SES
Société Anonyme
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RCS Luxembourg B 81267

Consolidated financial statements as at and for the year ended 31 December 2017 and Independent auditor’s report

Contents

Auditor's report 3
Consolidated income statement 10
Consolidated statement of comprehensive income 11
Consolidated statement of financial position 12
Consolidated statement of cash flows 13
Consolidated statement of changes in shareholders' equity 14
Notes to the consolidated financial statements 16
Note 1 - Corporate information 16
Note 2 - Summary of significant accounting policies 16
Note 3 - Business combinations 34
Note 4 - Segment information 37
Note 5 - Operating expenses 39
Note 6 - Audit and non-audit fees 40
Note 7 - Finance income and costs 40
Note 8 - Income taxes 41
Note 9 - Deferred income tax 43
Note 10 - Components of other comprehensive income 44
Note 11 - Earnings per share 44
Note 12 - Dividends paid and proposed 45
Note 13 - Property, plant and equipment 46
Note 14 - Assets in the course of construction 47
Note 15 - Intangible assets 48
Note 16 - Trade and other receivables 51
Note 17 - Financial instruments 52
Note 18 - Financial risk management objectives and policies 55
Note 19 - Cash and cash equivalents 59
Note 20 - Shareholders' equity 60
Note 21 - Non-controlling interest 62
Note 22 - Share-based compensation plans 63
Note 23 - Interest-bearing borrowings 67
Note 24 - Provisions 69
Note 25 - Deferred income 70
Note 26 - Trade and other payables 70
Note 27 - Other long-term liabilities 70
Note 28 - Fixed assets suppliers 71
Note 29 - Commitments and contingencies 71
Note 30 - Operating leases 72
Note 31 - Cash flow information 72
Note 32 - Related parties 73
Note 33 - Post-Balance Sheet events 73
Note 34 - Consolidated subsidiaries, associates 74

Audit Report

To the Shareholders of
SES S.A.

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of SES S.A. (the “Company”) and its subsidiaries (together the “Group”) as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs).

Our opinion is consistent with our additional report to the Audit & Risk Committee.

What we have audited

The Group’s consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2017;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the EU Regulation No 537/2014 (the “Regulation”), the Law of 23 July 2016 on the audit profession (the “Law”) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under those Regulation, Law and ISAs are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the consolidated financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the Regulation.

The non-audit services that we have provided to the Group, in the period from 1 January 2017 to 31 December 2017, are disclosed in the note 6 to the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, and include the most significant assessed risks of material misstatement (whether or not due to fraud). These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
Revenue recognition	
The application of revenue recognition accounting standards is complex and involves a number of key judgements and estimates in the determination of the appropriate accounting treatment (lease vs. service arrangements, operating lease vs. finance lease where SES is the lessor, barter transactions, principle versus agent considerations, service agreements vs. construction contracts, etc.). We focused on this area due to the inherent complexity and judgement in applying the revenue recognition accounting standards and due to the significant focus on the revenue amount (2,035.0 million EUR) of the users of the consolidated financial statements (see note 2 for revenue recognition accounting policy).	We obtained an understanding of the main revenue streams, including identification of potential new revenue streams following the acquisition of the new businesses and evaluated the accounting policy for revenue recognition thereof; We tested the design and implementation of relevant internal controls; We held upfront discussions with Management on IFRS accounting analysis of any non-standard revenue contracts, performed testing of significant new revenue contracts and verified that the underlying revenue transactions were accounted in accordance with the substance of the commercial agreement and the relevant IFRS standards; We performed substantive analytical procedures at year-end on revenue and revenue related accounting in order to identify any unusual variances; We tested certain unusual and/or significant manual journal entries made to the revenue accounts, both at local and group level; We evaluated the deferred revenue schedules and their reconciliation with the accounting;

Key audit matter	How our audit addressed the Key audit matter
	We performed substantive testing of a sample of revenue transactions; We considered the disclosures in the consolidated financial statements and assessed their appropriateness.
Impairment of goodwill and orbital rights The Group has goodwill of 2,243.9 million EUR and orbital rights with indefinite useful lives of 1,972.1 million EUR (see note 15). Management performed the annual impairment test that is based on the value in use calculation. We focused on this area due to the high level of judgement in relation with the assumptions used in the calculation of the recoverable amount (forecasted cash flows, growth rate, discount rate, etc.).	We tested the design and implementation of relevant internal controls; We evaluated Management's determination of the cash generating units as well as the impairment test method and model used for the determination of the value in use in accordance with the requirements of IAS 36; We agreed the forecasted cash flows used for the calculation of the value in use to the 2018 Business Plan as approved by the Board of Directors. We considered our expectations in terms of significant developments during the forecast period (capital expenditure programs, replacement of satellites, significant new contracts, market evolution) and evaluated whether these were appropriately reflected in the cash flows forecasts; We involved valuation specialists and independently recalculated the weighted average cost of capital based on the use of market data and verified the long-term growth rate to market data; We performed sensitivity analysis of the models to changes in the key assumptions; We considered the appropriateness of the disclosures in note 15 to the consolidated financial statements and assessed their appropriateness.
Impairment of satellites The Group has space segment assets balance, representing primarily satellites, of 4,206.3 million EUR (see note 13).	We tested the design and implementation of relevant internal controls;

Key audit matter	How our audit addressed the Key audit matter
The valuation of the satellites might be impacted by events that may or may not be under Management's control (e.g., solar array issues) or by decrease in revenue due to unfavorable market developments. Moreover, there is a risk of impairment of the satellites due to obsolescence in the context of rapid evolution of technology (mainly in relation with the Medium Earth Orbit (MEO) satellites).	We met with Management and in particular, their engineering team to discuss any satellite health issues and evaluate the estimation of their impact on the satellites capability to generate future cash inflows, and implicitly on the recoverable amount of the satellites; We evaluated the impairment test performed by Management, involving specialists as appropriate, and tested the significant business and valuation assumptions which impact the impairment test and focused on the estimated future revenue and costs assumptions based on the existing backlog of signed contracts and occasional use future revenue assumptions; We performed sensitivity analysis of the models to changes in the key assumptions; We considered the disclosures in note 13 to the consolidated financial statements and assessed their appropriateness.
Taxation	
The Group operates across a large number of jurisdictions and is subject to various tax legislations and periodic reviews by local tax authorities of a range of tax matters during the normal course of business, including transfer pricing. Moreover, the current tax structure of the Group evolves to consider the recent developments in international taxation. We focused on two specific tax matters relating to the provisions for tax risks, and the recognition and recoverability of the deferred tax assets, due to the high level of judgment in the determination of the current and deferred income tax balances and the determination of the level of the tax provisions (see notes 8 and 9).	We tested the design and implementation of controls in respect of tax accounting, including the determination of the provisions for tax risks; We used tax specialists in Luxembourg, the Netherlands and the USA, representing the main tax jurisdictions where the Group has exposure, to gain an understanding of the current tax risks at the level of the main jurisdictions and evaluate the current and deferred tax income and expense and related balances; We held discussions with the Group Tax Management to understand and evaluate positions taken on uncertain tax risks and assess Group tax provision; We discussed with Management the status of the open tax audits and evaluated their impact on the consolidated financial statements; We analysed the recognition and recoverability of the deferred tax assets and determined that it is supported by forecast future tax profits; We considered the disclosures in notes 8 and 9 to the consolidated financial statements and assessed their appropriateness.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the consolidated Management report and the Corporate Governance Statement but does not include the consolidated financial statements and our audit report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the consolidated financial statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Regulation, the Law and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Regulation, the Law and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

The consolidated Management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the consolidated Management report. The information required by Article 68ter Paragraph (1) Letters c) and d) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, which is included in the Corporate Governance Statement, is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

We have been appointed as "Réviseur d'Entreprises Agréé" by the General Meeting of the Shareholders on 6 April 2017 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 5 years.

Other matter

The Corporate Governance Statement includes, the information required by Article 68ter Paragraph (1) Letters a), b), e), f) and g) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 22 February 2018

Gilles Vanderweyen

Consolidated income statement
For the year ended 31 December 2017

In millions of euros		**2017**	2016
Revenue	Note 4	**2,035.0**	2,068.8
Cost of sales	Note 5	**(273.9)**	(231.0)
Staff costs	Note 5	**(279.2)**	(233.1)
Other operating expenses	Note 5	**(157.7)**	(153.2)
Operating expenses	Note 5	**(710.8)**	(617.3)
EBITDA		**1,324.2**	1,451.5
Depreciation and impairment expense	Note 13	**(635.0)**	(560.5)
Amortisation expense	Note 15	**(78.6)**	(70.7)
Operating profit before gain on deemed disposal of equity interest	Note 4	**610.6**	820.3
Gain on deemed disposal of equity interest	Note 3	**-**	495.2
Operating profit		**610.6**	1,315.5
Finance income	Note 7	**1.1**	22.8
Finance cost	Note 7	**(144.4)**	(197.1)
Net financing costs		**(143.3)**	(174.3)
Profit before tax		**467.3**	1,141.2
Income tax benefit/ (expense)	Note 8	**130.6**	(114.1)
Profit after tax		**597.9**	1,027.1
Share of associates' result, net of tax	Note 3	**-**	(62.4)
Profit for the year		**597.9**	964.7
Attributable to:			
Owners of the parent		**596.1**	962.7
Non-controlling interests		**1.8**	2.0
		597.9	964.7
Basic earnings per share (in euro)			
Class A shares	Note 11	**1.21**	2.18
Class B shares	Note 11	**0.48**	0.87
Diluted earnings per share (in euro)			
Class A shares	Note 11	**1.21**	2.18
Class B shares	Note 11	**0.48**	0.87

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

Consolidated statement of comprehensive income
For the year ended 31 December 2017

In millions of euros		**2017**	2016
Profit for the year		**597.9**	964.7
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligation		**1.0**	(4.2)
Income tax effect		**(0.3)**	1.5
Remeasurements of post-employment benefit obligation, net of tax		**0.7**	(2.7)
Income tax relating to treasury shares impairment		**14.2**	13.9
Total items that will not be reclassified to profit or loss		**14.9**	11.2
Items that may be reclassified subsequently to profit or loss			
Impact of currency translation	Note 10	**(1,050.9)**	288.9
Income tax effect	Note 10	**60.3**	(9.1)
Total impact of currency translation, net of tax		**(990.6)**	279.8
Net investment hedge		**234.8**	(61.8)
Income tax effect		**(65.4)**	19.7
Total net investment hedge, net of tax		**169.4**	(42.1)
Net movements on cash flow hedges, net of tax		**(1.1)**	(1.3)
Total net movements on cash flow hedges, net of tax		**(1.1)**	(1.3)
Total items that may be reclassified subsequently to profit or loss		**(822.3)**	236.4
Total other comprehensive income for the year, net of tax		**(807.4)**	247.6
Total comprehensive income for the year, net of tax		**(209.5)**	1,212.3
Attributable to:			
Owners of the parent		**(200.8)**	1,207.3
Non-controlling interests		**(8.7)**	5.0
		(209.5)	1,212.3

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

Consolidated statement of financial position
As at 31 December 2017

In millions of euros		**2017**	2016
Non-current assets			
Property, plant and equipment	Note 13	**4,591.4**	5,156.3
Assets in the course of construction	Note 14	**1,480.2**	1,389.6
Total property, plant and equipment		**6,071.6**	6,545.9
Intangible assets	Note 15	**4,630.9**	5,247.7
Other financial assets		**5.0**	6.5
Trade and other receivables[1]	Note 2, 16	**317.8**	356.1
Deferred customer contract costs		**15.2**	29.3
Deferred tax assets	Note 9	**70.4**	70.5
Total non-current assets		**11,110.9**	12,256.0
Current assets			
Inventories		**30.1**	30.2
Trade and other receivables[1]	Note 2, 16	**648.2**	694.1
Deferred customer contract costs		**10.4**	-
Prepayments		**43.7**	49.8
Derivatives	Note 17	**2.6**	-
Income tax receivable	Note 8	**68.9**	28.3
Cash and cash equivalents	Note 19	**269.6**	587.5
Total current assets		**1,073.5**	1,389.9
Total assets		**12,184.4**	13,645.9
Equity			
Attributable to the owners of the parent	Note 20	**5,987.9**	6,806.5
Non-controlling interests	Note 21	**124.6**	138.6
Total equity		**6,112.5**	6,945.1
Non-current liabilities			
Borrowings	Note 23	**3,413.8**	4,223.1
Provisions	Note 24	**41.2**	44.7
Deferred income	Note 25	**477.3**	411.8
Deferred tax liabilities	Note 9	**438.5**	664.2
Other long-term liabilities	Note 27	**76.1**	53.7
Fixed assets suppliers	Note 28	**53.4**	15.4
Total non-current liabilities		**4,500.3**	5,412.9
Current liabilities			
Borrowings	Note 23	**534.1**	204.3
Provisions	Note 24	**12.7**	86.7
Deferred income	Note 25	**443.2**	510.5
Trade and other payables	Note 26	**385.6**	398.3
Fixed assets suppliers	Note 28	**126.6**	60.8
Derivatives	Note 17	**0.6**	1.0
Income tax liabilities	Note 8	**68.8**	26.3
Total current liabilities		**1,571.6**	1,287.9
Total liabilities		**6,071.9**	6,700.8
Total equity and liabilities		**12,184.4**	13,645.9

Certain comparative balances have been reclassified to conform to current year presentation.

[1] An amount of EUR 277.6 million as at 31 December 2016 representing non-current portion of unbilled accrued revenue has been reclassified from ‘trade and other receivables’ current to ‘trade and other receivables’ non-current (see Note 2).

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

Consolidated statement of cash flows
For the year ended 31 December 2017

In millions of euros		**2017**	2016
Profit before tax		**467.3**	1,141.2
Taxes paid during the year	Note 8	**(58.4)**	(90.2)
Interest expense on borrowings	Note 7	**111.0**	142.3
Loan repayment fees	Note 7	**-**	21.6
Depreciation, impairment and amortisation	Notes 13, 15	**713.6**	631.2
Amortisation of client upfront payments		**(70.8)**	(71.4)
Gain on deemed disposal of equity interest		**-**	(495.2)
Other non-cash items in the consolidated income statement		**34.3**	18.6
Consolidated operating profit adjusted for non-cash items and tax payments and before working capital changes		**1,197.0**	1,298.1
Changes in working capital, net of business combinations effect			
(Increase)/decrease in inventories		**(2.7)**	(7.8)
(Increase)/decrease in trade and other receivables		**(125.5)**	(179.1)
(Increase)/decrease in prepayments and deferred charges		**(13.0)**	(50.1)
Increase/(decrease) in trade and other payables		**66.7**	53.6
Increase/(decrease) in payments received on account		**(42.7)**	(23.2)
Increase/(decrease) in upfront payments and deferred income		**171.4**	182.6
Changes in working capital		**54.2**	(24.0)
Net cash generated by operating activities		**1,251.2**	1,274.1
Cash flow from investing activities			
Payments for acquisition of subsidiary, net of cash acquired	Note 3	**-**	(725.5)
Payments for purchases of intangible assets	Note 15	**(35.1)**	(42.6)
Payments for purchases of tangible assets	Notes 13, 14, 30	**(446.1)**	(577.4)
Proceeds from disposals of tangible assets	Note 13	**1.1**	-
Investment in equity accounted investments	Note 3	**(8.7)**	(36.7)
Other investing activities		**(1.6)**	0.5
Net cash absorbed by investing activities		**(490.4)**	(1,381.7)
Cash flow from financing activities			
Proceeds from borrowings	Note 23	**34.5**	275.5
Repayment of borrowings[1]	Note 23	**(287.5)**	(1,582.4)
Proceeds from perpetual bond, net of transaction costs paid	Note 20	**(2.1)**	1,274.7
Coupon paid on perpetual bond	Note 20	**(24.7)**	-
Dividends paid on ordinary shares[2]	Note 12	**(608.3)**	(527.5)
Dividends paid to non-controlling interest		**(7.2)**	(7.2)
Interest paid on borrowings	Note 23	**(158.3)**	(188.5)
Payments for acquisition of treasury shares		**(51.3)**	(197.6)
Issue of shares[3]		**-**	882.2
Proceeds from treasury shares sold and exercise of stock options		**40.5**	100.8
Equity contribution by non-controlling interest		**1.9**	12.5
Other financing activities		**-**	2.6
Net cash absorbed/(generated) by financing activities		**(1,062.5)**	45.1
Net foreign exchange movements		**(16.2)**	10.3
Net decrease in cash		**(317.9)**	(52.2)
Cash and cash equivalents at beginning of the year	Note 19	**587.5**	639.7
Cash and cash equivalents at end of the year	Note 19	**269.6**	587.5

Certain comparative balances have been reclassified to conform to current year presentation.

[1] 2016 balance represented O3b debt repayment of borrowings of EUR 1,219.5 million, including loan repayment fees of EUR 21.6 million (see Note 7)

[2] Dividends are presented net of dividends received on treasury shares of EUR 8.3 million (2016: EUR 8.5 million)

[3] Net of the contribution in kind of EUR 13.6 million in 2016

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

Consolidated statement of changes in shareholders' equity

For the year ended 31 December 2017

In millions of euros	Issued capital	Share premium	Treasury shares	Perpetual bond	Other reserves	Retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Total	Non-controlling interest	Total equity
	Attributable to owners of the parent										
At January 2017	**719.0**	**1,635.5**	**(167.3)**	**1,300.0**	**2,134.5**	**962.7**	**0.3**	**221.8**	**6,806.5**	**138.6**	**6,945.1**
Result for the year	-	-	-	-	-	596.1	-	-	596.1	1.8	597.9
Other comprehensive income (loss)	-	-	-	-	14.9	-	(1.1)	(810.7)	(796.9)	(10.5)	(807.4)
Total comprehensive income (loss) for the year	**-**	**-**	**-**	**-**	**14.9**	**596.1**	**(1.1)**	**(810.7)**	**(200.8)**	**(8.7)**	**(209.5)**
Allocation of 2016 result	-	-	-	-	354.4	(354.4)	-	-	-	-	-
Coupon on perpetual bond (Note 20)	-	-	-	-	(24.7)	-	-	-	(24.7)	-	(24.7)
Tax on perpetual bond coupon (Note 20)	-	-	-	-	19.5	-	-	-	19.5	-	19.5
Transaction cost on perpetual bond	-	-	-	-	(2.1)	-	-	-	(2.1)	-	(2.1)
Dividends provided for or paid[1]	-	-	-	-	-	(608.3)	-	-	(608.3)	(7.2)	(615.5)
Acquisition of treasury shares	-	-	(51.3)	-	-	-	-	-	(51.3)	-	(51.3)
Share-based compensation expense	-	-	-	-	9.7	-	-	-	9.7	-	9.7
Exercise of share-based compensation	-	-	7.7	-	(15.8)	-	-	-	(8.1)	-	(8.1)
Sale of treasury shares	-	-	50.9	-	-	-	-	-	50.9	-	50.9
Equity contribution by non-controlling interest	-	-	-	-	-	-	-	-	0.0	1.9	1.9
Other movements	-	-	-	-	(3.4)	-	-	-	(3.4)	-	(3.4)
At 31 December 2017	**719.0**	**1,635.5**	**(160.0)**	**1,300.0**	**2,487.0**	**596.1**	**(0.8)**	**(588.9)**	**5,987.9**	**124.6**	**6,112.5**

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

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

Consolidated statement of changes in shareholders’ equity

For the year ended 31 December 2016

	Attributable to owners of the parent										
In millions of euros	Issued capital	Share premium	Treasury shares	Perpetual bond	Other reserves	Retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Total	Non-controlling interest	Total equity
At 1 January 2016	**644.3**	**814.4**	**(95.1)**	**-**	**2,033.8**	**546.4**	**1.6**	**(12.9)**	**3,932.5**	**128.3**	**4,060.8**
Result for the year	-	-	-	-	-	962.7	-	-	962.7	2.0	964.7
Other comprehensive income (loss)	-	-	-	-	11.2	-	(1.3)	234.7	244.6	3.0	247.6
Total comprehensive income (loss) for the year	**-**	**-**	**-**	**-**	**11.2**	**962.7**	**(1.3)**	**234.7**	**1,207.3**	**5.0**	**1,212.3**
Allocation of 2015 result	-	-	-	-	18.9	(18.9)	-	-	-	-	-
Issue of share capital, net of transaction costs and tax	74.7	821.1	-	-	3.7	-	-	-	899.5	-	899.5
Issue of perpetual bond, net of transaction costs and tax (Note 20)	-	-		1,300.0	(18.1)	-	-	-	1,281.9	-	1,281.9
Dividends provided for or paid[1]	-	-	-	-	-	(527.5)	-	-	(527.5)	(7.2)	(534.7)
Acquisition of treasury shares	-	-	(211.2)	-	112.8	-	-	-	(98.4)	-	(98.4)
Share-based compensation expense	-	-	-	-	9.3	-	-	-	9.3	-	9.3
Exercise of share-based compensation			13.3	-	(38.4)				(25.1)	-	(25.1)
Sale of treasury shares	-	-	125.7	-	-	-	-	-	125.7	-	125.7
Equity contribution by non-controlling interest	-	-	-	-	-	-	-	-	-	12.5	12.5
Other movements	-	-	-	-	1.3	-	-	-	1.3	-	1.3
At 31 December 2016	**719.0**	**1,635.5**	**(167.3)**	**1,300.0**	**2,134.5**	**962.7**	**0.3**	**221.8**	**6,806.5**	**138.6**	**6,945.1**

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

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

Consolidated financial statements

Notes to the consolidated financial statements
31 December 2017

Note 1 - Corporate information

SES S.A. ('SES' or 'the company') was incorporated on 16 March 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. SES trades under 'SESG' on the Luxembourg Stock Exchange and Euronext, Paris.

The consolidated financial statements of SES as at and for the year ended 31 December 2017 were authorised for issue in accordance with a resolution of the Board of Directors on 22 February 2018. Under Luxembourg Law, the consolidated financial statements are approved by the shareholders at the Annual General Meeting of Shareholders.

Note 2 - Summary of significant accounting policies

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and endorsed by the European Union (IFRS), as at 31 December 2017. The consolidated financial statements comply with IFRS.

The consolidated financial statements have been prepared on a historical cost basis, except where fair value is required by IFRS as described below. The carrying values of recognised assets and liabilities that are hedged items in fair value hedges, and are otherwise carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged.

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS, effective from 1 January 2017 and adopted by the group:

1) **Amendments to IAS 7, Statement of cash flows on disclosure initiative**

   In February 2016, the IASB issued amendments to IAS 7 "Statement of cash flows" to introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The effective date of these amendments was 1 January 2017. The amendments to IAS 7 require disclosure of changes in liabilities arising from financing activities (see note 31).

2) **IAS 12 Income Taxes – Amendments**

   On 19 January 2016, the IASB issued amendments to IAS 12 'Income Taxes'. These amendments clarify how to account for deferred tax assets related to debt instruments measured at fair value and how to recognise deferred tax assets for unrealized losses. The adoption of this amendment did not have any impact on the financial position and performance of the group.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the company and its controlled subsidiaries, after the elimination of all material inter-company transactions. Subsidiaries are fully consolidated from the date the company obtains control until such time as control ceases. Acquisitions of subsidiaries are accounted for using the purchase method of accounting. The financial statements of subsidiaries are prepared for the same reporting period as the company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. For details regarding the subsidiaries included in the consolidated financial statements see Note 34.

Total comprehensive income or loss within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest in a subsidiary, without a loss of control, is accounted for as an equity transaction.

When the group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Non-controlling interests in the results and equity of subsidiaries are presented separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

Investments in associates

The group accounts for investments in associates using the equity method of accounting. An associate is an entity in which the group has significant influence but not control or joint control.

Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post-acquisition changes in the group's share of the profit or loss of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised.

The group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount within 'Share of associates' result' in the consolidated income statement.

The group's share of post-acquisition profit or loss is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. In general, the financial statements of associates are prepared for the same reporting year as the parent company, using consistent accounting policies. Adjustments are made to bring in line any dissimilar accounting policies that may exist.

Profits and losses resulting from upstream and downstream transactions between the group and its associate are recognised in the group's financial statements only to the extent of unrelated investor's interests in the associates. Dilution gains and losses arising in investments in associates are recognised in the consolidated income statement.

The group ceases to use the equity method of accounting on the date from which it no longer has significant influence over the associate, or when the interest becomes classified as an asset held for sale.

Significant accounting judgments and estimates

1) Judgments

In the process of applying the group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(i) Treatment of orbital slot licence rights
The group's operating companies have obtained rights to operate satellites at certain orbital locations and using certain frequency bands. These licences are obtained through application to the relevant national and international regulatory authorities, and are generally made available for a defined period. Where the group has obtained such rights through the acquisition of subsidiaries, the rights have been identified as an asset acquired and recorded at the fair value attributed to the asset at the time of the acquisition as a result of purchase accounting procedure.

In the cases when, on the expiry of such rights, management believes it will be in a position to successfully re-apply for their usage at insignificant incremental cost, such rights are deemed to have an indefinite life. Hence these assets are not amortised, but rather are subject to regular impairment reviews to confirm that the carrying value in the group's financial statements is still appropriate. More details are given in Note 15.

(ii) Taxation
The group operates in numerous tax jurisdictions and management is required to assess tax issues and exposures across its entire operations and to accrue for potential liabilities based on its interpretation of country-specific tax law and best estimates. In conducting this review management assesses the magnitude of the issue and the likelihood, based on experience and specialist advice, as to whether it will result in a liability for the group. If this is deemed to be the case, then a provision is recognised for the potential taxation charges. More details are given in Notes 8 and 24.

One significant area of management's judgment is in the area of transfer pricing. Whilst the group employs dedicated members of staff to establish and maintain appropriate transfer pricing structures and documentation, judgment still needs to be applied and hence potential tax exposures can be identified. The group, as part of its overall assessment of liabilities for taxation, reviews in detail the transfer pricing structures in place and records provisions where this seems appropriate on a case by case basis.

(iii) Consolidation of entities in which the group holds 50% or less

Al Maisan Satellite Communication LLC
Management has concluded that the group controls Al Maisan Satellite Communication LLC ('Al Maisan'), even though it holds 35% economic interest in this subsidiary, since it has the majority of the voting rights on the Board of Directors of Al Maisan and there is no other entity owning potential voting rights that could question SES' control.

SES has power over relevant activities of Al Maisan, such as budget approval, appointment and removal of the CEO and senior management team as well as the power to appoint or remove the majority of the members of the Board of Directors. The entity is therefore consolidated with a 65% of non-controlling interest (see Note 21).

LuxGovSat S.A.
On 12 February 2015, SES and the Luxembourg government jointly incorporated the legal entity LuxGovSat S.A. ('LuxGovSat') as a limited liability company (Société Anonyme) under Luxembourg law. The Luxembourg government and SES each equally subscribed for their interest in the equity of the new company.

Management has concluded that the group controls LuxGovSat, as SES has power over the relevant activities of LuxGovSat. The entity is therefore consolidated with a 50% non-controlling interest (see Note 21).

SES Government Solutions, Inc.
SES Government Solutions, Inc., USA ('SES GS') is subject to specific governance rules and is managed through a Proxy Agreement, which was agreed with the Defense Security Service ('DSS') (the government entity responsible for the protection of information which is shared with industry that is deemed classified or sensitive with respect to the national security of the United States of America) of the US Department of Defense ('DOD'). A proxy agreement is an instrument intended to mitigate the risk of foreign ownership, control or influence when a foreign person acquires or merges with a US entity that has a facility security clearance. A proxy agreement conveys a foreign owner's voting rights to proxy holders, comprising the proxy board. Proxy holders are cleared US citizens approved by the DSS.

The DSS required that SES GS enter into a proxy agreement because it is indirectly owned by SES and SES GS has contracts with the DOD which contain certain classified information. The Proxy Agreement enables SES GS to participate in such contracts with the US Government despite being owned by a non-US corporation.

As a result of the Proxy Agreement, certain limitations are placed on the information which may be shared, and the interaction which may occur, between SES GS and other SES group companies. The Proxy Holders, besides acting as directors of SES GS, are entitled to vote in the context of a trust relationship with SES on whose basis their activity is performed in the interest of SES's shareholders and of US national security.

The company's assessment of the allocation of powers over the relevant activities of SES GS encompassed the activities of operating and capital decision making, the appointment and remuneration of key management, and the exposure to the variability of financial returns based on the financial performance of SES GS.

Based on its assessment, the company concluded that, from an IFRS 10 perspective, SES has and is able to use powers over the relevant activities of SES GS and has an exposure to variable returns from its involvement in SES GS, consistent with an assumption of control.

2) Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year(s), are described below. The group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the group. Such changes are reflected in the assumptions when they occur.

(i) Impairment testing for goodwill and other indefinite-life intangible assets
The group determines whether goodwill and other indefinite-life intangible assets are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill and other indefinite-life intangible assets are allocated. Establishing the value in use requires the group to make an estimate of the expected future pre-tax cash flows from the cash-generating unit and also to choose a suitable pre-tax discount rate and terminal growth rate in order to calculate the present value of those cash flows. More details are given in Note 15.

(ii) Impairment testing for space segment assets
The group assesses at each reporting date whether there is any indicator that an asset may be impaired. If any such indication exists, the group determines an estimate of the recoverable amount, as the higher of the fair value less cost of disposal and its value in use to ensure that this exceeds the carrying amount included in the consolidated financial statements. As far as this affects the group's satellite assets, the estimation of the value in use requires estimations not only concerning the commercial revenues to be generated by each satellite, but also the impact of past in-orbit anomalies and their potential impact on the satellite's ability to provide its expected commercial service.

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition of the subsidiary is measured as the aggregate of the:

- fair value of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration agreement, and
- fair value of any pre-existing equity interest in the subsidiary.

For each business combination, the company measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition costs incurred are expensed and included in other operating expenses.

When the group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. Assets acquired and liabilities assumed are recognised at fair value.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or a liability will be recognised in accordance with IAS 39 in profit or loss.

Property, plant and equipment

Property, plant and equipment is initially recorded at historical cost, representing either the acquisition or manufacturing cost, which for satellites includes the launcher cost and launch insurance, less depreciation and impairment losses. Insurance proceeds are set off first against the base cost of the satellite concerned and released against the depreciation over the useful life of the asset. Insurance proceeds in excess of the base cost of the satellite are recognised as an income. The financial impact of changes resulting from revisions to management's estimate of the cost of the property, plant and equipment is taken to the consolidated income statement of the period concerned.

Costs for the repair and maintenance of these assets are recorded as an expense.

Property, plant and equipment is depreciated using the straight-line method, generally based on the following useful lives:

Buildings	25 years
Space segment assets	10 to 19.5 years
Ground segment assets	3 to 15 years
Other fixtures, fittings, tools and equipment	3 to 15 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any loss or gain arising on derecognition of the asset is included in the profit and loss account in the year the asset is derecognised.

The residual values, remaining useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted where necessary.

Assets in the course of construction

This caption includes satellites which are under construction. Incremental costs directly attributable to the purchase of satellites, including launch costs and other related expenses such as ground equipment and borrowing costs, are capitalised in the statement of financial position.

The cost of satellite construction may include an element of deferred consideration to satellite manufacturers referred to as satellite performance incentives. SES is contractually obligated to make these payments over the lives of the satellites, provided the satellites continue to operate in accordance with contractual specifications. Historically, the satellite manufacturers have earned substantially all of these payments. Therefore, SES accounts for these payments as deferred financing, capitalising the present value of the payments as part of the cost of the satellites and recording a corresponding liability to the satellite manufacturers. Interest expense is recognised on the deferred financing and the liability is accreted based on the passage of time and reduced as the payments are made.

Once the asset is subsequently put into service and operates in the manner intended by management, the expenditure is transferred to assets in use and depreciation commences.

Borrowing costs

Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalised as part of the cost of that asset during the period of time that is required to complete the asset. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Intangible assets

1) Goodwill

Goodwill measured as described in accounting policy for business combinations in Note 2.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill, from the acquisition date, is allocated to each of the group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The carrying value of acquisition goodwill is not amortised, but tested for impairment annually, or more frequently if required to establish whether the value is still recoverable. The recoverable amount is defined as the higher of fair value less costs to sell and value in use. Impairment charges are recorded in the consolidated income statement. Impairment losses relating to goodwill cannot be reversed in future periods. The group estimates value in use on the basis of the estimated discounted cash flows to be generated by a cash-generating unit which are based upon a five-year business plans approved by management. Beyond a five-year period, cash flows may be estimated on the basis of stable rates of growth or decline.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on its disposal. Goodwill disposed of in this situation is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2) Other intangibles

(i) Orbital rights
Intangible assets consist principally of rights of usage of orbital frequencies. The group is authorised by governments to operate satellites at certain orbital locations. Governments acquire rights to these orbital locations through filings made with the International Telecommunication Union ('ITU'), a sub-organisation of the United Nations. The group will continue to have rights to operate at its orbital locations so long as it maintains its authorisations to do so. Those rights are reviewed at acquisition to establish whether they represent assets with a definite or indefinite life. Those assessed as being definite life assets are amortised on a straight-line basis over their estimated useful life not exceeding 21 years. Indefinite-life intangible assets are held at cost in the statement of financial position and are subject to impairment testing in line with the treatment outlined for goodwill above. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis. Orbital rights acquired for a non-cash consideration are initially measured at the fair value of the consideration given.

(ii) Software and development costs
Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful life, which does not exceed seven years.

Impairment of other non-financial assets

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the group makes an estimate of the recoverable amount.

The group's long-lived assets and definite-life intangible assets, including its in-service satellite fleet, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Impairments can arise from complete or partial failure of a satellite as well as other changes in expected discounted future cash flows. Such impairment tests are based on a recoverable value determined using estimated future cash flows and an appropriate discount rate. The estimated cash flows are based on the most recent business plans. If an impairment is identified, the carrying value will be written down to its recoverable amount.

Investments and other financial assets

Financial assets in the scope of IAS 39 are classified as one of:

- financial assets at fair value through profit or loss;
- loans and receivables;
- held-to-maturity investments; or
- available-for-sale financial assets.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

All regular purchases and sales of financial assets are recognised on the trade date, that is to say the date that the group is committed to the purchase or sale of the asset.

The following categories of financial asset as defined in IAS 39 are relevant in the group's financial statements.

1) **Financial assets at fair value through profit or loss**

   Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated and effective hedging instruments. Gains or losses on investments held for trading are recognised in the consolidated income statement.

2) **Loans and receivables**

   Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the consolidated income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Impairment of financial assets carried at amortised cost

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that this loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that a specific debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in servicing interest or principal payments. For example, where there are indicators that the debtor may enter bankruptcy or other financial reorganisation.

For 'loans and receivables', the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

Deferred customer contract costs

Deferred customer contract costs represent the cost of equipment provided to customers under the terms of their service agreements and expensed over the term of those contracts.

Inventories

Inventories primarily consist of equipment held for re-sale, work-in-progress, related accessories and network equipment spares and are stated at the lower of cost or net realisable value, with cost determined on a weighted average-cost method.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Provisions are recognised when there is objective evidence that the group will not be able to collect the debts. The group evaluates the credit risk of its customers on an ongoing basis, classifying them into three categories: prime, market and sub-prime.

Prepayments

Prepayments represent expenditures paid during the financial year but relating to a subsequent financial year. The prepaid expenses include mainly insurance, rental of third-party satellite capacity, advertising expenses as well as loan origination costs related to loan facilities which has not been draw down.

Treasury shares

Treasury shares are mostly acquired by the group in connection with share-based compensation plans, and are presented as a set off to equity in the consolidated statement of financial position. Gains and losses on the purchase, sale, issue or cancellation of treasury shares are not recognised in the consolidated income statement, but rather in the equity.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash on hand and in banks and short-term deposits which are held to maturity are carried at fair value.

Revenue recognition

Revenues are generated predominantly from customer service agreements for the provision of satellite capacity over agreed periods by station-kept satellites at the group's primary orbital positions. The group also includes as revenue income received from the following type of services: revenues arising under operating leases; occasional use revenues; uplinking and downlinking operations; income received in connection with satellite interim missions; and, proceeds from the sale of transponders if the revenue recognition criteria for the transaction are met. In 2017, an amount of EUR 21.4 million (2016: EUR 28.9 million) has been recognised in revenue from the sale of transponders.

All amounts received from customers under service agreements or operating lease contracts for satellite capacity are recognised on a straight-line basis at the fair value of the consideration received or receivable over the duration of the respective contracts - including any free-of-charge periods which may be included in the contract.

If payment by a customer is not assured (defined as when management determines recoverability of the amounts due under the contract from the customer is no longer considered probable), then revenue will cease to be recognised on a straight-line basis and will only be recognised upon receipt of cash.

Occasional use revenues, uplinking and downlinking revenues and interim mission revenues are recognised in the period that the service is delivered. The proceeds of transponder sales are recognised in the period of the transaction at the time of transfer of the risks and rewards associated with the holding of the transponders. Income received in connection with insurance and legal settlements are recognised in the period when they become receivable by the group.

Customer payments received in advance of the provision of service are recorded as deferred income in the statement of financial position, and for significant advance payments, interest is accrued on the amount received at the effective interest rate at the time of receipt. The unbilled portion of recognised revenues is disclosed within 'Trade and other receivables', allocated between current and non-current as appropriate.

Where satellite transponder services are provided in exchange for dissimilar goods and services, the revenue is measured at the fair value of the goods or services received where these can be reliably measured, otherwise at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents received.

Concerning revenue recognition in the area of engineering services, the group applies a percentage of completion analysis to allocate revenue arising on long-term construction contracts appropriately between the accounting periods concerned assuming the outcome can be estimated reliably.

Other income received in connection with settlements under insurance claims, or disputes with satellite manufactures are also included as part of revenue due to their relative insignificance.

Dividends

The company declares dividends after the financial statements for the year have been approved. Accordingly, dividends are recorded in the subsequent year's financial statements.

Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

Current taxes

Current tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from, or paid to, the tax authorities. The tax rates and laws used to compute these amounts are those enacted, or substantively enacted, at the reporting date.

Deferred taxes

Deferred tax is determined using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred taxes are classified according to the classification of the underlying temporary difference either, as an asset or a liability, or in other comprehensive income or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Translation of foreign currencies

The consolidated financial statements are presented in euro (EUR), which is the company's functional and presentation currency. Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the entity's functional currency at the exchange rate prevailing at the date of the transaction. The cost of non-monetary assets is translated at the rate applicable at the date of the transaction. All other assets and liabilities are translated at closing rates of period. During the year, expenses and income expressed in foreign currencies are recorded at exchange rates which approximate to the rate prevailing on the date they occur or accrue. All exchange differences resulting from the application of these principles are included in the consolidated income statement.

The group considers that monetary long-term receivables or loans for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the entity's net investment in that foreign operation. The related foreign exchange differences and income tax effect of the foreign exchange differences are included in the foreign currency translation reserve within equity. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular foreign operation is reclassified to the consolidated income statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

The assets and liabilities of consolidated foreign operations are translated into euro at the year-end exchange rates, while the income and expense items of these foreign operations are translated at the average exchange rate of the year. The related foreign exchange differences are included in the foreign currency translation reserve within equity. On disposal of a foreign operation, the deferred cumulative amount recognised in equity relating to that particular foreign operation is reclassified to the consolidated income statement as part of the gain or loss on disposal.

The US dollar exchange rates used by the group during the year were as follows:

1 euro =	**Average rate for 2017**	**Closing rate for 2017**	Average rate for 2016	Closing rate for 2016
USD	**1.1249**	**1.1993**	**1.1060**	**1.0541**

Basic earnings per share

The company's capital structure consists of Class A and Class B shares, entitled to the payment of annual dividends as approved by the shareholders at their annual meetings. Holders of Class B shares participate in earnings and are entitled to 40% of the dividends payable per Class A share. Basic earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of common shares outstanding during the period as adjusted to reflect the economic rights of each class of shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Derivative financial instruments and hedging

The group recognises all derivatives at fair value in the consolidated statement of financial position. Changes in the fair value of derivatives are recorded in the consolidated income statement or in accordance with the principles below where hedge accounting is applied. The group may use derivative financial instruments such as foreign currency contracts and interest rate swaps to hedge its risks associated with foreign currency and interest rate fluctuations. On the date a hedging derivative instrument is entered into, the group designates the derivative as one of the following:

1) **Fair value hedges**

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the consolidated income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The group applies fair value hedge accounting for hedging fixed interest risk on borrowings, and for hedging of foreign currency risk on firm commitments and highly probable forecast transactions.

2) **Cash flow hedges**

In relation to cash flow hedges (forward foreign currency contracts and interest rate swaps on floating-rate debt) to hedge firm commitments or forecasted transactions, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity as other comprehensive income, with the ineffective portion being recognised in the consolidated income statement as finance income or cost. When the hedged commitment results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses that had previously been recognised in equity are included in the initial measurement of the acquisition cost or carrying amount of the asset or liability.

3) **Hedge of a net investment in a foreign operation**

Changes in the fair value of a derivative or non-derivative instrument that is designated as a hedge of a net investment are recorded in the foreign currency translation reserve within equity to the extent that it is deemed to be an effective hedge. The ineffective portion is recognised in the consolidated income statement as finance income or cost.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, the hedge no longer qualifies for hedge accounting, or the group revokes the designation. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity is kept in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the period.

The group formally documents all relationships between hedging instruments and hedged items, as well as its risk-management objective and strategy for undertaking various hedge transactions. This process includes allocating all derivatives that are designated as fair value hedges, cash flow hedges or net investment hedges to specific assets and liabilities in the statement of financial position or to specific firm commitments or forecasted transactions. The group also formally assesses both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item. If it is determined that a derivative is not highly effective as a hedge, or if a derivative ceases to be a highly effective hedge, the group will discontinue hedge accounting prospectively. The ineffective portion of hedge is recognised in profit or loss.

Derecognition of financial assets and liabilities

1) **Financial assets**

A financial asset is derecognised where:

- the right to receive cash flows from the asset has expired;
- the group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass- through’ arrangement; or
- the group has transferred its rights to receive cash flows from the asset and either
  a) has transferred substantially all the risks and rewards of the asset, or
  b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of that asset.

Where the group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor does transferred control of the asset, the asset continue to be recognised to the extent of the group’s continuing involvement in it. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of the consideration that the group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including cash-settled options or similar provision) on the transferred asset, the extent of the group's continuing involvement is the amount of the transferred asset that the group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

Accounting for pension obligations

The company and certain subsidiaries operate defined benefit pension plans and/or defined contribution pension plans.

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the consolidated income statement.

For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Share-based payments

1) Equity-settled share-based compensation plans

Employees (including senior executives) of the group receive remuneration in the form of share-based compensation transactions, whereby employees render services as consideration for equity instruments ('equity-settled transactions'). The cost of equity-settled transactions is measured by reference to the fair value at the date on which they are granted. The fair value is determined by an external valuer using a binomial model for the Stock Appreciation Rights Plan ('STAR Plan') and Executive Incentive Compensation Plan ('EICP Plan'), and a Black Scholes Model for the Long-term Incentive Programme ('LTI'). Further details are given in Note 22. In valuing equity-settled transactions, no account is taken of any non-market performance conditions, other than conditions linked to the price of the company's shares, if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting date). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the group's best estimate of the number of equity instruments that will ultimately vest. The consolidated income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 11).

2) Cash-settled share-based compensation plans

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is determined using a binomial model, further details of which are given in Note 22.

Deeply Subordinated Fixed Rate Resettable Securities ("Perpetual bond")

The deeply subordinated fixed rate securities issued by the company are classified as equity as the company has no contractual obligation to redeem the securities, and coupon payments may be deferred under certain circumstances (more details are given in Note 20) and recorded at fair value. Subsequent changes in fair value are not recognised in equity. Coupons become payable whenever the company makes dividend payments Coupon accruals are considered in the determination of earnings for the purpose of calculating earnings per share (see Note 11).

Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date, primarily whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Finance leases, which transfer to the group substantially all risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair market value of the leased item or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are charged directly to expense. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the consolidated income statement on a straight-line basis over the lease term.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are relevant for the group and effective for annual periods beginning after 1 January 2017, and have not been early adopted in preparing these consolidated financial statements:

1) Amendments to IFRS 2, 'Share based payments', on clarifying how to account for certain types of share-based payment transactions

In June 2016, the IASB issued amendments to clarify the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. The effective date of these amendments is 1 January 2018. The amendment was not yet endorsed by EU. The group does not expect any significant impact of these amendments on its consolidated financial statements.

2) IFRS 9 Financial instruments

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financing assets.

The standard is effective for accounting periods beginning on or after 1 January 2018 and has been endorsed by the European Union.

The group substantially finalised its detailed assessment of the impact of IFRS 9 and concluded that the adoption of the standard will not have a material impact on the group's consolidated financial statements. There is no impact on the classification and measurement of the financial assets as the group holds its receivables to collect contractual cash flows and therefore their measurement remains at amortised costs and the derivative financial instruments used by the group remain to be measured at fair value through profit or loss. There is also no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have such liabilities. The derecognition rules have been transferred from IAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

The IFRS 9 hedge accounting application is optional. The new hedge accounting rules will align the accounting for hedging instruments more closely with the group's risk management practices. As the standard introduces a more principle-based approach, more hedge relationships might be eligible for hedge accounting and so the group's current hedge relationships would qualify as continuing hedges upon the adoption of IFRS 9. Accordingly, the group does not expect a significant impact on the accounting for its current hedging relationships and opted to apply the IFRS 9 hedge accounting. Subsequently, all hedge documentation will be updated, even for existing qualifying hedge relationships and the additional disclosures as required by the standard will be provided in the subsequent consolidated financial statements.

The new impairment model for financial assets requires the recognition of impairment losses based on expected credit losses rather than only incurred credit losses as it the case under IAS 39, which would result in earlier recognition of such credit losses. The group substantially finalised the assessment of the impact of the new impairment model, and expects that the new impairment model would result in an additional bad debt provision of about EUR 15.0 million.

3) IFRS 15 Revenue from contracts with customers

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. Management has assessed the effects of applying the new standard on the consolidated financial statements and has identified that the standard will impact the revenue recognition for the initial connection to the HD Plus platform, which is currently accounted for on a 'front-loaded' basis and instead linearize this revenue for a 12-month period during which the provision of content is provided. The group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 January 2018 and that comparatives will not be restated. The group calculated that deferred revenue will have to be increased by EUR 14.0 million, and retained earnings decreased by EUR 14.0 million on 1 January 2018.

4) Clarifications to IFRS 15, Revenue from contracts with customers

In April 2016, the IASB issued amendments that comprise clarifications of the guidance on identifying performance obligations, accounting for licences of intellectual property and the principal versus agent assessment (gross versus net revenue presentation). The effective date of these amendments is 1 January 2018. The group does not expect any significant impact of these amendments on its consolidated financial statements.

5) IFRS 16 Leases

On 13 January 2016, the IASB issued IFRS 16 'Leases' which will replace IAS 17 'Leases'. This new standard specifies how to recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is twelve months or less or the underlying asset has a low value. This standard is effective for annual periods beginning on or after 1 January 2019, with early application permitted if IFRS 15 has also been applied.

The group performed an assessment of the impact of IFRS 16 and concluded that the standard will affect primarily the accounting for the group's operating leases. The group has early adopted the standard as from 1 January 2018. The group applied the simplified transition approach as allowed by the standard and did not restate comparative amounts for the years prior to first adoption.

On adoption of IFRS 16, the group recognised lease liabilities in relation to leases, which had previously been classified as 'operating leases' under the principles of IAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using the group's incremental borrowing rate as at 1 January 2018.

The group has applied the following practical expedients:

- Applying a single discount rate to a portfolio of leases with similar characteristics; and
- Not accounting for leases which end within 12 months from the date of the initial application or the underlying asset has a low value.

As at the reporting date, the group has non-cancellable operating lease commitments of EUR 52.5 million (see note 30), mainly in relation to office buildings and ground segment assets. The group determined that approximately 1% of these relate to payments for short-term and low-value leases which will be recognised on a straight-line basis over the duration of the agreements as an expense in the consolidated income statement.

On the adoption of IFRS 16, the amount of right-of-use assets and lease liability is EUR 45.9 million. The difference between the operating lease commitments and the right-of-use assets recognised is represented by the discounting impact. The discount rate applied is 3.66%, representing the weighted average incremental borrowing rate as at 1 January 2018.

6) IFRIC 22, Foreign currency transactions and advance consideration

In December 2016, the IASB issued IFRIC 22 which addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payments/receipts are made. The guidance aims to reduce diversity in practice. This standard is effective for annual periods beginning on or after 1 January 2018. IFRIC 22 was not yet endorsed by the EU. The group is currently assessing the impact of IFRIC 22.

7) IFRIC 23, Uncertainty over income tax treatments

In June 2017, the IASB issued IFRIC 23 which clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. This standard is effective for annual periods beginning on or after 1 January 2019. IFRIC 23 was not yet endorsed by the EU. The group is currently assessing the impact of IFRIC 23.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the group.

8) Annual improvements 2014-2016 applicable for the annual periods beginning on or after 1 January 2017 (not yet endorsed by EU)

Clarifying the scope of IFRS 12, Disclosure of interests in other entities
The amendment clarified that the disclosures requirement of IFRS 12 are applicable to interest in entities classified as held for sale, except for summarised financial information (para B17 of IFRS 12). These amendments apply retrospectively for annual periods beginning on or after 1 January 2017. The adoption of this amendment will not have any impact on the financial position and performance of the group.

9) Annual improvements 2015-2017 applicable for periods on or after 1 January 2019 (not yet endorsed by EU)

The annual improvements include minor amendments affecting IFRS 3, 'Business combinations', IFRS 11, 'Joint arrangements', IAS 12, 'Income taxes', and IAS 23, 'Borrowing costs'. The adoption of this amendment will not have any impact on the financial position and performance of the group.

Prior year reclassification

An amount of EUR 277.6 million as at 31 December 2016 representing non-current portion of unbilled accrued revenue has been reclassified from 'trade and other receivables' current to 'trade and other receivables' non-current in order to align the comparative amount with the current year presentation. The group evaluated the impact of this classification error on the previously issued consolidated financial statements and concluded that this was not material for the users of the consolidated financial statements, however decided to adjust the comparative consolidated statement of financial position.

Alternative performance measures

SES regularly uses alternative performance measures to present the performance of the group.

These measures may not be comparable to similarly titled measures used by other companies and are not measurements under IFRS or any other body of generally accepted accounting principles, and thus should not be considered substitutes for the information contained in the group's financial statements.

1) Net debt

Net debt is defined as current and non-current borrowings less cash and cash equivalents, all as disclosed on the consolidated statement of financial position. The group believes that net debt is relevant to investors, since it gives an indication of the absolute level of non-equity funding of the business. This can be compared to the income and cash flows generated by the business, and available undrawn facilities.

The following table reconciles net debt to the relevant balance sheet line items:

In millions of euros	**2017**	2016
Borrowings - non-current	**3,413.8**	4,223.1
Borrowings - current	**534.1**	204.3
Borrowings, *less*	**3,947.9**	4,427.4
Cash and equivalents	**269.6**	587.5
Net debt	**3,678.3**	3,839.9

2) EBITDA and EBITDA margin

EBITDA is defined as profit for the period before the impact of depreciation, amortisation, net financing cost, income tax, the group's share of the results of joint ventures and associates and discontinued operations and any extraordinary line item between revenue and profit before tax in the group's consolidated income statement. EBITDA Margin is defined as EBITDA divided by revenue. The group believes that EBITDA and EBITDA margin are useful supplemental indicators that may be used to assist in evaluating a company's operating performance.

The following table reconciles EBITDA to the consolidated income statement line items from which it is derived:

In millions of euros	**2017**	2016
Profit before tax	**467.3**	1,141.2
Add: Depreciation and impairment expense	**635.0**	560.5
Add: Amortisation expense	**78.6**	70.7
Less: Gain on deemed disposal of equity interest	**-**	495.2
Add: Net financing costs	**143.3**	174.3
EBITDA	**1,324.2**	1,451.5

The following table provides a reconciliation of EBITDA margin:

In millions of euros	**2017**	2016
Revenue	**2,035.0**	2,068.8
EBITDA	**1,324.2**	1,451.5
EBITDA Margin (%)	**65.1%**	70.2%

3) Operating profit and operating profit margin

Operating profit is defined as profit for the year before the impact of net financing charges, income tax, the group's share of the results of associates and includes any extraordinary line item between revenue and profit before tax in the group's consolidated income statement. The group uses operating profit to monitor its financial return after both operating expenses and a charge representing the cost of usage of both its property, plant and equipment and definite-life intangible assets.

The following table reconciles operating profit to the income statement line items from which it is derived:

In millions of euros	**2017**	2016
Profit before tax	**467.3**	1,141.2
Add: Net financing costs	**143.3**	174.3
Operating profit	**610.6**	1,315.5

Operating profit margin is defined as operating profit as a percentage of revenue. SES believes that operating profit margin is a useful measure to demonstrate the proportion of revenue that has been realised as operating profit, and therefore an indicator of profitability.

The following table provides a reconciliation of operating profit margin:

In millions of euros	**2017**	2016
Revenue	**2,035.0**	2,068.8
Operating profit	**610.6**	1,315.5
Operating profit margin	**30.0%**	63.6%

4) Net debt to EBITDA ratio

Net debt to EBITDA ratio is defined as net debt divided by EBITDA. The group believes that net debt to EBITDA ratio is a useful measure to demonstrate to investors its ability to generate the income needed to be able to settle its loans and borrowings as they fall due.

The following table reconciles the net debt to EBITDA ratio to net debt and EBITDA:

In millions of euros	**2017**	2016
Net debt	**3,678.3**	3,839.9
EBITDA	**1,324.2**	1,451.5
Net debt to EBITDA ratio	**2.78 times**	2.65 times

5) Free cash flow before financing activities

Free cash flow before financing activities is defined as net operating cash flow less net cash absorbed by investing activities. Available free cash flow is used for the payment of dividends, the servicing and repayment of borrowings and other financing activities, and SES believes it is therefore a useful measure for investors.

The following table reconciles Free cash flow before financing activities to the cash flow statement line items from which it is derived:

In millions of euros	**2017**	2016
Net cash generated by operating activities	**1,251.2**	1,274.1
Add: Net cash absorbed by investing activities	**(490.4)**	(1,381.7)
Free cash flow before financing activities	**760.8**	(107.6)

Note 3 - Business combinations

Acquisition of RR Media Ltd (‘RR Media’)

On 6 July 2016, SES acquired all the issued and outstanding share capital of RR Media, a provider of global digital media services, for a consideration of USD 242.2 million (EUR 216.0 million). The RR Media business has now been combined with the group’s existing SES Platform Services business unit under an integrated management structure called MX1, establishing a global video services and media solutions operation.

The net assets recognised in the group’s consolidated financial statements for the year ended 31 December 2016 were based on provisional amounts. Based on information subsequently obtained regarding facts and circumstances that existed as of the acquisition date, the group has finalised the purchase price allocation.

The fair values of the assets and liabilities provisionally recognised as a result of the acquisition were as follows:

Property, plant and equipment (Notes 13, 14)	53.2
Intangible assets (Note 15)	80.9
Other non-current assets	7.6
Current assets	69.8
Deferred tax liabilities (Note 9)	(20.2)
Other non-current liabilities	(16.9)
Current liabilities	(87.0)
Net identifiable assets acquired	87.4
Add: Goodwill*	128.6
Net assets acquired	**216.0**

*Non-deductible for tax purpose.

Purchase consideration

In millions of euros

Cash paid	216.0
Total consideration	**216.0**

Based on information subsequently obtained regarding facts and circumstances that existed as of the acquisition date, the group has finalised the purchase price allocation. The fair value of the net assets acquired have been adjusted in order to include additional provisions related to legal and regulatory matters prevailing at the date of acquisition.

Details of the purchase consideration, as well as a reconciliation of the carrying amount of goodwill are as follows:

Goodwill

In millions of euros

At 6 July 2016 (acquisition date)	128.6
Exchange rate differences	6.6
At 31 December 2016	**135.2**
Increase in provisions	3.9
Exchange rate differences	(17.0)
At 31 December 2017	**122.1**

Acquisition of O3b Networks Limited (‘O3b’)

On 1 August 2016, SES completed the acquisition of the remaining shares of O3b, a network communications service provider and operator of a Medium Earth Orbit ('MEO') satellite constellation, increasing its holding from 42.65% to 100% for a consideration of USD 726.3 million (EUR 638.6 million). As a result of the transaction, SES acquired control over O3b, which was until then accounted for as an associate, under the equity method of accounting.

The transition from the equity method to consolidation resulted in a non-cash gain of EUR 495.2 million as a result of remeasuring at fair value SES 42.65% equity interest in O3b held before the business combination.

The net assets recognised in the group’s consolidated financial statements for the year ended 31 December 2016 were based on provisional amounts.

The fair values of the assets and liabilities provisionally recognised as a result of the acquisition were as follows:

Property, plant and equipment (Notes 13, 14)	888.6
Orbital slot licence rights (Note 15)	1,147.4
Other non-current assets	116.1
Current assets	149.2
Borrowings	(1,219.5)
Other non-current liabilities	(48.4)
Current liabilities	(41.6)
Net identifiable assets acquired	991.8
Add: Goodwill*	153.5
Net assets acquired	**1,145.3**

*Non-deductible for tax purposes.

Details of the purchase consideration, as well as a reconciliation of the carrying amount of goodwill are as follows:

Purchase consideration

In millions of euros

Cash paid	602.6
Deferred cash consideration representing liability to O3b employees	15.0
Deferred cash consideration in respect of unpaid equity	17.4
Consideration related to settlement of pre-existing relationship	3.6
Total consideration transferred	**638.6**
Fair value of equity interest in O3b held immediately before the business combination date	506.7
Total consideration	**1,145.3**

Based on information subsequently obtained regarding facts and circumstances that existed as of the acquisition date, the group has finalised the purchase price allocation. The fair value of the net assets acquired has been adjusted in order to include additional provisions.

In millions of euros	**Goodwill**
At 1 August 2016 (acquisition date)	153.5
Exchange rate differences	8.9
At 31 December 2016	**162.4**
Increase in property, plant and equipment	(14.8)
Increase in payable to fixed assets suppliers	14.8
Increase in provisions	1.7
Exchange rate differences	(21.5)
At 31 December 2017	**142.6**

Between 1 January 2016 and the acquisition date, the share of O3b's losses recognised by the group was EUR 62.4 million.

The group's share of O3b's assets and liabilities, income and expenses up to acquisition in 2016 were:

In millions of euros	**1 August 2016**
Non-current assets	**405.1**
Current assets	**89.0**
Non-current liabilities	**498.5**
Current liabilities	**18.1**

In millions of euros	**1 January 2016 to 31 July 2016**
Revenue	**20.9**
Operating expenses	**(22.3)**
Depreciation and amortisation	**(38.1)**
Finance expense, net	**(22.2)**
Income tax	**(0.7)**
Total comprehensive loss for the year	**(62.4)**

Note 4 - Segment information

The group does business in one operating segment, namely the provision of satellite-based data transmission capacity, and ancillary services, to customers around the world.

The Executive Committee, which is the chief operating decision-making committee in the group's corporate governance structure, reviews the group's financial reporting and generates those proposals for the allocation of the group's resources, which are submitted for validation to the Board of Directors. The main sources of financial information used by the Executive Committee in assessing the group's performance and allocating resources are:

- Analysis of the group's revenues by two natural business units SES Video and SES Networks which comprises Fixed Data, Mobility and Government verticals;
- Overall group's profitability development at the operating and non-operating level;
- Internal and external analysis of expected future developments in the markets into which capacity is being delivered and of the commercial landscape applying to those markets.

When analysing the performance of the operating segment, the comparative prior year figures are analysed as reported and at 'constant FX' - recomputed using the exchange rates applying for each month in the current period. The performance of the operating segment is as well analysed on a 'like-for-like' basis with comparative figures restated at constant FX, to neutralise currency variations, and assuming that RR Media and O3b had been consolidated from 1 January 2016.

The segment's financial results for 2017 are set out below:

In millions of euros	**2017**	2016	Change Favourable + / Adverse
Revenue	**2,035.0**	2,068.8	-1.6%
Operating expenses	**(710.8)**	(617.3)	-15.1%
EBITDA	**1,324.2**	1,451.5	-8.8%
EBITDA margin (%)	**65.1%**	70.2%	-5.1% pts
Depreciation and impairment expense	**(635.0)**	(560.5)	-13.3%
Amortisation expense	**(78.6)**	(70.7)	-11.2%
Operating profit	**610.6**	820.3	-25.6%

In millions of euros	**2017**	Constant FX 2016	Change Favourable + / Adverse
Revenue	**2,035.0**	2,045.6	-0.5%
Operating expenses	**(710.8)**	(608.8)	-16.8%
EBITDA	**1,324.2**	1,436.8	-7.8%
EBITDA margin (%)	**65.1%**	70.2%	-5.1% pts
Depreciation and impairment expense	**(635.0)**	(551.9)	-15.1%
Amortisation expense	**(78.6)**	(70.2)	-12.0%
Operating profit	**610.6**	814.7	-25.1%

In millions of euros	**2017**	Like-for-like Constant FX 2016 (proforma)*	Change Favourable + / Adverse
Revenue	**2,035.0**	2,147.6	-5.2 %
Operating expenses	**(710.8)**	(714.8)	+0.6%
EBITDA	**1,324.2**	1,432.8	-7.6%
EBITDA margin (%)	**65.1%**	66.7%	-1.6% pts
Depreciation and impairment expense	**(635.0)**	(649.1)	+2.2%
Amortisation expense	**(78.6)**	(70.2)	-12.0%
Operating profit	**610.6**	713.5	-14.4%

The following table reconciles the like-for-like 2016 financial results to 2016 reported financial results:

In millions of euros	Constant FX 2016	Contribution from RR Media and O3b	Like-for-like Constant FX 2016 (proforma)*
Revenue	2,045.6	102.0	2,147.6
Operating expenses	(608.8)	(106.0)	(714.8)
EBITDA	1,436.8	(4.0)	1,432.8
Depreciation and impairment expense	(551.9)	(97.2)	(649.1)
Amortisation expense	(70.2)	-	(70.2)
Operating profit	814.7	(101.2)	713.5

* Not audited

Revenue by natural business units and market vertical

As reported and at constant FX, the revenue allocated to the relevant natural business units and market verticals developed as follows:

In millions of euros	**2017**	2016	Constant FX 2016	Change Favourable + / Adverse	Change Favourable + / Adverse (constant FX)
SES Video	**1,383.0**	1,391.6 [1]	1,381.3	-0.6%	+0.1%
SES Networks	**646.1**	627.3	614.4	+3.0%	+5.2%
-Fixed Data	***254.8***	*251.8*	*247.5*	*+1.2%*	*+2.9%*
-Mobility	***145.4***	*133.7*	*128.6*	*+8.8%*	*+13.1%*
-Government	***245.9***	*241.8*	*238.3*	*+1.7%*	*+3.2%*
Sub-total	**2,029.1**	**2,018.9**	**1,995.7**	**+0.5%**	**+1.7%**
Other [1, 2]	**5.9**	49.9	49.9	-88.2%	-88.2%
Group Total	**2,035.0**	**2,068.8**	**2,045.6**	**-1.6%**	**-0.5%**

[1] During 2017, EUR 7.2 million of 2016 reported revenue (EUR 6.8 million on a like-for-like basis) was reclassified from Video to "Other".
[2] Other includes revenue not directly applicable to a particular vertical.

In millions of euros	**2017**	Like-for-like Constant FX 2016	Change Favourable + / Adverse (Like-for-Like and constant FX)
SES Video	**1,383.0**	1,435.0	-3.6%
SES Networks	**646.1**	658.6	-1.9%
-Fixed Data	***254.8***	*271.0*	*-6.0%*
-Mobility	***145.4***	*145.6*	*-0.1%*
-Government	***245.9***	*242.0*	*+1.6%*
Sub-total	**2,029.1**	**2,093.6**	-3.1%
Other[1]	**5.9**	54.0	-89.1%
Group Total	**2,035.0**	**2,147.6**	**-5.2%**

[1] Other includes revenue not directly applicable to a particular vertical.

Revenue by country

The group's revenue from external customers analysed by country using the customer's billing address is as follows:

In millions of euros	**2017**	2016
Luxembourg (SES country of domicile)	**40.5**	37.2
United States of America	**564.4**	587.2
Germany	**406.4**	409.1
United Kingdom	**283.5**	290.9
France	**91.9**	134.8
Others	**648.3**	609.6
Total	**2,035.0**	2,068.8

No single customer accounted for 10%, or more, of total revenue in 2017, or 2016.

Property, plant and equipment and intangible assets by location

The group's property, plant and equipment and intangible assets are located as set out in the following table. Note that satellites are allocated to the country where the legal owner of the asset is incorporated. Similarly, orbital slot rights and goodwill balances are allocated to the attributable subsidiary.

In millions of euros	**2017**	2016
Luxembourg (SES country of domicile)	**2,446.4**	2,476.9
United States of America	**2,711.5**	3,075.6
Jersey	**2,113.2**	2,341.4
The Netherlands	**1,462.9**	1,662.5
Isle of Man	**1,252.8**	1,414.0
Israel	**219.3**	259.6
Sweden	**195.3**	213.6
Others	**301.1**	350.0
Total	**10,702.5**	11,793.6

Note 5 - Operating expenses

The operating expense categories disclosed include the following types of expenditure:

1) Cost of sales, which excludes staff costs and depreciation, represents cost categories which generally vary directly with revenue. Such costs include the rental of third-party satellite capacity, customer support costs, such as uplinking and monitoring, and other cost of sales such as equipment rental.

In millions of euros	**2017**	2016
Costs associated with European Services business	**(115.9)**	(96.5)
Rental of third-party satellite capacity	**(102.9)**	(78.2)
Customer support costs	**(25.1)**	(22.1)
Other cost of sales	**(30.0)**	(34.2)
Total cost of sales	**(273.9)**	(231.0)

2) Staff costs of EUR 279.2 million (2016: EUR 233.1 million) include gross salaries and employer's social security payments, payments into pension schemes for employees, and charges arising under share-based payment schemes. At the year-end the total full-time equivalent members of staff is 2,015 (2016: 1,943).

3) Other operating expenses in the amount of EUR 157.7 million (2016: EUR 153.2 million) are by their nature less variable to revenue development. Such costs include facility costs, in-orbit insurance costs, marketing expenses, general and administrative expenditure, consulting charges, travel-related expenditure and movements in provisions for debtors.

Note 6 - Audit and non-audit fees

For 2017 and 2016 the group has recorded charges, billed and accrued, from its independent auditors and affiliated companies thereof, as set out below:

In millions of euros	**2017**	2016
Fees for statutory audit of annual and consolidated accounts	**2.1**	2.2
Fees charged for other assurance services	**0.2**	1.0
Fees charged for tax services	**-**	0.5
Fees charged for other non-audit services	**-**	0.5
Total audit and non-audit fees	**2.3**	4.2

Note 7 - Finance income and costs

In millions of euros	**2017**	2016
Finance income		
Interest income	**1.1**	8.5
Net foreign exchange gains[1]	**-**	14.3
Total	**1.1**	22.8
Finance costs		
Interest expenses on borrowings (excluding amounts capitalised)	**(111.0)**	(142.3)
Loan fees and origination costs and other	**(32.2)**	(33.2)
O3b borrowings breakage fees, net [2]	**-**	(21.6)
Net foreign exchange losses[1]	**(1.2)**	-
Total	**(144.4)**	(197.1)

[1] Net foreign exchange gains /losses are mostly related to revaluation of bank accounts, deposits and other monetary items denominated in US dollar.

[2] On 23 August 2016, O3b reimbursed its mezzanine loans before the maturity date for a total amount of USD 302.8 million, comprising the principal of USD 291.0 million, accrued interest of USD 1.7 million and redeployment costs ('breakage fees') of USD 10.1 million. On 15 December 2016, O3b repaid its Coface borrowings and term loans for a total amount of USD 965.3 million, comprising Coface borrowing principal of USD 777.6 million, term loan principal of USD 127.0 million, Coface borrowings accrued interest of USD 17.4 million, term loan accrued interest of USD 5.3 million, Coface breakage fees of USD 32.4 million, term loan breakage fees of USD 5.6 million and breakage support fees of USD 1.5 million. On 22 December 2016, O3b received a refund of insurance premiums from Coface of USD 26.7 million on the repayment of the borrowings.

Note 8 - Income taxes

Taxes on income comprise the taxes paid or owed in the individual countries, as well as deferred taxes. Current and deferred taxes can be analysed as follows:

In millions of euros	**2017**	2016
Current income tax		
Current income tax charge	**(57.7)**	(132.9)
Adjustments in respect of prior periods	**28.7**	(4.0)
Foreign withholding taxes	**(3.4)**	(15.3)
Total current income tax	**(32.4)**	(152.2)
Deferred income tax		
Relating to origination and reversal of temporary differences	**51.2**	31.3
Relating to tax losses brought forward	**17.5**	2.7
Changes in tax rate	**95.0**	(2.9)
Adjustment of prior years	**(0.7)**	7.0
Total deferred income tax	**163.0**	38.1
Income tax benefit / (expense) per consolidated income statement	**130.6**	(114.1)
Consolidated statement of changes in equity		
Current and Deferred Income tax related to items (charged) or credited directly in equity		
Post-employment benefit obligation	**(0.3)**	1.5
Impact of currency translation	**60.3**	(9.1)
Net investment hedge - current tax	**(65.4)**	18.5
Net investment hedge - deferred tax	**-**	1.2
Tax impact of the treasury shares impairment recorded in the statutory financial statements	**14.2**	13.9
Tax impact on perpetual bond	**19.5**	7.2
Tax impact on transaction costs related to capital increase	**-**	3.7
Current and deferred income taxes reported in equity	**28.3**	36.9

A reconciliation between the income tax expense and the profit before tax of the group multiplied by a theoretical tax rate of 27.83% (2016: 29.97%) which corresponds to the Luxembourg domestic tax rate for the year ended 31 December 2017 is as follows:

In millions of euros	**2017**	2016
Profit before tax from continuing operations	**467.3**	1,141.2
Multiplied by theoretical tax rate	**130.0**	342.0
Effect of different foreign tax rates	**(15.1)**	(36.2)
Investment tax credits	**(15.0)**	(23.2)
Tax exempt income	**(4.5)**	(4.3)
Non-deductible expenditures	**10.5**	1.1
Taxes related to prior years	**(7.1)**	8.5
Effect of changes in tax rate	**(3.4)**	2.9
Change in deferred tax due to temporary differences related to prior years	**7.7**	(19.4)
Group tax provision related to current year	**2.3**	4.3
Release of group tax provision	**(17.7)**	(10.8)
Extra-Territorial Income exclusion benefit	**(56.7)**	-
Impairment on subsidiaries	**(23.8)**	(22.1)
Remeasurement of deferred taxes due to change in US tax law	**(94.4)**	-
Brazilian withholding tax refund	**(51.1)**	-
Foreign withholding taxes	**3.4**	15.3
Gain on deemed disposal of equity interest	**-**	(148.4)
Other	**4.3**	4.4
Income tax reported in the consolidated income statement	**(130.6)**	114.1

Adjustments in respect to prior periods

Adjustments in respect to prior periods of EUR 28.7 million mainly include the benefit for US subsidiaries in respect of basis restoration related to the Extra-Territorial Income previously claimed and accepted by the Internal Revenue Service in 2017.

Brazilian withholding tax receivable

In April 2017 the Superior Court in Brazil issued an irrevocable decision that withholding tax is not applicable on payments from Brazil for the provision of satellite capacity. As a result, the group recorded during the year an income tax benefit amounting to EUR 51.1 million in respect of the expected refund of withholding tax paid in Brazil during the period 2008 to 2017 and related interest, presented as income tax receivable.

Extra-Territorial Income exclusion benefit

A benefit of EUR 56.7 million has been recognised in connection with Extra-Territorial Income and basis restoration at the level of the US subsidiaries following the completion of the 2014 tax audit by the Internal Revenue Service. This resulted in the release of provision of EUR 44.3 million previously recognised (see Note 24).

Gain on deemed disposal of equity interest

SES Finance Services AG is a Swiss resident company holding the shares in O3b. On 1 August 2016 its holding in O3b increased from 42.65% to 100%, which resulted in a gain on deemed disposal of the equity interest held as of acquisition date of EUR 495.2 million (see Note 3). Based on Swiss tax law, any gain on the deemed disposal of the shares will be tax exempt in Switzerland. Therefore, no tax effect has been booked on the gain on the deemed disposal of the equity interest.

Effect of changes in tax rate

During 2017, as a result of the change in the US corporate income tax rate from 35% to 21% effective as of 1 January 2018, the relevant deferred tax assets and liabilities balances have been re-measured. The total impact of re-measurement was an income tax benefit of EUR 94.4 million. These measurement adjustments were considered a change in accounting estimate in accordance with IAS 8 requirements.

During 2016, as a result of the change in the Luxembourg and Israeli corporate income tax rates respectively from 21% to 19% effective as of 1 January 2017 (18% as of 2018) in Luxembourg and from 25% to 24% effective as of 1 January 2017 (23% as of 2018) in Israel, the relevant deferred tax balances have been re-measured. The total impact of re-measurement was a benefit of EUR 9.7 million for Luxembourg and EUR 1.3 million for Israel. Moreover, the change in state apportionment rules in the US triggered an additional tax charge of EUR 13.9 million.

Change in US tax law

The United States Tax Cuts and Jobs Act (the 'Act') which was signed into law on 22 December 2017, introduces significant changes in the US tax laws taking into effect on 1 January 2018. The group performed a preliminary assessment of the impact of the Act on the current and deferred tax balances in the consolidated financial statements as of 31 December 2017 and estimated the impact disclosed above under ‘Effect of changes in tax rate’ as well as EUR 2 million increase in current income tax payable and current income tax expense, representing toll charge.

Note 9 - Deferred income tax

The accounts related to deferred taxes included in the consolidated financial statements can be analysed as follows:

In millions of euros	**Deferred tax assets 2017**	Deferred tax assets 2016	**Deferred tax liabilities 2017**	Deferred tax liabilities 2016
Losses carried forward	**33.5**	40.8	**-**	-
Tax credits	**6.0**	6.5	**-**	-
Intangible assets	**37.7**	41.4	**(218.6)**	(294.1)
Tangible assets	**-**	0.3	**(244.3)**	(401.4)
Employee benefits	**10.0**	15.6	**-**	-
Measurement of financial assets and derivatives	**-**	1.1	**-**	-
Receivables	**21.0**	14.4	**-**	-
Tax-free reserves	**-**	-	**-**	(3.9)
Other provisions and accruals	**1.1**	0.9	**(14.5)**	(15.3)
Total deferred tax assets / (liabilities)	**109.3**	121.0	**(477.4)**	(714.7)
Offset of deferred taxes	**(38.9)**	(50.5)	**38.9**	50.5
Net deferred tax assets/ (liabilities)	**70.4**	70.5	**(438.5)**	(664.2)

Deferred tax assets have been offset against deferred tax liabilities where they relate to the same taxation authority and the entity concerned has a legally enforceable right to set off current tax assets against current tax liabilities.

In addition to the tax losses for which the group recognised deferred tax assets, the group has tax losses of EUR 490.8 million as at 31 December 2017 (31 December 2016: EUR 752.2 million) that are available for offset against future taxable profits of the companies in which the losses arose. EUR 450.7 million (31 December 2016: 730.0 million) of tax losses are triggered by the change in state apportionment rules in the US. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the group and they have arisen in subsidiaries that are not expected to generate taxable profits against which these losses could be offset in the foreseeable future.

No deferred income tax liabilities have been recognised for the withholding tax and other taxes that would be payable on the unremitted earnings of certain subsidiaries. Such amounts are permanently reinvested or not subject to taxation.

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances is as follows:

Deferred tax assets	**Losses carried forward**	**Tax credits**	**Intangible assets**	**Employee benefits**	**Measurement of financial assets and derivatives**	**Receivables**	**Other**	**Total**
At 1 January 2016	**8.1**	**4.7**	**45.2**	**14.5**	**1.2**	**18.4**	**0.5**	**92.6**
Additions through business combinations	3.6	-	-	0.2	-	1.2	0.9	5.9
(Charged)/credited to the income statement	26.3	1.5	(3.7)	0.5	(0.1)	(5.7)	(0.1)	18.7
Charged directly to equity	-	-	-	1.5	-	-	-	1.5
Exchange difference[1]	2.8	0.3	(0.1)	(1.1)	-	0.5	(0.1)	2.3
At 31 December 2016	**40.8**	**6.5**	**41.4**	**15.6**	**1.1**	**14.4**	**1.2**	**121.0**
(Charged)/credited to the income statement	(3.9)	(0.5)	(3.7)	(3.9)	(0.8)	8.8	(0.1)	(4.1)
Charged directly to equity		-	-	(0.4)	(0.1)	-	-	(0.5)
Exchange difference[1]	(3.4)	-	-	(1.3)	(0.2)	(2.2)	-	(7.1)
At 31 December 2017	**33.5**	**6.0**	**37.7**	**10.0**	**-**	**21.0**	**1.1**	**109.3**

Deferred tax liabilities	Intangible assets	Tangible assets	Tax-free reserves	Measurement of financial instruments	Other	Total
1 January 2016	**289.0**	**381.2**	**3.0**	**1.1**	**15.0**	**689.3**
Additions through business combinations	20.2	6.7	-	-	-	26.9
Charged/(credited) to the income statement	(24.9)	4.5	0.7	-	0.3	(19.4)
Charged directly to equity	-	-	-	(1.1)	-	(1.1)
Exchange difference[1]	9.8	9.0	0.2	-	-	19.0
At 31 December 2016	**294.1**	**401.4**	**3.9**	**-**	**15.3**	**714.7**
Charged/(credited) to the income statement	(46.5)	(116.8)	(3.4)	-	(0.4)	(167.1)
Exchange difference[1]	(29.0)	(40.3)	(0.5)	-	(0.4)	(70.2)
At 31 December 2017	**218.6**	**244.3**	**-**	**-**	**14.5**	**477.4**

[1] A foreign exchange impact arises due to the translation of group's operations with a different functional currency than euro. This amounts to EUR 63.1 million as at 31 December 2017 (2016: EUR 16.7 million)

Note 10 - Components of other comprehensive income

In millions of euros	**2017**	2016
Impact of currency translation	**(1,050.9)**	288.9
Income tax effect	**60.3**	(9.1)
Total impact of currency translation, net of tax	**(990.6)**	279.8

The impact of currency translation in other comprehensive income relates to exchange gains or losses arising on the translation of the net assets of foreign operations from their functional currency to euro, which is the company's functional and presentation currency. The assets and liabilities of consolidated foreign operations are translated into euro at the year-end exchange rates, while the income and expense items of these foreign operations are translated at the average exchange rate of the year.

The significant unrealised loss in 2017 reflects the impact on the valuation of SES's net US dollar assets of the weakening of the US dollar against the euro from 1.0541 to 1.1993 (compared to significant unrealised income in 2016 from the strengthening of the US dollar against the euro from 1.0887 to 1.0541). This effect is partially offset by the impact of the net investment hedge (Note 18).

Note 11 - Earnings per share

Earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders of each class of shares by the weighted average number of shares outstanding during the year as adjusted to reflect the economic rights of each class of share. The net profit for the year attributable to ordinary shareholders has been adjusted to include an assumed coupon, net of tax, on the perpetual bond.

For the year 2017, basic earnings per share of EUR 1.21 per Class A share (2016: EUR 2.18), and EUR 0.48 per Class B share (2016: EUR 0.87) have been calculated on the following basis:

Profit attributable to the owners of the parent for calculating basic earnings per share:

In millions of euros	**2017**	2016
Profit attributable to owners of the parent	**596.1**	962.7
Assumed coupon on perpetual bond (net of tax)	**(47.3)**	(15.0)
Total	**548.8**	947.7

Assumed coupon accruals of EUR 47.3 million (net of tax) for the year ended 31 December 2017 (2016: EUR 15.0 million) related to the perpetual bonds issued during 2016 have been considered for the calculation of the basic and diluted earnings available for distribution.

Weighted average number of shares, net of own shares held, for calculating basic and diluted earnings per share:

	2017	2016
Class A shares (in million)	**376.5**	361.0
Class B shares (in million)	**191.7**	183.7
Total	**568.2**	544.7

The weighted average number of shares is based on the capital structure of the company as described in Note 20.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares which are primarily related to the share-based compensation plans. A calculation is done to determine the number of shares that could have been acquired at fair value based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options and the difference, if it results in a dilutive effective, is considered to adjust the weighted average number of share.

For the year 2017, diluted earnings per share of EUR 1.21 per Class A share (2016: EUR 2.18), and EUR 0.48 per Class B share (2016: EUR 0.87) have been calculated on the following basis:

In millions of euros	2017	2016
Profit attributable to owners of the parent	**596.1**	962.7
Assumed coupon on perpetual bond (net of tax)	**(47.3)**	(15.0)
Total	**548.8**	947.7

Weighted average number of shares, net of own shares held, for the purpose of calculating diluted earnings per share:

	2017	2016
Class A shares (in million)	**377.7**	361.9
Class B shares (in million)	**191.7**	183.7
Total	**569.4**	545.6

Note 12 - Dividends paid and proposed

Dividends declared and paid during the year:

In millions of euros	2017	2016
Class A dividend 2016: EUR 1.34 (2015: EUR 1.30)	**513.8**	446.7
Class B dividend 2016: EUR 0.54 (2015: EUR 0.52)	**102.8**	89.3
Total	**616.6**	536.0

Dividends proposed for approval at the annual general meeting to be held on 5 April 2018, which are not recognised as a liability as at 31 December 2017:

In millions of euros	2017	2016
Class A dividend for 2017: EUR 0.80 (2016: EUR 1.34)	**306.8**	513.8
Class B dividend for 2017: EUR 0.32 (2016: EUR 0.54)	**61.4**	102.8
Total	**368.2**	616.6

Dividends are paid net of any withholding tax.

Note 13 - Property, plant and equipment

In millions of euros	Land and buildings	Space segment	Ground Segment	Other fixtures and fittings, tools and equipment	Total
Cost					
As at 1 January 2017	**244.9**	**11,186.3**	**653.3**	**166.4**	**12,250.9**
Additions	5.3	126.9 [1]	24.4	9.7	166.3
Additions through business combinations (Note 3)	-	14.8	-	-	14.8
Disposals	(0.7)	-	(0.6)	(3.0)	(4.3)
Retirements	-	(247.3) [2]	(5.8)	(1.0)	(254.1)
Transfers from assets in course of construction (Note 14)	2.5	248.3 [3]	26.0	8.2	285.0
Transfer	0.9	-	(0.9)	-	0.0
Other movements	-	-	6.0	-	6.0
Impact of currency translation	(13.1)	(918.8)	(49.7)	(6.7)	(988.3)
As at 31 December 2017	**239.8**	**10,410.2**	**652.7**	**173.6**	**11,476.3**
Depreciation					
As at 1 January 2017	**(140.4)**	**(6,442.3)**	**(394.6)**	**(117.3)**	**(7,094.6)**
Depreciation and impairment	(9.9)	(552.7) [4]	(57.7)	(14.7)	(635.0)
Disposals	-	-	-	3.0	3.0
Retirements	-	247.3 [2]	5.8	1.0	254.1
Transfer	-	-	(0.9)	0.9	-
Impact of currency translation	6.3	543.8	32.5	5.0	587.6
As at 31 December 2017	**(144.0)**	**(6,203.9)**	**(414.9)**	**(122.1)**	**(6,884.9)**
Net book value as at 31 December 2017	**95.8**	**4,206.3**	**237.8**	**51.5**	**4,591.4**

1 SES-11 has been acquired and became operational during 2017
2 AMC-9 has been fully retired during 2017
3 SES-10 became operational during 2017
4 Depreciation expense includes EUR 18.3 million related to insurance proceeds for O3b (2016: EUR 18.0 million)

In millions of euros	Land and buildings	Space segment	Ground segment	Other fixtures and fittings, tools and equipment	Total
Cost					
As at 1 January 2016	**210.1**	**10,019.3**	**478.6**	**142.6**	**10,850.6**
Additions	3.2	-	26.8	6.1	36.1
Additions through business combinations	27.1	624.0 [5]	100.7	9.5	761.3
Disposals	-	(0.7)	(2.1)	(1.0)	(3.8)
Transfers from assets in course of construction (Note 14)	0.6	291.7 [6]	31.2	11.1	334.6
Transfer	-	-	4.1	(4.1)	-
Impact of currency translation	3.9	252.0	14.0	2.2	272.1
As at 31 December 2016	**244.9**	**11,186.3**	**653.3**	**166.4**	**12,250.9**
Depreciation					
As at 1 January 2016	**(129.6)**	**(5,803.2)**	**(347.2)**	**(105.8)**	**(6,385.8)**
Depreciation	(8.8)	(497.9) [4]	(42.3)	(11.5)	(560.5)
Disposals	-	0.7	2.1	1.0	3.8
Impact of currency translation	(2.0)	(141.9)	(7.2)	(1.0)	(152.1)
As at 31 December 2016	**(140.4)**	**(6,442.3)**	**(394.6)**	**(117.3)**	**(7,094.6)**
Net book value as at 31 December 2016	**104.5**	**4,744.0**	**258.7**	**49.1**	**5,156.3**

5 Includes insurance proceeds received for O3b satellites amounting to EUR 45.0 million within space segment cost
6 SES-9 became operational during 2016

During 2017, the total amount of the impairment charge for space segment assets recorded by the group was EUR 40.3 million, mainly related to the AMC-9 satellite (EUR 38.4 million). The AMC-9 impairment charge was a result of a significant anomaly on the satellite, bringing its net book value to zero. The group has recorded no satellite impairment charges in 2016.

In connection with the acquisition of the SES-11 satellite, the group entered into an agreement with an anchor customer on one of the payloads of the satellite whereby the anchor customer entered into the construction agreement with the manufacturer to construct the satellite. Some of the payload construction costs were treated as an advance payment for the services to be provided to that customer over the duration of the customer agreement, with the remainder to be paid by the group to the anchor customer in cash.

As a result of this arrangement, the group recognised EUR 106.2 million (USD 127.4 million) of deferred revenue at the satellite's in-service date in November 2017, and paid EUR 66.2 million (USD 79.4) million in cash to the anchor customer in January 2018. For this reason, both of these amounts are included in the group's space segment as at 31 December 2017 and are excluded from 'Payments for purchases of tangible assets' within consolidated statement of cash flows.

Note 14 - Assets in the course of construction

In millions of euros	Land and Buildings	Space segment	Ground segment	Fixtures, tools & equipment	Total
Cost and net book value as at 1 January 2017	**2.6**	**1,335.0**	**47.1**	**4.9**	**1,389.6**
Movements in 2017					
Additions	0.1	415.1	66.3	14.0	495.5
Transfers to assets in use (Note 13)	(2.5)	(248.3)*	(26.0)	(8.2)	(285.0)
Impact of currency translation	-	(113.5)	(5.9)	(0.5)	(119.9)
Cost and net book value as at 31 December 2017	**0.2**	**1,388.3**	**81.5**	**10.2**	**1,480.2**

* Includes SES-15 that became operational in January 2018

In millions of euros	Land and Buildings	Space segment	Ground Segment	Fixtures, tools & equipment	Total
Cost and net book value as at 1 January 2016	**0.9**	**864.6**	**22.6**	**6.2**	**894.3**
Movements in 2016					
Additions	2.3	553.9	51.8	9.6	617.6
Additions through business combinations (Note 3)	-	176.7	3.4	0.4	180.5
Transfers to assets in use (Note 13)	(0.6)	(291.7)	(31.2)	(11.1)	(334.6)
Disposals	-	-	(1.0)	(0.3)	(1.3)
Impact of currency translation	-	31.5	1.5	0.1	33.1
Cost and net book value as at 31 December 2016	**2.6**	**1,335.0**	**47.1**	**4.9**	**1,389.6**

Borrowing costs of EUR 47.0 million (2016: EUR 39.7 million) arising from financing specifically relating to the satellite construction were capitalised during the year and are included in additions to 'Space segment' in the above table.

A weighted average capitalisation rate of 3.97% (2016: 4.12%) was used, representing the group's average weighted cost of borrowing. Excluding the impact of the loan origination costs and commitment fees the average weighted interest rate was 3.66% (2016: 3.87%).

Note 15 - Intangible assets

In millions of euros	Orbital slot licence rights (indefinite-life)	Goodwill	Orbital slot licence rights (definite life)	Other definite life intangibles	Internally generated development costs	Total
Cost						
As at 1 January 2017	**2,232.7**	**2,540.9**	**770.3**	**406.5**	**6.2**	**5,956.6**
Additions	0.3	-	-	10.4	25.4	36.1
Additions through business combinations (Note 3)	-	5.6	-	-	-	5.6
Transfers	(5.5)	-	5.5	4.5	(4.5)	-
Disposals	-	-	-	(1.7)	-	(1.7)
Other movements	-	-	-	(6.0)	-	(6.0)
Impact of currency translation	(255.4)	(302.6)	(3.4)	(25.9)	(0.6)	(587.9)
As at 31 December 2017	**1,972.1**	**2,243.9**	**772.4**	**387.8**	**26.5**	**5,402.7**
Amortisation						
As at 1 January 2017	**-**	**-**	**(473.4)**	**(235.5)**	**-**	**(708.9)**
Amortisation	-	-	(38.7)	(39.9)	-	(78.6)
Disposals	-	-	-	1.7	-	1.7
Impact of currency translation	-	-	0.7	13.3	-	14.0
As at 31 December 2017	**-**	**-**	**(511.4)**	**(260.4)**	**-**	**(771.8)**
Book value as at 31 December 2017	**1,972.1**	**2,243.9**	**261.0**	**127.4**	**26.5**	**4,630.9**

In millions of euros	Orbital slot licence rights (indefinite- life)	Goodwill	Orbital slot licence rights (definite life)	Other definite life intangibles	Internally generated development costs	Total
Cost						
As at 1 January 2016	**998.6**	**2,175.1**	**759.6**	**275.3**	**14.0**	**4,222.6**
Additions	0.9	-	6.9	19.0	15.0	41.8
Additions through business combinations (Note 3)	1,147.4	282.1	-	80.6	0.3	1,510.4
Transfers	-	-	-	23.2	(23.2)	-
Impact of currency translation	85.8	83.7	3.8	8.4	0.1	181.8
As at 31 December 2016	**2,232.7**	**2,540.9**	**770.3**	**406.5**	**6.2**	**5,956.6**
Amortisation						
As at 1 January 2016	**-**	**-**	**(434.3)**	**(200.9)**	**-**	**(635.2)**
Amortisation	-	-	(38.7)	(32.0)	-	(70.7)
Impact of currency translation	-	-	(0.4)	(2.6)	-	(3.0)
As at 31 December 2016	**-**	**-**	**(473.4)**	**(235.5)**	**-**	**(708.9)**
Book value as at 31 December 2016	**2,232.7**	**2,540.9**	**296.9**	**171.0**	**6.2**	**5,247.7**

Indefinite-life intangible assets

Management identified the following cash-generating units at the level of which goodwill is allocated: SES GEO operations, SES MEO operations, MX1 and other.

The level of integration of SES GEO operations has lead management to conclude that there is only one cash-generating unit ('CGU') to which the goodwill is allocated for impairment test purposes. SES MEO operations, representing the O3b Networks business acquired in 2016, is considered a separate CGU, as the business generates cash inflows that are independent from SES's GEO operations. Similarly, MX1 generates separate cash flows and is considered a separate CGU.

The CGUs for orbital slot licence rights are different, as the rights conveyed in different jurisdictions can have different characteristics that makes them separate and distinct from the orbital slot licence rights in other jurisdictions. The group thus aggregates these rights in Europe, the U.S., Canada, and Mexico. All other slots are not separable and do not generate separate cash flows and are thus considered a single CGU, “International”.

The indefinite-life intangible assets as at 31 December 2017 have a net book value by cash-generating unit as presented below:

In millions of euros	**2017**	
	Orbital slot licence rights	**Goodwill**
SES GEO operations	**-**	**1,926.9**
SES MEO operations	**1,062.9**	**142.6**
MX1	**-**	**169.2**
Orbital slot licence rights:		
Europe	**154.0**	**-**
U.S.	**301.2**	**-**
Canada	**5.4**	**-**
Mexico	**6.5**	**-**
International	**442.1**	**-**
Other (SES GS)	**-**	**5.2**
Total	**1,972.1**	**2,243.9**

For 2016 impairment testing purposes, RR Media was also considered by management to be a separate CGU as, at that time, it still generated cash flows largely independent from MX1 GmbH, formerly SES Platform Services GmbH ('SES Platform Services'). In 2017, the businesses have been fully integrated and the cash flows of the legacy entities are no longer distinct: for this reason, MX1 is treated as a single cash generating unit beginning with these 2017 consolidated financial statements.

The indefinite-life intangible assets as at 31 December 2016 have a net book value by cash-generating unit as presented below:

In millions of euros	2016	
	Orbital slot licence rights	Goodwill
SES GEO operations	-	2,190.3
SES MEO operations	1,209.6	162.4
MX1	-	171.1
Orbital slot licence rights:		
Europe	156.2	-
U.S.	342.6	-
Canada	5.6	-
Mexico	7.0	-
Other	511.7	-
Other (Smartcast, SES GS)	-	17.1
Total	2,232.7	2,540.9

1) Orbital slot licence rights

Impairment testing procedures are performed at least once a year to assess whether the carrying value is still appropriate.

2) Goodwill

Impairment testing procedures are performed at least once a year to assess whether the carrying value of goodwill is still appropriate. The annual impairment test is performed as at 31 October each year. The recoverable amount of the goodwill is determined based on a value-in-use calculation (Note 2) using the most recent business plan information approved by the Board of Directors which covers a period of five years.

For the MEO satellite business, the impairment test period was extended beyond the five-year period, reflecting the ramp-up phase of the business. This extension is necessary to fully capture the contracted capital expenditure and expected growth of the business in connection with the O3b mPOWER constellation, which is expected to launch in 2021.

Pre-tax discount rates in 2017 are between 7.93% and 10.37% (2016: 5.92% and 6.42%) and were selected to reflect market interest rates and commercial spreads; the capital structure of businesses in the group's business sector; and the specific risk profile of the businesses concerned. Terminal growth rates used in the valuations are set at 2% (2016: 2%), which reflect the most recent long-term planning assumptions approved by the Board of Directors and can be supported by reference to the trading performance of the companies concerned over a longer period.

The calculations of value in use are most sensitive to:

1) Movements in the underlying business plan assumptions
   Business plans are drawn up annually and provide an assessment of the expected developments for a five-year period beyond the end of the year when the plan is drawn up. These business plans reflect both the most up-to-date assumptions concerning the CGU's markets and also developments and trends in the business of the CGU. For the provision of satellite capacity these will particularly take into account the following factors:

   - the expected developments in transponder fill rates, including the impact of the replacement capacity;
   - any changes in the expected capital expenditure cycle - due to technical degradation of a satellite or through the identified need for replacement capacities; and
   - any changes in satellite procurement, launch or cost assumptions.

2) Changes in discount rates
   Discount rates reflect management's estimate of the risks specific to each CGU. Management uses a pre-tax weighted average cost of capital as discount rate for each CGU. This reflects market interest rates of twenty-year bonds in the market concerned, the capital structure of businesses in the group's business sector, and other factors, as necessary, applied specifically to the CGU concerned.

3) Terminal growth rate
   Growth rate assumptions used to extrapolate cash flows beyond the business planning period are based on the commercial experience relating to the CGUs concerned and the expectations for developments in the markets which they serve.

As part of standard impairment testing procedures, the group assesses the impact of changes in the discount rates and growth assumptions of the valuation surplus, or deficit as the case may be. Both discount rates and terminal values are simulated up to 2% below and above the CGU's specific rate used in the base valuation. In this way a matrix of valuations is generated which reveals the potential exposure to impairment charges for each CGU based on movements in the valuation parameters which are within the range of outcomes foreseeable at the valuation date.

The most recent testing showed that the CGUs tested would have no impairment even in the least favourable case - a combination of lower terminal growth rates and higher discount rates. For this reason, management believes that there is no combination of discount rates and terminal growth rates foreseeable at the valuation date, which would result in the carrying value of indefinite-life intangible assets and goodwill materially exceeding their recoverable amount. In addition to the changes in terminal growth rates and discount rates, no other reasonably possible change in another key assumption is expected to cause the CGU's carrying amounts to exceed their recoverable amount.

Definite life intangible assets

The definite-life intangible assets as at 31 December 2017 have a net book value by cash-generating unit as presented below:

In millions of euros	2017	
	Orbital slot licence rights	**Other**
Luxembourg	**241.3**	**-**
Brazil	**13.3**	**-**
Other	**6.4**	**127.4**
Total	**261.0**	**127.4**

The group's primary definite life intangible asset is the agreement concluded by SES Astra with the Luxembourg government in relation to the usage of Luxembourg frequencies in the orbital positions of the geostationary arc from 45˚ west to 50˚ east for the period of 1 January 2001 to 31 December 2021. Given the finite nature of this agreement, these usage rights - valued at EUR 550.0 million at the date of acquisition - are being amortised on a straight-line basis over the 21-year term of the agreement.

The group also holds orbital slot licence rights in Brazil, which were awarded to a Group subsidiary at auction in 2014 for a 15-year term. These rights are being amortised over a 30-year period, reflecting the group's ability to renew the rights once in 2029, assuming they are being utilised.

Note 16 - Trade and other receivables

In millions of euros	2017	2016
Trade debtors, net of provisions	**440.7**	458.1
Unbilled accrued revenue	**434.4**	492.1
Other receivables	**90.9**	100.0
Total trade and other receivables	**966.0**	1,050.2
Of which:		
Non-current	**317.8**	356.1
Current	**648.2**	694.1

Unbilled accrued revenue represents revenue recognised, but not billed, for satellite capacity under long-term contracts. Billing will occur based on the terms of the contracts. There is a current and non-current portion for unbilled accrued revenue. The non-current portion amounts to EUR 317.8 million (2016: EUR 356.1 million).

An amount of EUR 32.4 million was expensed in 2017 reflecting an increase in the impairment of trade and other receivables (2016: EUR 14.6 million). This amount is recorded in 'Other operating charges'. As at 31 December 2017, trade receivables with a nominal amount of EUR 87.1 million (2016: EUR 73.0 million) were impaired and fully provided for. Movements in the provision for the impairment of receivables were as follows:

In millions of euros	2017	2016
As at 1 January	**73.0**	52.7
Increase in debtor's provision	**32.4**	14.6
Reversals of debtor's provision	**(7.3)**	(5.1)
Utilised	**(3.6)**	(2.7)
Impact of currency translation	**(7.4)**	0.9
Addition from business combinations	**-**	12.6
As at 31 December	**87.1**	73.0

Note 17 - Financial instruments

Fair value estimation and hierarchy

The group uses the following hierarchy levels for determining the fair value of financial instruments by valuation technique:

1) Quoted prices in active markets for identical assets or liabilities (Level 1);

2) Other techniques for which all inputs which have a significant effect on the recorded fair value are observable either directly or indirectly (Level 2);

3) Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data (Level 3).

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's-length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models.

The following table presents the group's financial assets and liabilities that are measured at fair value at 31 December 2017.

As at 31 December 2017

Assets *(in millions of euros)*	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivatives				
Forward currency exchange contracts	-	0.6	-	0.6
Interest Rate swaps	-	2.0	-	2.0
Total	**-**	**2.6**	**-**	**2.6**

Liabilities *(in millions of euros)*	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivatives				
Interest Rate swaps	-	0.6	-	0.6
Total	**-**	**0.6**	**-**	**0.6**

As at 31 December 2016

Liabilities *(in millions of euros)*	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivatives				
Forward currency exchange contracts	-	1.0	-	1.0
Total	**-**	**1.0**	**-**	**1.0**

A change in the group's credit default rate by +/- 5% would only marginally impact profit and loss.

Set out below is an analysis of financial derivatives by category:

	31 December 2017		31 December 2016	
In millions of euros	**Fair value asset**	**Fair value liability**	Fair value asset	Fair value liability
Derivatives				
Forward currency exchange contracts	**0.6**	**-**	-	1.0
Interest rate swaps	**2.0**	**0.6**	-	-
Total valuation of financial derivatives	**2.6**	**0.6**	-	1.0
Of which: Non-current	**-**	**-**	-	-
Of which: Current	**2.6**	**0.6**	-	1.0

Fair values

The fair value of borrowings has been calculated with the quoted market prices except for COFACE and Fixed Term Loan Facility (LuxGovSat) for which the discounted expected future cash flows at prevailing interest rates has been used. The fair value of foreign currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

All borrowings are measured at amortised cost.

Set out below is a comparison by category of carrying amounts and fair values of all of the group's financial instruments that are carried in the financial statements.

As at 31 December 2017

In millions of euros		Carried at amortised cost		Carried at fair value	Total
	Fair value hierarchy	Carrying amount	Fair value	Carrying amount	Balance Sheet
As at 31 December 2017					
Financial assets					
Non-current financial assets:					
Other financial assets		**5.0**	**5.0**	**-**	**5.0**
Trade and other receivables		**317.8**	**317.8**	**-**	**317.8**
Total non-current financial assets		**322.8**	**322.8**	**-**	**322.8**
Current financial assets:					
Trade and other receivables		**648.2**	**648.2**	**-**	**648.2**
Cash and cash equivalents		**269.6**	**269.6**	**-**	**269.6**
Total current financial assets		**917.8**	**917.8**	**-**	**917.8**
Financial liabilities					
Borrowings:					
At floating rates:					
Syndicated loan 2021*	2	-	-	-	-
Commercial papers	2	-	-	-	-
COFACE	2	201.4	201.4	-	201.4
At fixed rates:					
Eurobond 2018 (EUR 500 million)	2	498.4	506.7	-	498.4
US Bond 2019 (USD 500 million)	2	415.1	413.7	-	415.1
Eurobond 2020 (EUR 650 million)	2	648.3	712.9	-	648.3
Eurobond 2021 (EUR 650 million)	2	647.6	741.2	-	647.6
US Bond 2023 (USD 750 million)	2	623.5	627.7	-	623.5
US Bond 2043 (USD 250 million)	2	203.0	190.8	-	203.0
US Bond 2044 (USD 500 million)	2	406.3	377.0	-	406.3
German Bond 2032 (EUR 50 million), non-listed	2	49.8	59.0	-	49.8
Euro Private Placement 2027 (EUR 140 million) issued under EMTN	2	139.5	167.9	-	139.5
Fixed Term Loan Facility (LuxGovSat)	2	115.0	135.7	-	115.0
Total borrowings:		**3,947.9**	**4,134.0**	**-**	**3,947.9**
Of which: Non-current		3,413.8	3,590.8	-	3,413.8
Of which: Current		534.1	543.2	-	534.1
Non-current financial liabilities:					
Other long term liabilities		76.1	76.1	-	76.1
Current financial liabilities:					
Derivatives	2	-	-	0.6	0.6
Trade and other payables		512.2	512.2	-	512.2

* As at 31 December 2017 no amount has been drawn down under this facility. As a consequence, the remaining balance of loan origination cost of the Syndicated loan has been disclosed under prepaid expenses for an amount of EUR 1.8 million.

As at 31 December 2016

In millions of euros		Carried at amortised cost		Carried at fair value	Total
	Fair value hierarchy	Carrying amount	Fair value	Carrying amount	Balance Sheet
As at 31 December 2016					
Financial assets					
Non-current financial assets:					
Other financial assets		6.5	6.5	-	6.5
Trade and other receivables		356.1	356.1	-	356.1
Total non-current financial assets		362.6	362.6	-	362.6
Current financial assets:					
Trade and other receivables		694.1	694.1	-	694.1
Cash and cash equivalents		587.5	587.5	-	587.5
Total current financial assets		1,281.6	1,281.6	-	1,281.6
Financial liabilities					
Borrowings:					
At floating rates:					
Syndicated loan 2021*	2	-	-	-	-
Commercial papers	2	100.0	100.0	-	100.0
COFACE	2	300.3	300.3	-	300.3
At fixed rates:					
Eurobond 2018 (EUR 500 million)	2	496.6	514.0	-	496.6
US Bond 2019 (USD 500 million)	2	472.3	469.7	-	472.3
Eurobond 2020 (EUR 650 million)	2	647.7	740.2	-	647.7
Eurobond 2021 (EUR 650 million)	2	647.0	768.3	-	647.0
US Bond 2023 (USD 750 million)	2	709.4	699.0	-	709.4
US Bond 2043 (USD 250 million)	2	231.0	201.5	-	231.0
US Bond 2044 (USD 500 million)	2	462.0	400.1	-	462.0
US Ex-Im	2	58.0	59.2	-	58.0
German Bond 2032 (EUR 50 million), non-listed	2	49.8	61.5	-	49.8
Euro Private Placement 2027 (EUR 140 million) issued under EMTN	2	139.5	171.7	-	139.5
European Investment Bank (EUR 200 million)	2	33.3	33.7	-	33.3
Fixed Term Loan Facility (LuxGovSat)	2	80.5	95.7	-	80.5
Total borrowings:		**4,427.4**	**4,614.9**	**-**	**4,427.4**
Of which: Non-current		4,223.1	4,401.8	-	4,223.1
Of which: Current		204.3	213.1	-	204.3
Non-current financial liabilities:					
Other long term liabilities		69.1	69.1	-	69.1
Current financial liabilities:					
Derivatives	2	-	-	1.0	1.0
Trade and other payables		459.1	459.1	-	459.1

* As at 31 December 2016 no amount has been drawn down under this facility. As a consequence, the remaining balance of loan origination cost of the Syndicated loan has been disclosed under prepaid expenses for an amount of EUR 3.0 million.

Note 18 - Financial risk management objectives and policies

The group's financial instruments, other than derivatives, comprise: a syndicated loan, Eurobonds, US dollar bonds (144A), a euro- dominated Private Placement, a German Bond, drawings under Coface and under a committed credit facility for specified satellites under construction, cash and short-term deposits. The main purpose of the debt instruments is to raise funds to finance the group's day-to-day operations, as well as for other general business purposes. The group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The group also enters into derivative transactions, principally forward currency contracts, in order to manage exchange rate exposure on the group's assets, liabilities and financial operations.

The main risks arising from the group's financial instruments are liquidity risks, foreign currency risks, interest rate risks and credit risks. The general policies are periodically reviewed and approved by the board.

The group's accounting policies in relation to derivatives and other financial instruments are set out in Note 2.

Liquidity risk

The group's objective is to efficiently use cash generated so as to maintain short-term debt and bank loans at a low level. In case of liquidity needs, the group can call on uncommitted loans, commercial paper programs and a committed syndicated loan. In addition, if deemed appropriate based on prevailing market conditions, the group can access additional funds through the European Medium-Term Note or commercial paper programmes. The group's debt maturity profile is tailored to allow the company and its subsidiaries to cover repayment obligations as they fall due.

The group operates a centralised treasury function which manages, among others, the liquidity of the group in order to optimise the funding costs. This is supported by a daily cash pooling mechanism.

Liquidity is monitored on a daily basis through a review of cash balances, the drawn and issued amounts and the availability of additional funding under committed credit lines, the two commercial paper programmes and the EMTN Programme (EUR 4,770.0 million as at 31 December 2017, EUR 4,704.5 million as at 31 December 2016, more details in Note 23).

The table below summarises the projected contractual undiscounted cash flows (nominal amount plus interest charges) based on the maturity profile of the group's interest-bearing borrowings as at 31 December 2017 and 2016.

In millions of euros	Within 1 year	Between 1 and 5 years	After 5 years	Total
As at 31 December 2017:				
Borrowings	541.2	1,913.1	1,522.9	3,977.2
Future interest commitments	151.3	439.4	450.1	1,040.8
Trade and other payables	512.2	-	-	512.2
Other long term liabilities	-	76.1	-	76.1
Fixed assets suppliers, non-current	-	53.4	-	53.4
Total maturity profile	**1,204.7**	**2,482.0**	**1,973.0**	**5,659.7**
As at 31 December 2016:				
Borrowings	204.6	2,538.2	1,722.2	4,465.0
Future interest commitments	162.5	546.7	938.2	1,647.4
Trade and other payables, non-current	459.1	-	-	459.1
Other long term liabilities	-	53.7	-	53.7
Fixed assets suppliers long-term	-	15.4	-	15.4
Total maturity profile	**826.2**	**3,154.0**	**2,660.4**	**6,640.6**

Foreign currency risk

SES operates in markets outside of the Eurozone, with procurement and sales facilities in various locations throughout the world. Consequently, SES uses certain financial instruments to manage its foreign currency exposure. Derivative financial instruments are used mainly to reduce the group's exposure to market risks resulting from fluctuations in foreign exchange rates by creating offsetting exposures. SES is not a party to leveraged derivatives and, by policy, does not use derivative financial instruments for speculative purposes.

The group has significant foreign operations whose functional currency is not the euro. The primary currency exposure in terms of foreign operations is the US dollar and the group has designated certain US dollar-denominated debt as net investment hedges of these operations. The group also has a corresponding exposure in the consolidated income statement. 49.5% (2016: 47.9%) of the group's sales and 59.5% (2016: 52.6%) of the group's operating expenses are denominated in US dollars. The group does not enter into any hedging derivatives to cover these currency exposures.

The group uses predominantly forward currency contracts to eliminate or reduce the currency exposure arising from individual capital expenditure projects, such as satellite procurements, tailoring the maturities to each milestone payment. Depending on the functional currency of the entity with the capital expenditure commitment, the foreign currency risk might be in euro or in the US dollar. The forward contracts are in the same currency as the hedged item and can cover up to 100% of the total value of the contract. It is the group's policy not to enter into forward contracts until a firm commitment is in place, and to match the terms of the hedge derivatives to those of the hedged item to maximise effectiveness.

1) Cash flow hedges in relation to contracted commitments for capital expenditure

   At 31 December 2017 and 2016, the group held forward exchange contracts designated as hedges, relating to the capital expenditure for the procurement of the SES-14 satellite (2017: asset of EUR 0.2 million; 2016: liability of EUR 0.4 million) and forward exchange contracts designated as hedges to cover the exposure between USD and BRL, 2017: asset of EUR 0.4 million (2016: nil).

2) Hedge of net investment in foreign operations

   At 31 December 2017 and 2016, certain borrowings denominated in US dollars were designated as hedges of the net investments in SES Americas, SES Holdings (Netherlands) BV, SES Satellite Leasing Limited, MX1 Ltd, Israel and O3b Networks to hedge the group's exposure to foreign exchange risk on these investments. As at 31 December 2017, all designated net investment hedges were assessed to be highly effective and a total gain of EUR 169.4 million net of tax of EUR 65.4 million (2016: loss of EUR 42.1 million net of tax of EUR 19.7 million) is included in equity accounts.

   The following table demonstrates the hedged portion of USD statement of financial position exposure:

	31 December 2017 in USD	31 December 2016 in USD
USD statement of financial position exposure:		
SES Americas	**2,706.6**	2,928.3
SES Holdings (Netherlands) BV	**1,835.3**	1,908.9
SES Satellite Leasing	**1,395.9**	1,380.1
MX1 Ltd, Israel	**244.5**	271.0
O3b	**2,461.1**	2,716.8
Total	**8,643.4**	9,205.1
Hedged with:		
US Bonds	**2,000.0**	2,000.0
Other external borrowings	**-**	62.7
Total	**2,000.0**	2,062.7
Hedged proportion	**23%**	22%

The following table demonstrates the sensitivity to a +/- 20% change in the US dollar exchange rate on the nominal amount of the group's US dollar net investment, with all other variables held constant. All value changes are eligible to be recorded in other comprehensive account with no impact on profit and loss.

31 December 2017	Amount in USD million	Amount in EUR million at closing rate of 1.1993	Amount in EUR million at rate of 1.4392	Amount in EUR million at rate of 0.9594
USD statement of financial position exposure:				
SES Americas	2,706.6	2,256.8	1,880.7	2,821.0
SES Holdings (Netherlands) BV	1,835.3	1,530.3	1,275.2	1,912.9
SES Satellite Leasing Limited	1,395.9	1,163.9	969.9	1,454.9
MX1 Ltd, Israel	244.5	203.9	169.9	254.9
O3b	2,461.1	2,052.1	1,710.1	2,565.2
Total	**8,643.4**	**7,207.0**	**6,005.8**	**9,008.9**
Hedged with:				
US Bonds	2,000.0	1,667.6	1,389.7	2,084.5
Other external borrowings	-	-	-	-
Total	**2,000.0**	**1,667.6**	**1,389.7**	**2,084.5**
Hedged proportion	23%			
Absolute difference without hedging			(1,201.2)	1,801.9
Absolute difference with hedging			(923.3)	1,385.0

31 December 2016	Amount in USD million	Amount in EUR million at closing rate of 1.0541	Amount in EUR million at rate of 1.2600	Amount in EUR million at rate of 0.8400
USD statement of financial position exposure:				
SES Americas	2,928.3	2,778.0	2,324.0	3,486.1
SES Holdings (Netherlands) BV	1,908.9	1,810.9	1,515.0	2,272.5
SES Satellite Leasing Limited	1,380.1	1,309.3	1,095.3	1,643.0
MX1 Ltd, Israel	271.0	257.1	215.1	322.6
O3b	2,716.8	2,577.4	2,156.2	3,234.3
Total	**9,205.1**	**8,732.7**	**7,305.6**	**1,0958.5**
Hedged with:				
US Bonds	2,000.0	1,897.4	1,587.3	2,381.0
Other external borrowings	62.7	59.5	49.8	74.6
Total	**2,062.7**	**1,956.9**	**1,637.1**	**2,455.6**
Hedged proportion	22%			
Absolute difference without hedging			(1,427.1)	2,225.8
Absolute difference with hedging			(1,107.3)	1,727.1

Interest rate risk

The group's exposure to market interest rate risk relates primarily to the group's debt portion at floating rates. In order to mitigate this risk, the group is generally seeking to contract as much as possible of its debt outstanding at fixed interest rates, and is carefully monitoring the evolution of market conditions, adjusting the mix between fixed and floating rate debt if necessary. To mitigate the group's interest rate risk in connection with near-term debt refinancing needs, the group has entered into interest rate forward contracts denominated in EUR and USD for hedging purposes. As per 31 December 2017, the group had total EUR 566.8 million interest rate hedges outstanding (no outstanding hedges as per 31 December 2016).

The table below summarises the split of the nominal amount of the group's debt between fixed and floating rate.

In millions of euros	At fixed rates	At floating rates	Total
Borrowings at 31 December 2017	**3,746.5**	**201.4**	**3,947.9**
Borrowings at 31 December 2016	4,027.1	400.3	4,427.4

In the course of 2017 the group repaid the last tranche of EUR 33.3 million of the European Investment Bank facility and fully repaid the US Ex-Im facility for a total of USD 62.7 million and of which USD 44.8 were repaid under a voluntarily early termination agreement. Both debt instruments represented fixed rate obligations.

Furthermore, during the year 2017 the group repaid floating rate obligations of EUR 100 million related to European Commercial Paper issuances and a total amount of EUR 99.8 million related to various Coface instalments and of which EUR 45.6 million were repaid under a voluntarily early termination agreement.

The following table demonstrates the sensitivity of the group's pre-tax income to reasonably possible changes in interest rates affecting the interest charged on the floating rate borrowings. All other variables are held constant.

The group believes that a reasonably possible development in the Euro-zone interest rates would be an increase of 25 basis points or a decrease of nil basis points (2016: increase of 25 basis points or a decrease of 25 basis points).

Euro interest rates *In millions of euros*	Floating rate borrowings	Increase in rates Pre-tax impact	Decrease in rates Pre-tax impact
Borrowings at 31 December 2017	**201.4**	**(0.5)**	**0.0**
Borrowings at 31 December 2016	400.3	(1.0)	1.0

Credit risk

It is the group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Those procedures include the assessment of the creditworthiness of the customer by using sources of quality information such as Dun & Bradstreet reports, audited annual reports, press articles or rating agencies. Should the customer be a governmental entity, the official debt rating of the respective country will be the key driver in determining the appropriate credit risk category. Following this credit analysis, the customer is classified into a credit risk category which can be as follows: 'prime' (typically publicly rated and traded customers), 'market' (usually higher growth companies with higher leverage) or 'sub-prime' (customers for which viability is dependent on continued growth with higher leverage). The credit profile is updated at least once a year for all customers with an ongoing contractual relationship with annual revenues over EUR/USD 1 million or the equivalent in any other currency.

Receivables which are more than 90 days overdue are provided for at 100% of the receivable amount. Receivable amounts more than 90 days overdue with a credit worthy government or branch thereof are generally not provided for unless conditions warrant. In addition, receivable balances are monitored on an ongoing basis with the result that the group's exposure to bad debts is historically insignificant. The carrying value of unprovided gross debtors at 31 December 2017 is EUR 516.9 million (2016: EUR 526.0 million). The group's largest customers are substantial media companies and government agencies and the credit risk associated with these contracts is assessed as low.

Aging of trade debtors *(in millions of euros)*	Neither past due nor impaired	Less than 1 month	Between 1 and 3 months	More than 3 months	Total
2017					
Gross trade debtors	**283.5**	**45.7**	**36.6**	**162.0**	**527.8**
Provision	**(12.2)**	**(1.2)**	**(1.9)**	**(71.8)**	**(87.1)**
Net trade debtors	**271.3**	**44.5**	**34.7**	**90.2**	**440.7**
2016					
Gross trade debtors	256.6	90.9	83.3	100.3	531.1
Provision	(16.4)	(6.6)	(14.8)	(35.2)	(73.0)
Net trade debtors	240.2	84.3	68.5	65.1	458.1

Financial credit risk

With respect to the credit risk relating to financial assets (cash and cash equivalents, held for trading financial assets, loans receivable and derivative instruments), this exposure relates to the potential default of the counterparty, with the maximum exposure being equal to the carrying amount of these instruments. The counterparty risk from a cash management perspective is reduced by the implementation of several cash pools, accounts and related paying platforms with different counterparties.

To mitigate the counterparty risk, the group only deals with recognised financial institutions with an appropriate credit rating - generally 'A' and above - and in adherence of a maximum trade limit for each counterparty which has been approved for each type of transactions. All counterparties are financial institutions which are regulated and controlled by the federal financial supervisory authorities of the associated countries. The counterparty risk portfolio is analysed on a quarterly basis. Moreover, to reduce this counterparty risk the portfolio is diversified as regards the main counterparties ensuring a well-balanced relation for all categories of products (derivatives as well as deposits).

Capital management

The group's policy is to attain, and retain, a stable BBB rating with Standard & Poor's and a stable Baa2 rating with Moody's. This investment grade rating serves to maintain investors, creditors, rating agency and market confidence. Within this framework, the group manages its capital structure and liquidity in order to reflect changes in economic conditions to keep its cost of debt low, maintain the confidence of debt investors at a high level and to create added value for the shareholder. The group is committed to maintain a progressive dividend policy which will be validated annually based on cash flow developments and other factors such as yield and payout ratio.

Note 19 - Cash and cash equivalents

In millions of euros	**2017**	**2016**
Cash at bank and in hand	**227.7**	521.9
Short-term deposits	**41.9**	65.6
Total cash and cash equivalents	**269.6**	587.5

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods between one day and three months depending on the immediate cash requirements of the group, and earn interest at the respective short-term deposit rates. Short-term deposits and cash at bank and in hand are held at various financial institutions meeting the credit rating criteria set out in Note 18 above.

As at 31 December 2017, an amount of EUR 4.4 million (2016: EUR 15.6 million) is invested in Money Market Funds which qualify as cash and cash equivalents and is included in short-term deposits.

Note 20 - Shareholders' equity

Issued capital

SES has a subscribed capital of EUR 719.0 million (2016: EUR 719.0 million), represented by 383,457,600 class A shares (2016: 383,457,600 class A shares) and 191,728,800 class B shares (2016: 191,728,800 class B shares) with no par value.

The movement between the opening and closing number of shares issued per class of share can be summarised as follows:

	Class A shares	Class B shares	Total shares
As at 1 January 2017	**383,457,600**	**191,728,800**	**575,186,400**
Shares issued during the year	-	-	-
As at 31 December 2017	**383,457,600**	**191,728,800**	**575,186,400**

	Class A shares	Class B shares	Total shares
As at 1 January 2016	**343,600,000**	**171,800,000**	**515,400,000**
Shares issued during the year	39,857,600	19,928,800	59,786,400
As at 31 December 2016	**383,457,600**	**191,728,800**	**575,186,400**

Fiduciary Deposit Receipts ('FDRs') with respect to Class A shares are listed on the Luxembourg Stock Exchange and on Euronext Paris. They can be traded freely and are convertible into Class A shares at any time and at no cost at the option of the holder under the conditions applicable in the company's articles of association and in accordance with the terms of the FDRs.

All Class B shares are currently held by the State of Luxembourg, or by Luxembourg public institutions. Dividends paid for one share of Class B equal 40% of the dividend for one share of Class A.

A shareholder, or a potential shareholder, who seeks to acquire, directly or indirectly, more than 20%, 33% or 50% of the shares of the company must inform the Chairman of the Board of Directors of the company of such intention. The Chairman of the Board of Directors of the company shall forthwith inform the government of the Grand Duchy of Luxembourg of the envisaged acquisition which may be opposed by the government within three months from such information should the government determine that such acquisition would be against the general public interest. In case of no opposition from the government, the board shall convene an extraordinary meeting of shareholders which may decide at a majority provided for in article 67-1 of the law of 10 August 1915, as amended, regarding commercial companies, to authorise the shareholder, or potential shareholder, to acquire more than 20%, 33% or 50% of the shares. If it is an existing shareholder of the company, it may attend the general meeting and will be included in the count for the quorum but may not take part in the vote.

Capital increase

The Extraordinary General Meeting on 7 April 2016 approved an increase in the authorised share capital up to 61,848,000 shares without par value (41,232,000 Class A Shares and 20,616,000 Class B Shares).

On 26 May 2016, SES launched an equity increase resulting in EUR 908.8 million shareholders contribution split between EUR 757.3 million (Class A shareholders), representing 39,857,600 shares at a price of EUR 19.0, and EUR 151.5 million (Class B shareholders), representing 19,928,800 shares at a price of EUR 7.6. The Class B shareholder contribution was mainly in the form of cash (EUR 137.9 million), with the Luxembourg state electing to contribute EUR 13.6 million in FDRs. Transaction costs related to the capital increase amounted to EUR 14.7 million (EUR 12.9 million paid during 2016, EUR 1.8 million paid during 2017) and were included as a deduction from share premium.

There was no capital movement during 2017.

Buy-back of treasury shares

SES has historically, in agreement with the shareholders, purchased FDRs in respect of 'Class A' shares in connection with executives' and employees' share based payments plans as well as for cancellation. At the year-end, the company held FDRs relating to the above schemes as set out below. These FDRs are disclosed as treasury shares in the balance sheet and are carried at acquisition cost as a deduction of equity.

	2017	2016
FDRs held as at 31 December	6,535,320	6,243,500
Carrying value of FDRs held (in millions of euros)	160.0	167.3

EUR 750,000,000 Deeply Subordinated Fixed Rate Resettable Securities

On 10 June 2016 SES issued EUR 750,000,000 Deeply Subordinated Fixed Rate Resettable Securities (the 'EUR 750.0 million perpetual bond') at a coupon of 4.625 percent to the first call date, a price of 99.666 and a yield of 4.7 percent. Transaction costs related to this transaction amounted to EUR 19.8 million and have been deducted from 'Other reserves'. SES is entitled to call the EUR 750.0 million perpetual bond on 2 January 2022 and on subsequent coupon payment dates.

EUR 550,000,000 Deeply Subordinated Fixed Rate Resettable Securities

On 29 November 2016 SES issued a second perpetual bond of EUR 550,000,000 (the 'EUR 550.0 million perpetual bond') at a coupon of 5.625 percent to the first call date, a price of 99.304 and a yield of 5.75 percent. Transaction costs related to this transaction amounted to EUR 7.6 million and have been deducted from 'Other reserves'. This brought the aggregate perpetual bond issued by the group to EUR 1,300 million. SES is entitled to call the EUR 550 million perpetual bond on 29 January 2024 and on subsequent coupon payment dates.

As the company has no obligation to redeem either of the bonds, and the coupon payments are discretionary, it classified the net proceeds from the issuance of the securities (together EUR 1,281.9 million net of transaction costs and tax) as equity.

The perpetual bonds are guaranteed on a subordinated basis by SES Global Americas Holdings GP. SES used the net proceeds from the offerings for the repayment of O3b debt, the repayment of certain existing indebtedness of the group, as well as for general corporate purposes.

Coupon payments in respect of the two perpetual bonds occurred on 2 January 2017 in amount of EUR 19.5 million and 31 January 2017 in amount of EUR 5.2 million and have been deducted from 'Other reserves'.

Tax on perpetual bond coupon accrual in amount of EUR 19.5 million (2016: EUR 7.2 million) has been credited to 'Other reserves".

Other reserves

In accordance with Luxembourg legal requirements, a minimum of 5% of the yearly statutory net profit of the company is transferred to a legal reserve which is non-distributable. This requirement is satisfied when the reserve reaches 10% of the issued share capital. As at 31 December 2017 a legal reserve of EUR 70.0 million (2016: EUR 64.4 million) is included within other reserves.

Other reserves include a non-distributable amount of EUR 85.1 million (2016: EUR 130.6 million) linked to treasury shares, and an amount of EUR 243.7 million (2016: EUR 263.9 million) representing the net worth tax reserve for 2012-2017, for which the distribution would result in the payment of net worth tax at a rate of up to 20% of the distributed reserve in accordance with Luxembourg law requirements.

Note 21 - Non-controlling interest

Set out below is the summarised financial information for each subsidiary that has non-controlling interests (NCI) that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

In millions of euros	LuxGovSat S.A. (50% NCI)		Ciel Satellite Limited Partnership, Canada (30% NCI)		Al Maisan Satellite Communications (YahSat) LLC, UAE (65% NCI)*	
Summarised balance sheet	**2017**	2016	**2017**	2016	**2017**	2016
Current assets	**42.2**	58.0	**4.5**	4.7	**27.1**	25.9
Current liabilities	**(15.5)**	(16.1)	**(17.9)**	(19.4)	**(5.6)**	(5.7)
Current net assets	**26.7**	41.9	**(13.4)**	(14.7)	**21.5**	20.2
Non-current assets	**182.6**	134.7	**103.0**	135.0	**55.7**	70.9
Non-current liabilities	**(116.1)**	(80.6)	**(2.4)**	(19.6)	**-**	-
Non-current net assets	**66.5**	54.1	**100.6**	115.4	**55.7**	70.9
Net assets	**93.2**	96.0	**87.2**	100.7	**77.2**	91.1
Accumulated NCI	**46.6**	48.0	**26.2**	30.2	**50.2**	59.2

* The group, as of 31 December 2017 and 31 December 2016, has majority of the voting rights on the Board of Directors of the Company, i.e. 3 members out of 5 or 60%

In millions of euros	LuxGovSat S.A. (50% NCI)		Ciel Satellite Limited Partnership, Canada (30% NCI)		Al Maisan Satellite Communications (YahSat) LLC, UAE (65% NCI)	
Summarised statement of comprehensive income	**2017**	2016	**2017**	2016	**2017**	2016
Revenue	**4.2**	0.6	**42.3**	43.0	**22.0**	23.5
Operating expenses	**(5.6)**	(2.8)	**(2.5)**	(3.2)	**(20.5)**	(21.2)
Profit/(loss) for the period	**(2.8)**	(2.3)	**21.4**	20.4	**(5.6)**	(4.9)
Other comprehensive income	**-**	(0.2)	**-**	-	**-**	-
Total comprehensive income	**(2.8)**	(2.5)	**21.4**	20.4	**(5.6)**	(4.9)
Profit/(loss) allocated to NCI	**(1.4)**	(1.3)	**6.4**	6.1	**(3.6)**	(3.2)
Dividend paid to NCI	**-**	-	**7.2**	7.2	-	-

In millions of euros	LuxGovSat S.A. (50% NCI)		Ciel Satellite Limited Partnership, Canada (30% NCI)		Al Maisan Satellite Communications (YahSat) LLC, UAE (65% NCI)	
Summarised cash flows	**2017**	2016	**2017**	2016	**2017**	2016
Cash flows from/(absorbed by) operating activities	**(3.8)**	(1.9)	**23.5**	23.3	**-**	(1.5)
			(0.4)	(0.5)	**1.0**	-
Cash flows from/(absorbed by) investing activities	**(42.9)**					
Cash flows from/(absorbed by) financing activities	**(0.3)**	92.0	**(24.2)**	(23.9)	**1.9**	(0.2)
Net foreign exchange movements	**(0.2)**	-	**1.3**	1.1	**(0.6)**	0.1
Net increase/(decrease) in cash and cash equivalents	**(47.2)**	50.2	**0.2**	-	**2.3**	(1.6)

There were no transactions with non-controlling shareholders during 2017 and 2016.

Note 22 - Share-based compensation plans

The group has three share-based compensation plans which are detailed below. In the case of plans 1 and 2 the relevant strike price is defined as the average of the market price of the underlying shares over a period of 15 trading days before the date of the grant.

During 2016, SES Remuneration Committee approved the modification of options granted under STAR and EICP plans applicable with the date of 31 October 2016. The modification consisted in reduction of the exercise price and increase of the number of outstanding options by 1.508% for all options granted under STAR and EICP plans. Also, the vesting period of options granted under 2011 STAR plan and 2007 and 2008 EICP plans was extended to 1 June 2019.

1) The Stock Appreciation Rights Plan ('STAR Plan')

The STAR Plan is an equity-settled plan available to non-executive staff of group subsidiaries, where share options are granted. In January 2011, the STAR Plan was amended and, for all options granted 2011 onwards, a third of the share options vest and can be exercised each year. After being fully vested, the share options have a four-year exercise period.

	2017	**2016**
Outstanding options at the end of the year	2,306,003	2,447,556
Weighted average exercise price in euro	25.02	25.04

Out of 2,306,003 outstanding options as at 31 December 2017 (2016: 2,447,556), 2,092,730 options are exercisable (2016: 1,303,343). Options exercised in 2017 resulted in 15,675 treasury shares (2016: 43,449) being delivered at a weighted average price of EUR 17.90 each (2016: EUR 18.56).

On average, the related weighted average share price at the time of exercise was EUR 21.48 (2016: EUR 23.03) per share.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2017 Average exercise price per share option	**Number of options**	2016 Average exercise price per share option	Number of options
As at 1 January	**25.04**	**2,447,556**	25.62	1,868,670
Granted	**-**	**-**	24.39	697,922
Forfeited	**26.35**	**(125,878)**	26.67	(115,835)
Exercised	**17.90**	**(15,675)**	18.56	(43,449)
Modified plan- increase in number of options	**-**	**-**	25.04	40,248
At 31 December	**25.02**	**2,306,003**	25.04*	2,447,556

* Average exercise price is considering the modification in exercise price as presented in table below.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant	Expiry date	Exercise price per share options (modified plan)	Exercise price per share options (original plan)	Number of options	
				2017	2016
2016	2023	24.39	24.76	**647,556**	689,745
2015	2022	32.73	33.23	**419,006**	448,231
2014	2021	26.50	26.91	**441,287**	468,392
2013	2020	23.51	23.87	**391,473**	413,570
2012	2019	18.10	18.38	**270,243**	282,738
2011	2019	17.57	17.84	**136,438**	144,880
				2,306,003	2,447,556

In June 2017, the group entered into a new compensation plan, which will progressively replace the STAR Plan. Simulated Restricted Stock Units (SRSU) are cash-settled awards which will be delivered on 1 June following a three year vesting period and are settled in cash. The liability for the cash-settled awards is measured, initially and at the end of each reporting period until settled, at the fair value of the share appreciation rights, by applying a binominal model, taking into account the terms and conditions on which the stock appreciation rights were granted, and the extent to which the employees have rendered services to date.

During 2017, 281,800 SRSUs have been granted. On the same period, 10,848 SRSUs have been forfeited and 1,087 SRSUs have been vested. An accrual amounting to EUR 682,683 has been recognized as at 31 December 2017 based on the 269,865 outstanding SRSUs measured at the group's share price at the end of the year on a pro-rata basis over 3 years vesting period.

2) Equity Incentive Compensation Plan ('EICP')

The EICP is available to group executives. Under the plan, options are granted with an effective date of 1 January. One-quarter of the entitlement vests on each anniversary date of the original grant. Once vested, the options can be exercised until the tenth anniversary of the original grant.

	2017	2016
Outstanding options at the end of the year	**9,727,470**	6,503,084
Weighted average exercise price in euro	**23.62**	25.01

Out of 9,727,470 outstanding options as at 31 December 2017 (2016: 6,503,084), 5,496,176 options are exercisable (2016: 2,080,867). Options exercised in 2017 resulted in 44,897 Treasury shares (2016: 152,948) being delivered at a weighted average price of EUR 16.52 each (2016:16.40).

On average, the related weighted average share price at the time of exercise was EUR 22.10 (2016: EUR 22.50) per share.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	2017		2016	
	Average exercise price per share option	**Number of options**	Average exercise price per share option	Number of options
At 1 January	25.01	6,503,084	21.46	3,929,736
Granted	**21.15**	**3,531,419**	24.39	2,818,154
Forfeited	**26.25**	**(262,136)**	28.13	(189,426)
Exercised	**16.52**	**(44,897)**	16.40	(152,948)
Modified plan- increase in number of options	**-**	**-**	25.03	97,568
At 31 December	**23.62**	**9,727,470**	25.01*	6,503,084

* Average exercise price is considering the modification in exercise price as presented in table below.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant	Expiry date	Exercise price per share options (modified plan)	Exercise price per share options (original plan)	Number of options	
				2017	2016
2017	2027	21.15	-	**3,520,224**	-
2016	2026	24.39	24.76	**2,726,576**	2,846,221
2015	2025	32.73	33.23	**1,140,693**	1,198,743
2014	2024	26.50	26.91	**925,254**	969,087
2013	2023	23.51	23.87	**430,720**	455,377
2012	2022	18.10	18.38	**385,012**	411,310
2011	2021	17.57	17.84	**265,430**	269,075
2010	2020	17.96	18.23	**136,684**	136,684
2009	2019	13.47	13.68	**115,514**	123,983
2008	2019	14.40	14.62	**63,089**	63,089
2007 non-US	2019	14.32	15.17	**5,584**	29,515
2007 US	2019	15.56	15.17	**12,690**	-
				9,727,470	6,503,084

3) Long-term Incentive programme ('LTI')

The LTI Plan is also a programme for executives, and senior executives, of the group. Under the plan, restricted shares are allocated to executives at the beginning of May each year and these vest on the 1 June following the third anniversary of the grant. Senior executives also have the possibility to be allocated performance shares whose granting is dependent on the achievement of defined performance criteria which are a) individual objectives and b) the economic value added ('EVA') target established by the Board from time to time. Where these criteria are met, the shares also vest on the 1 June following the third anniversary of the original grant.

	2017	**2016**
Restricted and performance shares outstanding at the end of the year	1,099,660	909,298
Weighted average fair value in euro	19.32	21.92

During 2017, 141,229 restricted shares and 343,617 performance shares have been granted. On the same period, 29,216 restricted shares and 27,660 performance shares have forfeited, 177,903 performance shares and 59,705 restricted shares have been exercised.

The fair value of equity-settled shares (restricted and performance shares) granted is estimated as at the date of grant using a binomial model for STARs and EICP and a Black & Scholes model for LTI, taking into account the terms and conditions upon which the options (restricted and performance shares) were granted. The following table lists the average value of inputs to the model used for the years ended 31 December 2017, and 31 December 2016.

2017	**EICP**	**LTI**
Dividend yield (%)	**8.97%**	**7.95%**
Expected volatility (%)	**21.14%**	**23.21%**
Risk-free interest rate (%)	**-0.30%**	**-0.61%**
Expected life of options (years)	**9.65**	**3**
Share price at inception (EUR)	**21.06**	**21.06**
Fair value per option/share (EUR)	**0.95-1.31**	**16.56**
Total expected cost for each plan (in millions of euros)	**3.7**	**7.1**

2016	EICP	STARs	LTI
Dividend yield (%)	10.26%	10.26%	8.30%
Expected volatility (%)	20.29%	20.29%	21.51%
Risk-free interest rate (%)	-0. 33%	-0.33%	-0.50%
Expected life of options (years)	9.66	7	3
Share price at inception (EUR)	23.85	23.85	23.85
Fair value per option/share (EUR)	0.54-0.76	0.69-0.78	18.58
Total expected cost for each plan (in millions of euros)	1.7	0.5	4.8

In 2016 the fair value of the modified options for STARs and EICP was determined using a binomial model. The following table list the average value of inputs to the model used as at 31 October 2016, being the modification date.

2016	Dividend yield (%)	Expected volatility (%)	Risk-free interest rate (%)	Residual term (years)	Share price at inception (EUR)	Fair value per option/share of the modified plan at modification date (EUR)	Fair value per option/share of the initial plan at modification date (EUR)
2016 STAR	9.56%	21.31%	-0.40%	6.51	20.95	0.47-0.51	0.44-0.47
2015 STAR	9.56%	21.31%	-0.40%	5.50	20.95	0.11	0.10
2014 STAR	8.65%	22.03%	-0.50%	4.50	20.95	0.43	0.29
2013 STAR	7.89%	22.86%	-0.60%	3.50	20.95	0.88	0.68
2012 STAR	7.89%	22.86%	-0.60%	2.52	20.95	1.35	2.40
2011 STAR	7.89%	22.86%	-0.60%	2.58	20.95	0.3	2.99
2016 EICP	9.56%	21.31%	-0.40%	9.17	20.95	0.42-0.49	0.39-0.46
2015 EICP	9.56%	21.31%	-0.40%	8.17	20.95	0.12-0.13	0.11
2014 EICP	9.56%	21.31%	-0.40%	7.17	20.95	0.34	0.32
2013 EICP	9.56%	21.31%	-0.40%	6.17	20.95	0.60	0.56
2012 EICP	9.56%	21.31%	-0.50%	5.17	20.95	2.03	1.90
2011 EICP	8.65%	22.03%	-0.60%	4.17	20.95	2.55	2.41
2010 EICP	7.89%	22.86%	-0.60%	3.17	20.95	2.59	2.45
2009 EICP	7.35%	25.61%	-0.62%	2.17	20.95	6.52	6.33
2008 EICP	7.89%	22.86%	-0.60%	2.58	20.95	5.40	5.79
2007 EICP US	7.89%	22.86%	-0.60%	2.58	20.95	4.36	5.14
2007 EICP	7.89%	22.86%	-0.60%	2.58	20.95	5.48	6.40

The expected life of options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may or may not necessarily be the actual outcome.

The fair value of the options at the date of modification was not significantly different from the fair value of the initial grants at modification date.

The total charge for the period for share-based compensation payments amounted to EUR 9.7 million (2016: EUR 9.3 million).

Note 23 - Interest-bearing borrowings

As at 31 December 2017 and 2016, the group's interest-bearing borrowings were:

			Carried at amortised cost	
In millions of euros	Effective interest rate	Maturity	**Amounts outstanding 2017**	Amounts outstanding 2016
Non-current				
Eurobond 2018 (EUR 500 million)	1.875%	October 2018	**-**	496.6
US Bond (USD 500 million)	2.50%	March 2019	**416.5**	472.3
Eurobond 2020 (EUR 650 million)	4.625%	March 2020	**649.1**	647.7
US Ex-Im	3.11%	June 2020	**-**	41.2
Eurobond 2021 (EUR 650 million)	4.75%	March 2021	**648.4**	647.0
COFACE	EURIBOR + 1.70%	Various from 2019 to 2022	**161.6**	246.1
US Bond (USD 750 million)	3.60%	April 2023	**623.9**	709.4
Euro Private Placement 2027 (EUR 140 million issued under EMTN)	4.00%	May 2027	**139.6**	139.5
Fixed Term Loan (LuxGovSat)	3.30%	December 2027	**115.0**	80.5
German bond (EUR 50 million), non-listed	4.00%	November 2032	**49.8**	49.8
US Bond (USD 250 million)	5.30%	April 2043	**203.2**	231.0
US Bond (USD 500 million)	5.30%	March 2044	**406.7**	462.0
Total non-current			**3,413.8**	4,223.1
Current				
European Investment Bank (EUR 200 million)	3.62%	May 2017	**-**	33.3
Eurobond 2018 (EUR 500 million)	1.875%	October 2018	**498.4**	-
European Commercial Paper Programme	-0.20%	February 2017	**-**	100.0
COFACE	EURIBOR + 1.70%	Various in 2018	**40.3**	54.2
US Ex-Im	3.11%	Various in 2018	**-**	16.8
Loan origination cost			**(4.6)***	-
Total current			**534.1**	204.3

* The loan origination cost related to the borrowings have been reclassified to short term for the portion that will be amortised in 2018.

- **European Medium-Term Note Programme ('EMTN')**
  On 6 December 2005, SES put in place a EUR 2,000.0 million EMTN enabling SES, or SES Global Americas Holdings GP, to issue as and when required notes up to a maximum aggregate amount of EUR 2,000.0 million. In May 2007, this programme was increased to an aggregate amount of EUR 4,000.0 million. On 2 June 2017 this programme has been extended for one further year. As at December 31, 2017, SES had issued EUR 1,940.0 million (2016: EUR 1,940.0 million) under the EMTN Programme with maturities ranging from 2018 to 2027.

- **EUR 500.0 million Eurobond (2018)**
  On 16 October 2013, SES issued a EUR 500.0 million bond under the company's European Medium-Term Note Programme. The bond has a 5-year maturity and bears interest at a fixed rate of 1.875%.

- **144A Bond USD 500 million (2019)**
  On 25 March 2014, SES completed a 144A offering in the US market issuing USD 500 million 5-year bond with a coupon of 2.50% and a final maturity date of 25 March 2019.

- **EUR 650.0 million Eurobond (2020)**
  On 9 March 2010, SES issued a EUR 650.0 million bond under the company's European Medium-Term Note Programme. The bond has a 10-year maturity and bears interest at a fixed rate of 4.625%.

- **EUR 650.0 million Eurobond (2021)**
  On 11 March 2011, SES issued a EUR 650.0 million bond under the company's European Medium-Term Note Programme. The bond has a 10-year maturity and bears interest at a fixed rate of 4.75%.

- **EUR 140.0 million Private Placement (2027)**
  Between May and July 2012, SES issued three individual tranches of a total EUR 140.0 million Private Placement under the company's European Medium-Term Note Programme with ING Bank N.V. The Private Placement has a 15-year maturity, beginning 31 May 2012, and bears interest at a fixed rate of 4.00%.

- **EUR 200.0 million European Investment Bank funding (2017)**
  On 21 April 2009, SES signed a financing agreement with the European Investment Bank concerning the investment by the group in certain satellite investment projects. This facility, bearing interest at a fixed rate of 3.62%, it was repaid in six annual instalments between May 2012 and May 2017. The European Investment Bank funding matured in May 2017.

- **German bond issue of EUR 50.0 million (2032)**
  On 29 October 2012, the group signed an agreement to issue EUR 50 million in the German bond ('Schuldschein') market. The German bond bears a fixed interest rate of 4.00% and matures on 12 November 2032.

- **144A Bond USD 750.0 million (2023)**
  On 4 April 2013, SES completed a 144A offering in the US market issuing USD 750 million 10-year bond with a coupon of 3.60% and a final maturity date on 4 April 2023.

- **144A Bond USD 250.0 million (2043)**
  On 4 April 2013, SES completed a 144A offering in the US market issuing USD 250 million 30-year bond with a coupon of 5.30% and a final maturity date on 4 April 2043.

- **144A Bond USD 500.0 million (2044)**
  On 25 March 2014, SES completed a 144A offering in the US market issuing USD 500 million 30-year bond with a coupon of 5.30% and a final maturity date of 25 March 2044.

- **Syndicated loan 2021**
  In January 2014, the group updated its previous syndicated loan facility ('Syndicated loan 2015'). The updated facility is being provided by 20 banks and has been structured as a 5 year multicurrency revolving credit facility with two one-year extension options at the discretion of the lenders. The facility is for EUR 1,200 million and the interest payable is linked to a ratings grid. At the current SES rating of BBB / Baa2, the interest rate is 45 basis points over EURIBOR/LIBOR. On 13 November 2015 and 23 November 2015 respectively, the facility agreement has been amended and extended by one year to 13 January 2021. As at 31 December 2017 and 2016, no amount had been drawn under this facility.

- **EUR 522.9 million COFACE facility**
  On16 December 2009, SES signed a financing agreement with COFACE (Compagnie Française d'Assurance pour le Commerce Extérieur) in respect of the investment in four geostationary satellites (ASTRA 2E, ASTRA 2F, ASTRA 2G, ASTRA 5B). The facility is divided into five loans. The drawings under the facility are based on invoices from the supplier of the satellites. The first drawing was done on 23 April 2010 and all loan tranches became fully drawn in November 2014. Each Coface tranche is repayable in 17 equal semi-annual instalments where Coface A has a final maturity date of 1 August 2022, Coface B and F will mature on 21 May 2021 and Coface C and D will mature on 3 October 2022. The entire facility bears interest at a floating rate of six month EURIBOR plus a margin of 1.7%. In November 2017, SES opted to execute voluntary prepayment clauses pursuant to the Agreement and repaid the remaining outstanding amount of Coface tranche B as per 21 November 2017. All other Coface tranches remain in place as contracted.

- **USD 158.0 million US Ex-Im facility**
  In April 2011, SES signed a financing agreement with the Export-Import Bank of the United States ('US Ex-Im') for USD 158 million for investment in one geostationary satellite (QuetzSat). At the in-orbit acceptance date of the satellite, the facility was fully drawn with USD 152.2 million. This was scheduled to be repaid in 17 equal semi-annual instalments starting on 22 June 2012. The loan had a final maturity date of 22 June 2020 and bearing interest at a fixed rate of 3.11%. In November 2017, SES elected to execute voluntary prepayment clauses pursuant to the Agreement and repaid the remaining outstanding amount of the US Ex-Im facility on 20 November 2017.

- **EUR 125.0 million Credit Facility (LuxGovSat)**
  In July 2015, LuxGovSat S.A. signed a financing agreement with BGL BNP Paribas over EUR 125 million for the acquisition, launch and operation of the GovSat Satellite. The facility consists of a EUR 115 million fixed rate portion at 3.30% and a EUR 10 million floating rate portion at a floating rate of six month EURIBOR plus a margin of 2.20%. Both facilities are repayable in 14 semi-annual installments and have a final maturity date of 1 December 2027. The first drawing was done on 1 May 2016 and as of 31 December 2017, total borrowings of EUR 115.0 million (2016: 80.5) were outstanding under the fixed term facility. As at 31 December 2017 and 2016, no borrowings were outstanding under the floating term facility.

- **Negotiable European Commercial Paper "NEU CP" (previous French Commercial paper programme)**
  On 25 October 2005, SES put in place a EUR 500.0 million 'NEU CP' programme in accordance with articles L.213-1 to L213-4 of the French Monetary and Financial Code and article 6 of the order of 30 May 2016 and subsequent amendments. The maximum outstanding amount of 'NEU CP' issuable under the programme is EUR 500.0 million or its counter value at the date of issue in any other authorised currency. On 3 May 2017, this programme was extended for one further year. As at 31 December 2017 and 2016, no borrowings were outstanding under this programme.

- **European Commercial paper programme**
  In July 2012, SES signed the documentation for the inception of a joint EUR 1,000 million guaranteed European commercial paper programme of SES S.A. and SES Global Americas Holdings GP. The issuance under the programme represents senior unsecured obligations of the issuer and any issuance under the programme is guaranteed by the non-issuing entity. The programme is rated by Moody's Investors Services and is compliant with the standards set out in the STEP Market Convention. On 4 July 2017, this programme was updated and extended. As at 31 December 2017, no borrowings (2016: EUR 100 million) were outstanding under this programme.

Note 24 - Provisions

In millions of euros	**2017**	2016
Non-current	**41.2**	44.7
Current	**12.7**	86.7
Total	**53.9**	131.4

Movements in each class of provision during the financial year are set out below:

In millions of euros	**Group tax provision**	**Other provisions**	**Total**
As at 1 January 2017	**105.6**	**25.8**	**131.4**
Additional provisions recognised	16.1	5.6	21.7
Unused amounts reversed	(68.1)	(3.5)	(71.6)
Used during the year	(6.2)	(12.9)	(19.1)
Impact of currency translation	(7.3)	(1.2)	(8.5)
As at 31 December 2017	**40.1**	**13.8**	**53.9**
Non-current	31.1	10.1	41.2
Current	9.0	3.7	12.7

In millions of euros	**Group tax provision**	**Other provisions**	**Total**
As at 1 January 2016	**59.7**	**13.8**	**73.5**
Additional provisions recognised	25.9	25.8	51.7
Unused amounts reversed	(17.0)	(4.2)	(21.2)
Used during the year	(10.8)	(9.3)	(20.1)
Transfer from 'Income tax liabilities'	46.2	-	46.2
Impact of currency translation	1.6	(0.3)	1.3
As at 31 December 2016	**105.6**	**25.8**	**131.4**
Non-current	23.2	21.5	44.7
Current	82.4	4.3	86.7

Group tax provision

During 2017, a provision related to Extra-Territorial Income benefit at the level of the US subsidiaries amounting to EUR 44.3 million has been released following the completion of the 2014 tax audit by the Internal Revenue Service.

Other provisions

On the acquisition of O3b, a liability to its employees amounting to EUR 15.9 million has been recognized in respect of outstanding share-based payment awards as at acquisition date. An amount of EUR 5.8 million has been paid to O3b employees during the year (2016: EUR 3.1 million). As at 31 December 2017 the remaining liability is EUR 6.6 million (2016: 12.4 million).

During 2016, an amount of EUR 3.5 million relating to an earn-out provision has been released in respect of the SmartCast GmbH acquisition based on an updated fair value assessment. Of the remaining consideration, EUR 2.9 million has been paid during the year. As at 31 December 2017, the provision in respect of the SmartCast GmbH acquisition amounts to EUR 0.6 million (31 December 2016: EUR 3.5 million).

Other provisions of EUR 4.2 million used during the year relate to settled litigations of O3b and MX1.

An additional provision in amount of EUR 3.9 million was recognised in respect of MX1 Ltd legal and regulatory matters prevailing at the date of acquisition and adjusted the purchase accounting (see Note 3).

Based on information subsequently obtained regarding facts and circumstances that existed as of the acquisition date of O3b, the group has finalised the purchase price allocation and recognised an additional provision in amount of EUR 1.7 million (see Note 3).

Note 25 - Deferred income

In millions of euros	Non-current	Current
As at 1 January 2017	**411.8**	**510.5**
Movement on deferred income	79.6	(41.3)
Impact of currency translation	(14.1)	(26.0)
As at 31 December 2017	**477.3**	**443.2**

In millions of euros	Non-current	Current
As at 1 January 2016	**383.3**	**450.7**
Movement on deferred income	24.9	52.1
Impact of currency translation	3.6	7.7
As at 31 December 2016	**411.8**	**510.5**

Note 26 - Trade and other payables

In millions of euros	**2017**	2016
Trade creditors	**139.7**	134.7
Payments received in advance	**23.7**	28.6
Interest on loans	**72.9**	75.5
Personnel-related liabilities	**44.3**	48.1
Tax liabilities other than for income tax	**53.9**	46.6
Other liabilities	**51.1**	64.8
Total	**385.6**	398.3

Note 27 - Other long-term liabilities

In millions of euros	**2017**	2016
Employee benefits obligations	**23.6**	23.1
Payments received in advance	**46.3**	23.0
Other long-term liabilities	**6.2**	7.6
Total	**76.1**	53.7

Employee benefits obligations

In US operations, certain employees benefit from a post-retirement health benefits programme which is externally insured. As at 31 December 2017, accrued premiums of EUR 14.0 million (2016: EUR 15.2 million) are included in this position.

Contributions made in 2017 to group pension schemes totalled EUR 1.2 million (2016: EUR 1.6 million), which are recorded in the consolidated income statement under 'staff costs'.

In addition, certain employees of the US operations benefit from defined contribution pension plans. A liability of EUR 9.8 million has been recognised as at 31 December 2017 (2016: EUR 7.9 million) in this respect.

Payments received in advance

In the framework of receivables securitisation transactions completed in June 2010, June 2012 and June 2013 and June 2017, the group received a net cash amount of EUR 50.6 million, EUR 59.5 million, EUR 40.2 million and EUR 61.0 million respectively, from a financial institution as advance settlement of future receivables arising between 2011 and 2017 under contracts with a specific customer. A corresponding liability of EUR 70.0 million (2016: EUR 51.5 million), representing SES's obligation towards the financial institution to continue to provide services to the customer in accordance with the terms of the customer contract, is recorded in the Statement of Financial Position as at 31 December 2017 under 'Other long-term liabilities', for EUR 46.3 million (2016: EUR 23.0 million), and 'Trade and other payables' for EUR 23.7 million (2016: EUR 28.5 million) (see Note 26).

Note 28 - Fixed assets suppliers

In millions of euros	**2017**	2016
Non-current	**53.4**	15.4
Current	**126.6**	60.8

Fixed assets suppliers represent liabilities for assets being either acquired directly through procurement contracts with asset manufacturers, or in the framework of agreements whereby the asset is being acquired by an intermediary but in substance SES bears the risks and rewards of the procurement. In the latter case the company accrues for construction-related liabilities on the basis of pre-determined milestones agreed between the manufacturer and the relevant parties, see also Note 29.

Non-current fixed assets suppliers include an amount of EUR 14.1 million (2016: EUR 15.4 million) related to performance incentives for O3b's fully operational satellites.

Non-current fixed assets suppliers were initially recognized at fair value and subsequently measured at amortised cost using the effective interest method.

Note 29 - Commitments and contingencies

Capital commitments

The group had outstanding commitments in respect of contracted capital expenditure totalling EUR 1,136.1 million at 31 December 2017 (2016: EUR 686.9 million).

These commitments largely reflect the procurement of satellites and satellite launchers and are stated net of liabilities under these programmes which are already disclosed under within "Fixed assets suppliers", see Note 28.

The capital commitment arising under these agreements as at 31 December is as follows:

In millions of euros	**2017**	2016
Within one year	**129.1**	409.1
After one year but not more than five years	**909.1**	161.1
After more than five years	**97.9**	116.7
Total	**1,136.1**	686.9

Commitments under transponder service agreements

The group has entered into transponder service agreements for the purchase of satellite capacity from third parties under contracts with a maximum life of eight years. The commitment arising under these agreements as at 31 December is as follows:

In millions of euros	**2017**	2016
Within one year	**56.6**	48.9
After one year but not more than five years	**43.8**	18.1
After more than five years	**6.4**	-
Total	**106.8**	67.0

Total expense for transponder service agreements was EUR 102.9 million in 2017 (2016: EUR 78.1 million).

Litigation

There were no significant litigation claims against the group as at 31 December 2017.

Guarantees

On 31 December 2017 the group had outstanding bank guarantees for an amount of EUR 130.2 million (2016: EUR 141.9 million) with respect to performance and warranty guarantees for services of satellite operations.

Note 30 - Operating leases

Future minimum rentals payable under non-cancellable operating leases are as follows as at 31 December:

In millions of euros	**2017**	2016
Within one year	**11.3**	17.7
After one year but not more than five years	**31.8**	33.7
More than five years	**9.4**	12.1
Total	**52.5**	63.5

Total operating lease expense was EUR 10.3 million in 2017 (2016: EUR 9.7 million).

Note 31 - Cash flow information

Non-cash investing activities

Purchases of property, plant and equipment not included as a cash outflow in the consolidated statement of cash flows are disclosed in Note 13.

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for 2017.

In millions of euros	**2017**
Cash and cash equivalents	**269.6**
Borrowings – repayable within one year	**(534.1)**
Borrowings – repayable after one year	**(3,413.8)**
Net debt	**(3,678.3)**

In millions of euros	**2017**
Cash and cash equivalents	**269.6**
Borrowings – floating rates	**(201.4)**
Borrowings – fixed interest rates	**(3,746.5)**
Net debt	**(3,678.3)**

In millions of euros	Cash and cash equivalents	Borrowings – repayable within one year	Borrowings – repayable after one year	**Total**
Net debt as at 31 December 2016	**587.5**	**(204.3)**	**(4,223.1)**	**(3,839.9)**
Cash flows (net)	(301.7)	100.0	153.0	(48.7)
Foreign exchange adjustments	(16.2)	-	234.8	218.6
Transfers	-	(436.7)	436.7	-
Other non-cash movements*	-	6.9	(15.2)	(8.3)
Net debt as at 31 December 2017	**269.6**	**(534.1)**	**(3,413.8)**	**(3,678.3)**

* related to loan origination costs

During 2017 the group issued European Commercial Paper for EUR 500 million (2016: EUR 200 million) and reimbursed EUR 600 million (2016: EUR 100 million). These have been presented net in the consolidated statement of cash flows in 2017 and comparatives have been adjusted accordingly.

Note 32 - Related parties

The state of Luxembourg holds a direct 11.58% voting interest in the company and two indirect interests, both of 10.88%, through two state owned banks, Banque et Caisse d'Epargne de l'Etat and Société Nationale de Crédit et d'Investissement. These shares constitute the company's Class B shares, as described in Note 20.

The total payments to directors for attendance at board and committee meetings in 2017 amounted to EUR 1.4 million (2016: EUR 1.4 million). These payments are computed on a fixed and variable basis, the variable part being based upon attendance at board and committee meetings.

The key management of the group, defined as the group's Executive Committee, received compensation as follows:

In millions of euros	**2017**	2016
Remuneration including bonuses	**5.3**	4.2
Pension benefits	**0.8**	0.6
Share-based compensation plans	**1.7**	1.1
Other benefits	**0.6**	0.3
Total	**8.4**	6.2

Total share-based payment instruments allocated to key management as at 31 December 2017 were 2,932,673 (2016: 1,770,820).

Note 33 - Post-Balance Sheet events

The SES-14 satellite was launched on 25 January 2018 and will be positioned at 47.5 degrees West to serve Latin America, the Caribbean, North America and the North Atlantic region with C- and Ku-band wide beam coverage and Ku-band high throughput spot beam coverage.

The SES-16 ('GovSat') satellite was launched on 31 January 2018 and is to be located at the 21.5 degrees East orbital slot, to serve governmental and institutional customers over Europe, the Middle East and Africa, and provide extensive maritime coverage over the Mediterranean and Baltic seas, and the Atlantic and Indian oceans.

On 12 February 2018, the Board of Directors of SES announced its decision to appoint a new President & CEO and a new CFO of SES with effect from 5 April 2018. Steve Collar, who is currently CEO of SES Networks, has been appointed as the next President & CEO of SES, becoming CEO Designate with immediate effect. Andrew Browne, who was until recently CFO of O3b Networks and CFO of SES between 2010 and 2013, has been appointed as the next CFO of SES, becoming CFO Designate with immediate effect. They will work closely with Karim Michel Sabbagh, the current President & CEO, and Padraig McCarthy, the current CFO, in order to ensure a smooth handover.

In February 2018, management announced it was intensifying its focus on operational efficiency with the roll-out of a company-wide Fit-for-Growth programme, and anticipated taking a EUR 10 million restructuring provision in Q1 to fund planned measures.

SES continues to develop its operational model, which was implemented during 2017, and it is expected that beginning January 2018 further changes will be made in the allocation of responsibilities between the two customer-facing business units SES Video and SES Networks and the core operations. Associated with these changes the company expects to amend how it reports to the senior executives of the group, and this in turn is likely to result in the group reporting its operations as more than one operating segment beginning in 2018.

There were no other material events occurring between the reporting date and the date when the consolidated financial statements were authorised by the Board of Directors.

Note 34 - Consolidated subsidiaries, associates

The consolidated financial statements include the financial statements of the group's subsidiaries and associates listed below:

	Economic interest (%) 2017	Economic interest (%) 2016	**Method of consolidation 2017**	Method of consolidation 2016
SES ASTRA S.A., Luxembourg	**100**	100	**Full**	Full
SES GLOBAL-Americas Inc., the US	**100**	100	**Full**	Full
SES GLOBAL Americas Holdings General Partnership, the US	**100**	100	**Full**	Full
SES Participations S.A., Luxembourg	**100**	100	**Full**	Full
SES Finance S.à r.l., Switzerland	**100**	100	**Full**	Full
SES Holdings (Netherlands) B.V., Netherlands	**100**	100	**Full**	Full
SES ASTRA Services Europe S.A., Luxembourg	**100**	100	**Full**	Full
SES Latin America S.A., Luxembourg	**100**	100	**Full**	Full
SES Belgium S.p.r.l, Belgium	**100**	100	**Full**	Full
SES Insurance International S.A., Luxembourg	**100**	100	**Full**	Full
SES Insurance International Re S.A., Luxembourg	**100**	100	**Full**	Full
SES Lux Finance S.à r.l., Luxembourg	**100**	100	**Full**	Full
SES NL Finance S.à r.l., Luxembourg	**100**	100	**Full**	Full
Ciel Satellite Holdings Inc., Canada	**100**	100	**Full**	Full
Ciel Satellite Limited Partnership, Canada	**70**	70	**Full**	Full
Northern Americas Satellite Ventures, Inc., Canada	**100**	100	**Full**	Full
SES TechCom S.A., Luxembourg	**100**	100	**Full**	Full
SES-15 S.à r.l., Luxembourg	**100**	100	**Full**	Full
SES Digital Distribution Services AG, Switzerland[2]	**100**	100	**Full**	Full
SES Digital Distribution Services S.à r.l., Luxembourg[2]	**-**	100	**Full**	Full
Redu Operations Services S.A., Belgium	**48**	48	**Equity**	Equity
Redu Space Services S.A., Belgium	**52**	52	**Full**	Full
HD Plus GmbH, Germany	**100**	100	**Full**	Full
SES ASTRA Real Estate (Betzdorf) S.A., Luxembourg	**100**	100	**Full**	Full
MX1 GmbH, Germany	**100**	100	**Full**	Full
SES Media Solutions GmbH, Germany	**100**	100	**Full**	Full
Virtual Planet Group GmbH, Germany[2]	**-**	100	**Full**	Full
SmartCast GmbH, Germany[2]	**-**	100	**Full**	Full
MX1 (Thailand) Ltd, Thailand	**100**	100	**Full**	Full
MX1 Smartcast Indonesia, Indonesia [3]	**100**	100	**Full**	Full
MX1 Asia Limited, China [2, 4]	**100**	100	**Full**	Full
ASTRA Deutschland GmbH, Germany	**100**	100	**Full**	Full
SES ASTRA Iberica S.A., Spain	**100**	100	**Full**	Full
ASTRA France S.A., France	**100**	100	**Full**	Full
ASTRA (GB) Limited, United Kingdom	**100**	100	**Full**	Full
SES ASTRA CEE Sp. z o.o, Poland	**100**	100	**Full**	Full
SES ASTRA (Romania) S.r.l., Romania	**100**	100	**Full**	Full
SES Satellites Ghana Ltd, Ghana	**100**	100	**Full**	Full
SES ENGINEERING (Luxembourg) S.à r.l., Luxembourg	**100**	100	**Full**	Full
SES ASTRA AB, Sweden	**100**	100	**Full**	Full
Sirius Satellite Services SIA, Latvia	**100**	100	**Full**	Full
SES SIRIUS Ukraine, Ukraine	**100**	100	**Full**	Full
SES ASTRA 1KR S.à r.l., Luxembourg	**100**	100	**Full**	Full
SES ASTRA 1L S.à r.l., Luxembourg	**100**	100	**Full**	Full
SES ASTRA 1M S.à r.l., Luxembourg	**100**	100	**Full**	Full
SES ASTRA 3B S.à r.l., Luxembourg	**100**	100	**Full**	Full
SES ASTRA 5B S.à r.l., Luxembourg	**100**	100	**Full**	Full
SES ASTRA 1N S.à r.l., Luxembourg	**100**	100	**Full**	Full

	Economic interest (%) 2017	Economic interest (%) 2016	**Method of consolidation 2017**	Method of consolidation 2016
SES ASTRA 2E S.à r.l., Luxembourg	**100**	100	**Full**	Full
SES ASTRA 2F S.à r.l., Luxembourg	**100**	100	**Full**	Full
SES ASTRA 2G S.à r.l., Luxembourg	**100**	100	**Full**	Full
SES 10 S.à r.l., Luxembourg	**100**	100	**Full**	Full
LuxGovSat S.A., Luxembourg	**50**	50	**Full**	Full
SES Satellite Leasing Ltd, Isle of Man	**100**	100	**Full**	Full
Al Maisan Satellite Communications (YahSat) LLC, UAE	**35**	35	**Full**	Full
Satellites Ventures (Bermuda), Ltd, Bermuda	**50**	50	**Full**	Full
SES ASTRA Africa (Proprietary) Ltd, South Africa	**100**	100	**Full**	Full
SES AMERICOM, Inc., the US	**100**	100	**Full**	Full
SES AMERICOM do Brasil Servicos de Telecomunicacoes, Ltda, Brazil	**100**	100	**Full**	Full
SES Government Solutions, Inc., the US	**100**	100	**Full**	Full
Sistemas Satelitales de Mexico S. de R.L. de C.V., Mexico	**100**	100	**Full**	Full
SES Telecomunicaciones de Mexico, Mexico	**100**	100	**Full**	Full
SES Satellites International, Inc., the US	**100**	100	**Full**	Full
SES Satellites (Gibraltar) Ltd, Gibraltar	**100**	100	**Full**	Full
AMC-1 Holdings LLC, the US	**100**	100	**Full**	Full
AMC-2 Holdings LLC, the US	**100**	100	**Full**	Full
AMC-3 Holdings LLC, the US	**100**	100	**Full**	Full
SES-9 Holdings LLC, the US	**100**	100	**Full**	Full
AMC-6 Holdings LLC, the US	**100**	100	**Full**	Full
AMC-8 Holdings LLC, the US	**100**	100	**Full**	Full
AMC-9 Holdings LLC, the US	**100**	100	**Full**	Full
AMC-10 Holdings LLC, the US	**100**	100	**Full**	Full
AMC-11 Holdings LLC, the US	**100**	100	**Full**	Full
SES AMERICOM (Asia 1A) LLC, the US	**100**	100	**Full**	Full
AMERICOM Asia Pacific LLC, the US	**100**	100	**Full**	Full
AMC-12 Holdings LLC, the US	**100**	100	**Full**	Full
AMC-4 Holdings LLC, the US	**100**	100	**Full**	Full
AMC-7 Holdings LLC, the US	**100**	100	**Full**	Full
AMC-15 Holdings LLC, the US	**100**	100	**Full**	Full
AMC-16 Holdings LLC, the US	**100**	100	**Full**	Full
SES-1 Holdings, LLC, the US	**100**	100	**Full**	Full
QuetzSat Directo, S. de R.L. de C.V., Mexico	**100**	100	**Full**	Full
SES ENGINEERING (US) Inc., the US	**100**	100	**Full**	Full
AOS Inc., the US	**100**	100	**Full**	Full
SES-2 Holdings LLC, the US	**100**	100	**Full**	Full
SES-3 Holdings LLC, the US	**100**	100	**Full**	Full
QuetzSat S. de R.L. de C.V., Mexico	**100**	100	**Full**	Full
Satelites Globales S. de R.L. de C.V., Mexico	**100**	100	**Full**	Full
SES Satelites Directo Ltda, Brazil	**100**	100	**Full**	Full
SES DTH do Brasil Ltda, Brazil	**100**	100	**Full**	Full
SES Global South America Holding S.L., Spain	**100**	100	**Full**	Full
New Skies Satellites B.V., The Netherlands	**100**	100	**Full**	Full
New Skies Satellites, Inc., the US	**100**	100	**Full**	Full
New Skies Satellites Mar B.V., The Netherlands	**100**	100	**Full**	Full
New Skies Satellites Ltda, Brazil	**100**	100	**Full**	Full
New Skies Networks, Inc., the US	**100**	100	**Full**	Full

	Economic interest (%) 2017	Economic interest (%) 2016	**Method of consolidation 2017**	Method of consolidation 2016
SES ENGINEERING (Netherlands) B.V., The Netherlands	**100**	100	**Full**	Full
SES NEW SKIES Marketing B.V., The Netherlands	**100**	100	**Full**	Full
New Skies Satellites Argentina B.V., The Netherlands	**100**	100	**Full**	Full
New Skies Satellites Australia Pty Ltd, Australia	**100**	100	**Full**	Full
New Skies Satellites Licensee B.V., The Netherlands	**100**	100	**Full**	Full
SES Asia S.A., Luxembourg	**100**	100	**Full**	Full
SES Finance Services AG, Switzerland	**100**	100	**Full**	Full
SES World Skies Singapore Pte Ltd, Singapore	**100**	100	**Full**	Full
O3b Networks Ltd, Jersey, Channel Islands	**100**	100	**Full**	Full
O3b Ltd, Jersey, Channel Islands	**100**	100	**Full**	Full
O3b Africa Ltd, Mauritius	**100**	100	**Full**	Full
O3b Networks Management Services B.V., The Netherlands	**100**	100	**Full**	Full
O3b Sales B.V., The Netherlands	**100**	100	**Full**	Full
O3b Holdings 1 B.V., The Netherlands	**100**	100	**Full**	Full
O3b Holdings 2 B.V., The Netherlands	**100**	100	**Full**	Full
O3b Coöperatief UA, The Netherlands	**100**	100	**Full**	Full
O3b Networks USA, LLC, the US	**100**	100	**Full**	Full
O3b USA, LLC, the US	**100**	100	**Full**	Full
O3b America, LLC, the US	**100**	100	**Full**	Full
O3b (Singapore) Pte Limited, Singapore	**100**	100	**Full**	Full
O3b Teleport Services (Australia) Pty Limited, Australia	**100**	100	**Full**	Full
O3b Teleport Serviços (Brasil) Ltda, Brasil	**100**	100	**Full**	Full
O3b Networks (Brasil) Ltda, Brasil	**100**	100	**Full**	Full
O3b Services (Portugal) Ltda, Portugal	**100**	100	**Full**	Full
O3b Teleport Services (Peru) SAC, Peru	**100**	100	**Full**	Full
O3b Lux S.à r.l., Luxembourg	**100**	100	**Full**	Full
O3bNext S.à r.l., Luxembourg	**100**	100	**Full**	Full
West Africa Platform Services Ltd, Ghana	**51**	51	**Full**	Full
MX1 Ltd, Israel	**100**	100	**Full**	Full
MX1 Inc., the US	**100**	100	**Full**	Full
Satlink Communications Ltd, Israel	**100**	100	**Full**	Full
G.S.N GoSat Distribution Network Ltd, Cyprus	**100**	100	**Full**	Full
EMP Media Port Ltd, Cyprus	**100**	100	**Full**	Full
MX1 C.E.E. S.A., Romania [5]	**80**	80	**Full**	Full
MX1 Limited, United Kingdom [6]	**100**	100	**Full**	Full
World Satellite Distribution S.A., Luxembourg	**100**	100	**Full**	Full
Sofia Teleport EOOD, Bulgaria	**100**	100	**Full**	Full
Mena Media Ltd, United Kingdom [2]	**-**	76	**Full**	Full
TVP Group Ltd, United Kingdom [2]	**100**	100	**Full**	Full
JCA TV Ltd, United Kingdom [2]	**-**	100	**Full**	Full
MX1 Korea Ltd., Korea	**51**	51	**Full**	Full
London Broadcasting Center Ltd., United Kingdom	**100**	100	**Full**	Full
SES-17 S.à r.l., Luxembourg	**100**	100	**Full**	Full
SES Defence UK Ltd, United Kingdom	**100**	100	**Full**	Full
Luxembourg Media Distribution S.A., Luxembourg [2]	**-**	100	**Full**	Full
SES Techcom Afrique S.A. S.U., Burkina Faso [1]	**100**	-	**Full**	-
SES Satellite Nigeria Limited, Nigeria [1]	**100**	-	**Full**	-
SES-11 Holdings, LLC, the US [1]	**100**	-	**Full**	-

1. Entity created or acquired in 2017
2. Entity sold, merged, liquidated or in the process of liquidation in 2017
3. Formerly PT Smart Cast Indonesia
4. Formerly SmartCast Asia Limited
5. Formerly RR Media C.E. S.A.
6. Formerly RR Media Europe Limited