, net of tax	**314.8**	409.7
Attributable to:		
Equity holders of the parent	**309.5**	408.8
Non-controlling interests	**5.3**	0.9

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

Interim condensed consolidated statement of financial position

In millions of euros	**June 30, 2013**	December 31, 2012 Restated[1]
Non-current assets		
Property, plant and equipment	**3,876.9**	4,048.7
Assets in the course of construction	**1,232.6**	1,050.3
Intangible assets	**2,861.3**	2,864.4
Financial and other non-current assets	**301.4**	341.5
Total non-current assets	**8,272.2**	8,304.9
Current assets		
Inventories	**7.3**	4.4
Trade and other receivables	**367.4**	412.7
Prepayments	**37.6**	34.9
Valuation of financial derivatives	**2.0**	4.3
Cash and cash equivalents	**665.5**	240.0
Total current assets	**1,079.8**	696.3
Total assets	**9,352.0**	9,001.2
Equity		
Attributable to equity holders of the parent	**2,746.8**	2,801.7
Non-controlling interests	**84.7**	79.4
Total equity	**2,831.5**	2,881.1
Non-current liabilities		
Interest-bearing loans and borrowings	**3,868.1**	3,068.0
Provisions and deferred income	**443.4**	440.6
Deferred tax liabilities	**634.4**	669.1
Other long term liabilities	**40.2**	42.5
Total non-current liabilities	**4,986.1**	4,220.2
Current liabilities		
Interest-bearing loans and borrowings	**919.6**	1,159.7
Trade and other payables	**395.7**	410.7
Valuation of financial derivatives	–	40.4
Income tax liabilities	**54.1**	50.9
Deferred income	**165.0**	238.2
Total current liabilities	**1,534.4**	1,899.9
Total liabilities	**6,520.5**	6,120.1
Total equity and liabilities	**9,352.0**	9,001.2

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

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

Interim condensed consolidated statement of cash flow

For the six month period ended June 30

In millions of euros	**2013**	2012
Profit before tax	**326.1**	331.5
Taxes paid during the period	**(20.3)**	(12.0)
Adjustment for non-cash items	**324.4**	304.5
Consolidated operating profit before working capital changes	**630.2**	624.0
Changes in operating assets and liabilities	**(99.0)**	(30.8)
Net operating cash flow	**531.2**	593.2
Cash flow from investing activities		
Purchase, net of disposals, of intangible assets	**-**	(0.1)
Purchase, net of disposals, of property, plant and equipment	**(202.9)**	(255.9)
Net investment in associates	**-**	(30.5)
Repayment of loan to associates	**14.0**	3.8
Settlement of net investment hedge instruments	**(57.0)**	-
Total cash flow from investing activities	**(245.9)**	(282.7)
Free cash flow before financing activities	**285.3**	310.5
Cash flow from financing activities		
Proceeds from borrowings	**1,172.4**	257.5
Repayment of borrowings	**(598.1)**	(228.4)
Interest paid	**(85.6)**	(94.3)
Dividends paid to the equity holders of the parent [1]	**(356.5)**	(320.9)
Dividends paid to non-controlling interests	**-**	(2.7)
Issue of shares	**-**	86.7
Acquisition of treasury shares	**-**	(16.0)
Net proceeds of treasury shares sold	**23.3**	27.8
Other financing activities	**-**	0.3
Total cash flows from financing activities	**155.5**	(290.0)
Free cash flow after financing activities	**440.8**	20.5
Net foreign exchange movements	**(15.3)**	0.5
Net increase / (decrease) in cash	**425.5**	21.0
Net cash at beginning of the period	**240.0**	218.0
Net cash at end of the period	**665.5**	239.0

[1]Dividends are shown net of dividends received on treasury shares of EUR 2.8 million.

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

Interim condensed consolidated statement of changes in shareholders' equity

For the six month period ended June 30, 2013

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[1]	**633.0**	**589.3**	**(75.4)**	**1,664.7**	**650.1**	**(0.1)**	**(659.9)**	**2,801.7**	**79.4**	**2,881.1**
Result of the period	--	--	--	--	268.0	--	--	268.0	0.5	268.5
Other comprehensive income (loss)	--	--	--	--	--	(9.7)	51.2	41.5	4.8	46.3
Total comprehensive income (loss)	--	--	--	--	**268.0**	**(9.7)**	**51.2**	**309.5**	**5.3**	**314.8**
Allocation of 2012 result	--	--	--	258.6	(258.6)	--	--	--	--	--
Dividends paid (net of dividends received on treasury shares)	--	--	--	--	(390.2)	--	--	(390.2)	--	(390.2)
Movements on treasury shares	--	--	38.6	--	--	--	--	38.6	--	38.6
Share-based payment adjustment	--	(14.1)	--	5.2	--	--	--	(8.9)	--	(8.9)
Other movements	--	--	--	--	(3.9)	--	--	(3.9)	--	(3.9)
At June 30, 2013	**633.0**	**575.2**	**(36.8)**	**1,928.5**	**265.4**	**(9.8)**	**(608.7)**	**2,746.8**	**84.7**	**2,831.5**

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

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

Interim condensed consolidated statement of changes in shareholders' equity

For the six month period ended June 30, 2012

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, 2012 Restated[1]	**624.4**	**507.0**	**(25.9)**	**1,384.4**	**619.4**	**(9.7)**	**(571.0)**	**2,528.6**	**83.1**	**2,611.7**
Result of the period	--	--	--	--	298.7	--	--	298.7	(0.2)	298.5
Other comprehensive income (loss)	--	--	--	--	--	4.2	105.9	110.1	1.1	111.2
Total comprehensive income (loss)	--	--	--	--	**298.7**	**4.2**	**105.9**	**408.8**	**0.9**	**409.7**
Allocation of 2011 result	--	--	--	266.3	(266.3)	--	--	--	--	--
Issue of share capital	8.6	88.9	(11.0)	--	--	--	--	86.5	--	86.5
Dividends paid (net of dividends received on treasury shares)	--	--	--	--	(351.4)	--	--	(351.4)	--	(351.4)
Movements on treasury shares	--	(70.8)	7.2	--	--	--	--	(63.6)	--	(63.6)
Share-based payment adjustment	--	(5.2)	--	5.6	--	--	--	0.4	--	0.4
At June 30, 2012 Restated[1]	**633.0**	**519.9**	**(29.7)**	**1,656.3**	**300.4**	**(5.5)**	**(465.1)**	**2,609.3**	**84.0**	**2,693.3**

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

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

Notes to the interim condensed consolidated financial statements

(In millions of euros, unless indicated otherwise)

Note 1 - Corporate information

SES S.A. ("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 both the Luxembourg Stock Exchange and Euronext in Paris.

The interim condensed consolidated financial statements of SES S.A. for the six-month period ended June 30, 2013 were authorised for issue in accordance with a resolution of the directors on July 25, 2013.

Note 2 – Basis of preparation and accounting policies

Basis of preparation

The interim condensed consolidated financial statements for the six months ended June 30, 2013 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the E.U. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the group's annual consolidated financial statements as at December 31, 2012. Certain comparative amounts in the interim condensed consolidated statement of financial position have been reclassified to conform with the current year's presentation.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the group's annual consolidated financial statements for the year ended December 31, 2012, except for the adoption of new standards and interpretation as of January 1, 2013 as noted below.

IAS 1 Financial Statement Presentation – Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The amendments to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the group's financial position or performance.

IAS 19 Employee benefits (revised)

IAS 19 (revised) amends the accounting for employment benefits. The group has applied the standard retrospectively in accordance with the transition provisions of the standard. The impact on the group has been in the following areas:

- The standard requires past service cost to be recognised immediately in profit or loss. This has resulted in the recognition of unrecognised past service cost, net of taxes at 1 January 2012 of EUR (1.7) million (30 June 2012: EUR (1.7) million; 31 December 2012: EUR (1.3) million) being expensed. The profit or loss for prior periods has not been restated as the impact has been considered as immaterial on the performance of the group. Had we restated the profit or loss, the operating expenses recognised in the income statement for the period to 30 June 2012 would have reduced by EUR nil million and for the year to 31 December 2012 by EUR 0.4 million.
- For defined benefit plans, the ability to defer recognition of actuarial gains and losses (i.e., the corridor approach) has been removed. As revised, amounts recorded in profit or loss are limited to current and past service costs, gains or losses on settlements, and net interest income (expense). All other changes in the net defined benefit asset (liability), including actuarial gains and losses are recognised in other comprehensive income with no subsequent recycling to profit or loss. This has resulted in the recognition of unrecognised actuarial losses, net of taxes at 1 January 2012 of EUR 7.3 million (30 June 2012: EUR 7.3 million; 31 December 2012: EUR 5.7 million) being recognised in other comprehensive income.

- The standard replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year. There is no change to determining the discount rate; this continues to reflect the yield on high-quality corporate bonds. This amendment did not have any material impact on the financial position or performance of the group.
- There is a new term ''remeasurements''. This is made up of actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost.
- 'Provisions and deferred income' as previously reported has been restated at the reporting dates to reflect the effect of the above. Amounts have been restated as at 1 January 2012 as EUR 389.9 million (previously EUR 381.2 million); 30 June 2012 as EUR 355.6 million (previously EUR 346.9 million) and 31 December 2012 as EUR 357.3 million (previously EUR 350.6 million). As a result of the above effects, 'Deferred tax liabilities' as previously reported has been restated as at 1 January 2012 as EUR 690.9 million (previously EUR 694.0 million); 30 June 2012 as EUR 706.4 million (previously EUR 709.5 million) and 31 December 2012 as EUR 669.1 million (previously EUR 671.5 million).
- The effect of the change in accounting policy on the statement of cash flows and on earnings per share was immaterial.

IFRS 13 Fair value measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted.

The adoption of this standard did not have any impact on the financial position or performance of the group.

IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities — Amendments to IFRS 7

These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32.

The adoption of this standard did not have any impact on the financial position or performance of the group.

The group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

IFRS standards and interpretations issued but not yet effective up to the date of issuance of the group's interim condensed consolidated financial statements and which are expected to be relevant for the group at a future date are listed below. The group intends to adopt those standards when they become effective and/or once endorsed by the European Union.

- IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)
- IAS 32 Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32
- IFRS 9 Financial Instruments: Classification and Measurement
- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities

The group is in the process of analysing the impact of these standards on its operations.

Note 3 –Segmental information

When analysing the performance of the operating segment the comparative prior year figures are reconsolidated using, for all currencies, the exchange rates applying for each month in the current period. These restated prior year figures are noted as being presented at 'constant FX'. The financial results for the six months ending June 30 for the SES satellite operations operating segment, and the comparative prior year figures at constant FX are set out below:

In millions of euros	**2013**	Constant FX 2012	2012
Revenue	**910.5**	891.7	891.9
Operating expenses	**(248.5)**	(226.7)	(226.8)
EBITDA [1]	**662.0**	665.0	665.1
EBITDA margin (%)	**72.7%**	74.6%	74.6%
Depreciation and amortisation expense	**(253.4)**	(253.5)	(253.6)
Operating profit	**408.6**	411.5	411.5

In millions of euros	2012	Constant FX 2011	2011
Revenue	891.9	879.4	851.4
Operating expenses	(226.8)	(228.0)	(219.9)
EBITDA [1]	665.1	651.4	631.5
EBITDA margin (%)	74.6%	74.1%	74.2%
Depreciation and amortisation expense	(253.6)	(238.4)	(229.5)
Operating profit	411.5	413.0	402.0

[1]Earnings Before Interest, Taxation, Depreciation and Amortisation

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

In millions of euros	**2013**	2012	Change
Europe	**454.6**	468.8	(14.2)
North America	**203.1**	191.7	11.4
International	**252.8**	231.2	21.6
Total	**910.5**	891.7	18.8

Note 4 – Investment in associates

At June 30, 2013, SES has an equity interest of 46.88% in the O3b Networks group of companies, which is in line with the end of previous year. The carrying value of the O3b Networks investment has decreased from EUR 154.5 million as of December 31, 2012 to EUR 146.6 million as of June 30, 2013.

Note 5 – Dividends declared and paid during the period

In millions of euros	**Six months to June 30, 2013**	Six months to June 30, 2012
Class A dividend (2012: EUR 0.97, 2011: EUR 0.88)	**327.5**	293.0
Class B dividend (2012: EUR 0.39, 2011: EUR 0.35)	**65.5**	58.6
Total dividends declared during the period	**393.0**	351.6

Note 6 – Shares issued per class of shares

The shares issued as at June 30, 2013, were unchanged from the position as at December 31, 2012.

	Class A shares	Class B shares	Total
Shares issued	337,600,000	168,800,000	506,400,000

At June 30, 2013 the group held 2,092,443 (December 2012: 4,089,040) FDRs either for cancellation under the share buy-back or in connection with employee share-based payment plans.

Note 7 – Earnings per share on total operations

Earnings per share is calculated by dividing the total net profit attributable to ordinary shareholders for the period, adjusted to reflect the economic rights of each class of share, by the weighted average number of shares outstanding during the period. Dividends paid for one share of class B equal 40% of the dividend for one share of class A.

For the six-month period ended June 30, 2013, the total net profit attributable to each class of shares, and the weighted average number of shares outstanding, are set out in the table below.

	Class A shares	Class B shares	Total
Total net profit attributable to ordinary shareholders (in millions of euros)	223.0	45.0	268.0
Weighted average shares in issue for the period (in million)	334.4	168.8	503.2
Weighted earnings per share for the period (in euro)	0.67	0.27	

The corresponding computation for the prior year period is as set out below:

	Class A shares	Class B shares	Total
Total net profit attributable to ordinary shareholders (in millions of euros)	248.8	49.9	298.7
Weighted average shares in issue for the period (in millions)	334.2	167.6	501.8
Weighted earnings per share for the period (in euro)	0.74	0.30	

The weighted average shares in issue for the period set out above are calculated net of treasury shares held by the group. Fully diluted earnings are not significantly different from basic earnings per share.

Note 8 – Interest-bearing loans and borrowings

144A Bond USD 1 billion of notes in two tranches due 2023 and 2043

On April 4th 2013 SES completed its inaugural 144A offering in the US market issuing bonds of an aggregate amount of $1bn comprising:

- a 10-year bond of $750 million with a coupon of 3.60% priced at US Treasury on-the-run 10-year Bond reference rate +175 basis points; and,
- a 30-year bond of $250 million with a coupon of 5.30% priced at the US Treasury on-the-run 30-year Bond reference rate + 220 basis points.

The bond is unsecured and is not associated with any financial covenants.

Note 9 – Related party transactions

No related party transactions have occurred during the six months ended June 30, 2013 which have a significant impact on the financial position or results of the group.

Note 10 – Litigation

There has been no material change to the disclosures made concerning litigation in the 2012 Annual Report.

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