Société Anonyme
RCS Luxembourg B 81.267

La Société, SES, société anonyme, convoque par le présent avis à son

Assemblée Générale Ordinaire

qui se tiendra

le jeudi 4 avril 2013 à 10 heures 30

au siège social de SES, société anonyme, (SES) Château de Betzdorf, 6815 Betzdorf, Luxembourg.

ORDRE DU JOUR

1. Liste de présences, quorum et adoption de l'ordre du jour
2. Désignation d'un secrétaire et de deux scrutateurs
3. Présentation par le Président du Conseil d'administration du rapport de gestion du Conseil pour l'année 2012
4. Présentation des principaux développements de la société pendant l'année 2012 et perspectives
5. Présentation des résultats financiers pour l'exercice 2012
6. Présentation du rapport du réviseur d'entreprises
7. Approbation du bilan au 31 décembre 2012 et du compte de profits et pertes pour l'exercice 2012
8. Décision sur l'affectation du résultat net de l'exercice 2012
9. Transferts entre comptes de réserves
10. Décharge à donner aux administrateurs
11. Décharge à donner au réviseur d'entreprises
12. Election statutaire du réviseur d'entreprises pour l'année 2013 et fixation de sa rémunération
13. Résolution permettant à la société l'acquisition de ses propres FDRs et/ou actions de la catégorie A ou B
14. Nomination de six membres du Conseil d'administration pour une durée de trois ans
15. Fixation de la rémunération des membres du Conseil d'administration
16. Divers

Assister à l'assemblée

Les droits d'un actionnaire de participer à une assemblée générale ordinaire et d'exercer le vote attaché à ses actions sont déterminés en fonction des actions détenues par cet actionnaire le quatorzième jour qui précède l'assemblée générale ordinaire (le 21 mars 2013) à minuit (la date d'enregistrement). Une personne qui n'est pas actionnaire à cette date d'enregistrement ne peut pas assister à l'assemblée générale ordinaire. Au plus tard à la date d'enregistrement (le 21 mars 2013) à minuit, l'actionnaire doit indiquer à SES sa volonté de participer à l'assemblée générale ordinaire (par courrier à SES, attn. Mme Naoual Jamou, Château de Betzdorf, L-6815 Betzdorf par fax: +352 710 725 532 ou par courriel à : shareholders@ses.com).

Instructions de vote

Le détenteur de FDRs (Fiduciary Depositary Receipt) est en droit, sous réserve des dispositions applicables (la loi luxembourgeoise, statuts de la société, seuils de participation et contrat de concession) d'instruire le Fiduciaire en tant que mandataire en vue d'exercer son droit de vote au moyen d'un certificat de vote disponible sur demande à la banque auprès de laquelle les FDRs sont détenus.

Pour que les instructions de vote soient valables, le certificat de vote devra être complété et dûment signé par le détenteur de FDRs ou le cas échéant par le bénéficiaire économique. A la réception du certificat de vote comportant les déclarations et documents requis par le Fiduciaire ou la société, avant ou à la date déterminée par le Fiduciaire (à savoir le 28 mars 2013 à 17 heures), celui-ci devra transmettre à la société ledit certificat de vote accompagné des déclarations et documents requis pour vérifier si les détenteurs de FDRs ou les bénéficiaires économiques peuvent acquérir la qualité d'actionnaires de la catégorie A de la société si à la place des FDRs ils détenaient un nombre correspondant d'actions A.

Si dans un délai de 8 jours ouvrables au Luxembourg à partir de la réception du certificat de vote avec les déclarations et documents requis, la société n'a pas notifié au Fiduciaire son rejet de la demande du détenteur de FDRs, elle est présumée l'avoir acceptée.

Après réception de l'accord écrit de la société quant aux instructions de vote, le Fiduciaire votera ou fera en sorte qu'il soit voté conformément à ces instructions. Le Fiduciaire pourra désigner et nommer des représentants dûment autorisés afin que ceux-ci assistent à l'assemblée et votent au nom et pour compte des détenteurs de FDRs.

Les instructions de vote sont considérées comme étant irrévocables et définitives 48 heures avant l'heure d'ouverture de l'assemblée, à savoir le 2 avril 2013 à 10 heures 30 au plus tard.

Dans le cas où le Fiduciaire n'aurait pas reçu des instructions de vote des détenteurs de FDRs, le Fiduciaire sera supposé avoir été instruit de voter conformément aux propositions de vote du Conseil d'administration définies lors de sa réunion y afférente.

Aucune résolution ne sera soumise au vote sous le point 16. Divers.

Modifications de l'ordre du jour

Un ou plusieurs actionnaires disposant ensembles d'au moins 5% du capital social de SES, ont le droit d'inscrire des points à l'ordre du jour de l'assemblée générale ordinaire et ils ont le droit de déposer des projets de résolution concernant des points inscrit ou à inscrire à l'ordre du jour de l'assemblée générale ordinaire. Cette demande devra être formulée par écrit et adressée par voie postale (à SES, attn. Mme Naoual Jamou, Château de Betzdorf, L-6815 Betzdorf) ou par voie électronique (shareholders@ses.com) et doit parvenir à SES au plus tard le vingt-deuxième jour qui précède l'assemblée générale ordinaire (le 13 mars 2013). Cette demande doit inclure une justification ou un projet de résolution à adopter lors de l'assemblé générale ordinaire, ainsi qu'une adresse postale ou électronique à laquelle SES peut transmettre l'accusé de réception de cette demande endéans quarante huit heures.

SES publiera alors un ordre de jour révisé au plus tard le quinzième jour qui précède la date de l'assemblée générale ordinaire (le 20 mars 2013).

Conversion en actions de la catégorie A

Si un détenteur de FDRs souhaite assister à l'assemblée en personne, il devra se faire inscrire comme actionnaire dans le registre des actionnaires de la société. En conséquence, le détenteur de FDRs doit demander la conversion de ses FDRs en actions A conformément aux clauses 12 et 16 des "Terms and Conditions" du "Amended and Restated Fiduciary Deposit Agreement" du 26 septembre 2001. Ceci est disponible auprès de la Banque et Caisse d'Epargne de l'Etat, Luxembourg. Aucune commission de conversion ne sera exigée des personnes physiques qui ne sont pas déjà actionnaires de la catégorie A et qui procèdent à la conversion d'un maximum de 10.000 FDRs en actions A, leur permettant de participer en personne à l'assemblée générale ordinaire du 4 avril 2013.

Pour assister en personne à l'assemblée, la conversion de FDRs en actions de la catégorie A devra être effectuée le 21 mars 2013 à 16 heures 30 au plus tard.

Documents mis à disposition par SES

Les documents mis à disposition par la société pour les besoins de la présente assemblée y inclus les propositions du Conseil d'administration) peuvent être consultés par les détenteurs de FDRs auprès du Fiduciaire - Banque et Caisse d'Epargne de l'Etat, Securities Department, 1, rue Zithe, L - 2954 Luxembourg, BGL BNP Paribas Luxembourg S.A., 50, avenue J. F. Kennedy, L – 2951 Luxembourg et Société Générale, GSSI/GIS/CMO/AGL, 32, rue du Champ de Tir, F - 44312 Nantes Cedex 3, pendant les heures d'ouverture et sont disponibles sur le site internet de la société www.ses.com. N'hésitez pas à contacter SES pour de plus amples informations à l'adresse suivante : shareholders@ses.com

Société Anonyme
RCS Luxembourg B 81.267

Notice is hereby given of the

Annual General Meeting (AGM)

of SES, Société Anonyme, to be held at the company's registered office at Château de Betzdorf, 6815 Betzdorf, Luxembourg, on

Thursday, April 4, 2013 at 10:30 a.m.

AGENDA

1. Attendance list, quorum and adoption of the agenda
2. Nomination of a secretary and of two scrutineers
3. Presentation by the Chairman of the Board of Directors of the 2012 activities report of the Board
4. Presentation on the main developments during 2012 and perspectives
5. Presentation of the 2012 financial results
6. Presentation of the audit report
7. Approval of the balance sheet as of December 31, 2012 and of the 2012 profit and loss accounts
8. Decision on allocation of 2012 profits
9. Transfers between reserve accounts
10. Discharge of the members of the Board of Directors
11. Discharge of the auditor
12. Appointment of the auditor for the year 2013 and determination of its remuneration
13. Resolution on company acquiring own FDRs and/or own A-, or B-shares
14. Election of six Directors for a three-year term
15. Determination of the remuneration of Board members
16. Miscellaneous

Attendance at AGM

The right of a shareholder to attend the AGM and to participate in the vote will be determined on the fourteenth day (i.e. March 21, 2013) at midnight, preceding the AGM (the Registration Date). Anyone not being a shareholder at the Registration Date may not attend or vote at the AGM. The shareholders who hold shares on the Registration Date are required to inform the Company (by mail to SES, attn. Mrs Naoual Jamou, Château de Betzdorf, L-6815 Betzdorf by fax to: +352 710 725 532 or by e-mail to shareholders@ses.com) at the latest on the Registration Date (i.e. March 21, 2013) at midnight, by returning the form of participation available on the website of the Company, if they wish to attend the AGM.

Voting instructions

The FDR (Fiduciary Depositary Receipt) holder is entitled, subject to any applicable provisions (e.g. Luxembourg law, articles of Incorporation, shareholders' thresholds and concession agreement) to instruct the Fiduciary as proxyholder as to the exercise of the voting rights by means of a voting certificate available on request at the bank where the FDRs are held.

In order for the voting instructions to be valid, the voting certificate form must be completed and duly signed by the FDR holder or, as the case may be, the beneficial owner.

Upon receipt of the voting certificate on or before the date determined by the Fiduciary (being March 28, 2013 at 5:00 p.m.) with such certification and evidence as requested by the Fiduciary or by the Company, the Fiduciary shall transmit to the Company the relevant certifications and supporting evidence and the company shall verify whether the relevant holders of FDRs or the beneficial owners thereof would qualify as an A-shareholder of the Company if in lieu of FDRs they would hold the corresponding number of A-shares.

If within 8 Luxembourg business days from the receipt of such certification and supporting evidence, the Company has not notified the Fiduciary of its rejection of the request of a holder to exercise its voting rights pertaining to the A-shares underlying its FDRs, the company shall be deemed to have accepted the relevant voting request.

After receipt of the written approval of the voting request by the company, the Fiduciary shall vote or cause to be voted in accordance with the instructions set forth in such requests. The Fiduciary may designate and appoint authorized representatives to attend the meeting and vote on behalf of the FDR holders.

The voting instructions are deemed to be irrevocable and definitive 48 hours prior to the time for which the meeting has been convened, i.e. at the latest on April 2, 2013 at 10.30 a.m.

If the Fiduciary has not received voting instructions from the FDR holder, the Fiduciary shall be deemed to have been instructed to vote in the manner proposed by the Board of Directors in the relevant meeting.

There will be no vote under item 16. Miscellaneous.

Amendments to the Agenda

One or more shareholders owning together at least 5% of the Share capital of SES have the right to add items on the agenda of the AGM and may deposit draft resolutions regarding items listed in the agenda or proposed to be added to the agenda. This request will need to be received at the latest the twenty–second day (i.e March 13, 2012) preceding the AGM and made in writing via mail (to: SES, attn. Mrs Naoual Jamou, Château de Betzdorf, L-6815 Betzdorf) or e-mail (to: shareholders@ses.com) and will need to include a justification or draft resolution to be adopted at the AGM. The written request will need to include a contact address (mail or e-mail) to which the Company can confirm receipt within 48 hours from the receipt of the request.

At the latest fifteen days (i.e March 20, 2013) preceding the AGM, the Company will then publish a revised agenda.

Withdrawal of FDRs and conversion into A-shares

If a FDR holder wishes to attend the meeting in person, he has to be recorded as a shareholder in the share register of the Company. Consequently, the FDR holder has to request the conversion of FDRs into A-shares in accordance with conditions 12 and 16 of the Terms and Conditions of the Amended and Restated Fiduciary Deposit Agreement dated September 26, 2001. This is available at the Banque et Caisse d'Epargne de l'Etat, Luxembourg where the FDRs are held. No charge for conversion will be requested for natural persons who are not yet shareholders of category A and who proceed to a conversion of a maximum of 10,000 FDRs into A-shares, allowing them to participate in the AGM of April 4, 2013.

The latest date for withdrawing FDRs and converting into A-shares for personal attendance at the meeting is March 21, 2013 at 4:30 p.m.

Documents made available by SES

Documents made available by the Company (including the Recommendations of the Board of Directors) for the purpose of this meeting may be inspected during normal working hours by the FDR holders at the offices of the Fiduciary, Banque et Caisse d'Epargne de l'Etat, Luxembourg, Securities Department, 1, rue Zithe, L - 2954 Luxembourg, or alternatively at the offices of the Listing Agents, BGL BNP Paribas S.A., 50, avenue J.F. Kennedy, L - 2951 Luxembourg and Société Générale, GSSI/GIS/CMO/AGL, 32, rue du Champ de Tir, F - 44312 Nantes Cedex 3 and are available on the company's website www.ses.com. Please feel free to contact SES for further queries in this respect at the following address: shareholders@ses.com.

Assemblée Générale Annuelle de SES
Jeudi 4 avril 2013 à 10 heures 30

Point 2 de l’ordre du jour

Selon l’article 23 des statuts “Le président de l’Assemblée désigne un secrétaire. L’Assemblée choisit deux scrutateurs”.

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Agenda item 2

According to article 23 of the Articles of Incorporation “The Chairperson shall appoint a secretary. The Meeting shall appoint two scrutineers”.

Assemblée Générale Annuelle de SES
Jeudi 4 avril 2013 à 10 heures 30

Point 3 de l'ordre du jour

Présentation par le Président du Conseil d'administration du rapport de gestion du Conseil pour l'année 2012.

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Agenda item 3

Presentation by the Chairman of the Board of Directors of the 2012 activities report of the Board.

Corporate governance

Chairman's report on corporate governance and internal control procedures

Introduction

SES has been listed on the Luxembourg Stock Exchange since 1998 and on Euronext Paris since 2004. The company follows the 'Ten Principles of Corporate Governance' adopted by the Luxembourg Stock Exchange (its home market) and the governance rules applied by companies listed in Paris, where most of the trading in SES FDRs takes place. Where those rules conflict, (e.g. with regard to the publication of the individual remuneration of the members of its Executive Committee and its Board members), SES follows the rules of its home market by reporting the aggregate amount of the direct and indirect remuneration of the members of the Executive Committee, with the fixed and the variable components of the benefits being separately identified.

SES meets all the recommendations made by the 'Ten Principles' except with regard to Recommendation 3.9, (which states that the committees created by the board should only have advisory powers). The SES Board has delegated some decision-making powers to the Remuneration Committee. For the full details of these powers, see the charter of the Remuneration Committee on the SES website (www.ses.com).

The company has also continued its policy of increasing the flow of information to its shareholders via the corporate governance section of its website and through the introduction of a dedicated e-mail address: shareholders@ses.com. In line with Luxembourg law, the company allows shareholders to receive all corporate documentation in electronic form, including the documents for shareholder meetings.

In this context, the website contains a regularly updated stream of information, such as the latest version of the company's main governance documents, be it the articles of incorporation, the corporate governance charter (including the charters of the various committees set up by the Board) and the separate sections on the composition and the mission of the Board, the Board's committees and the Executive Committee. The website also contains the SES Code of Conduct and Ethics, the Dealing Code, the financial calendar and any other information which may be of interest to the company's shareholders.

Organisation principles

Created on March 16, 2001 under the name of SES GLOBAL, SES is incorporated in Luxembourg. Following the completion of the acquisition of GE American Communications on November 9, 2001, SES became the parent company of SES ASTRA, originally created in 1985. A copy of SES' articles of incorporation, in its latest version, is available in the corporate governance section of the company's website.

The annual general meeting of shareholders

Under Luxembourg company law, the company's annual and/or extraordinary general meetings represent the entire body of shareholders of the company. They have the widest powers, and resolutions passed by such meetings are binding upon all shareholders, whether absent, abstaining from voting or voting against the resolutions.

The meetings are presided by the Chairman of the Board or, in case of his absence, by one of the Vice Chairmen of the Board or, in their absence, by any other person appointed by the meeting. Any shareholder who is recorded in the company's shareholder register at least 14 business days before the meeting is authorised to attend and to vote at the meeting. A shareholder may act at any meeting by appointing a proxy who does not need to be a shareholder.

The company has issued two classes of shares: Class A and Class B shares (sometimes referred to as "A-shares" and "B-shares", respectively).

Although they constitute separate classes of shares, Class A and Class B shares have the same rights except that the shares of Class B, held by the State of Luxembourg and by two entities wholly-owned by the State of Luxembourg, entitle their holders to only 40% of the dividend, or in case the company is dissolved, to 40% of the net liquidation proceeds paid to shareholders of Class A. Class B shares are not freely traded. Each share, whether of Class A or Class B, is entitled to one vote. In accordance with the company's articles of incorporation, no shareholder of Class A may hold, directly or indirectly, more than 20%, 33% or 50% of the company's shares unless it has obtained prior approval from a meeting of the shareholders. Such limit is calculated by taking into account the shares of all classes held by a shareholder of Class A.

A shareholder or a potential shareholder who plans to acquire by whatever means, directly or indirectly, more than 20%, 33% or 50% of the shares of the company must inform the Chairman of the Board of such intention. The Chairman will then inform the government of Luxembourg of the planned acquisition which may only be opposed by the government within three months from receiving such information, should the government determine that such acquisition is 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 by a majority as provided for in article 67-1 of the law of August 10, 1915, as amended, regarding commercial companies, to authorise the demanding party to acquire more than 20%, 33% or 50% of the shares.

The annual general meeting is held on the first Thursday in April. Each registered shareholder will receive written notice of the annual general meeting, including the time of the meeting and the agenda, at least 30 days prior to the meeting. Holders of the company's FDRs will be represented at the meeting by Banque et Caisse d'Epargne de l'Etat acting as Fiduciary. Each FDR will represent one Class A share. If a holder of FDRs desires to attend the annual general meeting of shareholders in person, that shareholder must convert at least one FDR into an A share. In order to facilitate the attendance of the meeting by FDR holders, the company will pay the applicable charge for a conversion of up to 10,000 FDRs per shareholder for a short period prior to the annual general meeting.

Notice of the meeting and of the proposed agenda will also be published in the press and in the "Memorial C". The Fiduciary will circulate the draft resolutions to both international clearing systems, Clearstream and Euroclear, allowing FDR holders to give their voting instructions to the Fiduciary in time for the meeting. At the same time, the draft resolutions will be made available on the company's website. Unless the Fiduciary has received specific instructions from the FDR holder, the Fiduciary will vote in favour of the proposals submitted by the Board.

The meeting may deliberate validly only if at least half of the shares of Class A and at least half of the shares of Class B are represented. In the event that the required quorum is not reached, the meeting will be reconvened in accordance with the form prescribed by the articles of incorporation. It may then validly deliberate without consideration of the number of represented shares.

The proceedings are held in French, but an English translation is provided by the company. A French version of the AGM minutes and the results of the shareholders' votes will be published on the SES website within 15 days of the annual general meeting.

With the exception of the procedure described above as to a shareholder who seeks to hold more than 20%, 33% or 50% of the company's shares, all the resolutions of the meeting are adopted by a simple majority vote, unless otherwise provided for by Luxembourg company law. The annual general meeting held on April 5, 2012, was attended by 98.143% of the company's shareholders. As the 3,109,843 FDRs held by the company were not voted by the company, the participation in the vote was reduced to 97.521% of the company's shares.

During the 2012 annual general meeting, the shareholders approved the 2011 financial results and the allocation of the 2011 profits, granted discharge to the external auditor and the directors, elected Ernst & Young as the company's external auditor for another year, and granted an authorisation to SES to buy back its own shares. The shareholders also approved the directors' fees which remained unchanged in comparison to 2011. Finally, shareholders elected six Directors for a term of three years. Four of the Directors saw their mandate renewed, whereas Pr. Dr. Miriam Meckel and Conny Kullmann were elected for a first mandate of three years.

All of the Board's proposals were carried by a majority of at least 98.277% of the votes expressed. In accordance with article 67-1 of the Luxembourg company law, abstentions are not considered when determining whether a resolution has been passed or not. The detailed results of the shareholders' votes are available in the corporate governance section of the company's website.

On April 5, 2012, the SES shareholders also met in an extraordinary meeting to bring the company's articles in line with the law of May 24, 2011, on certain rights of shareholders. At the same meeting the shareholders agreed to introduce an authorised share capital that would allow the company to issue 6,922,305 new shares (two-thirds in the form of A-shares and one-third in the form of B-shares). The Board of directors was allowed to issue the new A-shares without reserving any preferential subscription rights to existing shareholders. The two resolutions were carried by more than 99.91% of the votes

The Board of Directors and its committees

Mission

The Board of Directors is responsible for defining the company's strategic objectives as well as its overall corporate plan. The Board approves, upon proposal from the Executive Committee, the annual consolidated accounts of the company, and the appropriation of results, the group's medium-term business plan, the consolidated annual budget of the company and the management report to be submitted to the meeting of shareholders. It also approves major investments and is responsible vis-à-vis shareholders and third parties for the management of the company, which it delegates to the Executive Committee.

Composition

During the year 2012, the Board of SES was composed of 18 directors, all of them non-executive directors. In accordance with the company's articles of association, 12 Board members represent holders of Class A shares and six Board members represent holders of Class B shares. In line with the decision taken by the shareholders at their annual general meeting in 2011, the mandates of the current directors will expire at the annual general meeting of shareholders in April 2013, 2014 and 2015. On December 6, Gaston Reinesch resigned from the Board of Directors with immediate effect. A replacement will be co-opted in February 2013.
Mr René Steichen is the Chairman of the Board of Directors. He was elected by the members of the Board in the meeting which followed the annual general meeting on April 5, 2012. René Steichen is currently assisted by two Vice Chairmen, Messrs François Tesch and Jean-Paul Zens, each one elected on the basis of proposals submitted by directors representing shareholders of Class A and of Class B shares, respectively.

In the event of a vacancy on the Board, the remaining directors may, upon a proposal from the Nomination Committee and on a temporary basis, fill such a vacancy by a majority vote. In this case, the next annual general meeting of shareholders will definitively elect the new director who will complete the term of the director whose seat became vacant.

In accordance with internal regulations, at least one-third of the board members must be independent directors. A Board member is considered independent if he or she has no relationship of any kind with the company or management which may impact his judgment. This is defined as:

- not having been a director for more than 12 years;
- not having been an employee or officer of the company over the previous five years;
- not having had a material business relationship with the company in the previous three years; and
- not representing a significant shareholder owning directly or indirectly more than 5% of the company's shares.

Ten of the current Board members are considered independent, as follows:
Mss Bridget Cosgrave and Miriam Meckel and Messrs Marc Beuls, Marcus Bicknell, Jacques Espinasse, Conny Kullmann, Robert W. Ross, Karim Sabbagh, Terry Seddon and Marc Speeckaert.

Of the eight directors who are not considered independent, six represent significant shareholders owning more than 5% of the company's shares and two have been directors for more than 12 years.

Pierre Margue, Vice President Legal Services Corporate and Finance acts as secretary of the Board of Directors.

Rules of functioning

The Board of Directors meets when required by the company's business, and at least once in a calendar quarter. It can only validly deliberate if a majority of the directors are present or represented. The resolutions of the Board are passed by a simple majority of votes of the voting directors present or represented, not considering abstentions. Any material contract that is proposed to be signed by the company or any of its wholly controlled operating subsidiaries with a shareholder owning, directly or indirectly, at least 5% of the shares of the company is subject to prior authorisation by the Board. In 2012, there were no transactions between the company and a shareholder owning directly or indirectly at least 5%of the company's shares.

Activities of the Board of Directors in 2012

The Board of Directors held seven meetings in 2012, with an average attendance rate of more than 95%. After endorsement by the Audit Committee, the Board approved the 2011 audited accounts, the proposed dividend and the results for the first half of 2012. During the year, the board approved the new strategic plan and a business plan for the period 2012–2018, which served as the basis for the 2013 budget discussed by the Board in December.

During the year 2012, the Board approved the procurement of SES-9 and an additional investment in O3b Networks Limited, a Jersey-based company which intends to provide 'fibre-like' connectivity to telecommunication customers in emerging markets by using a Medium Earth Orbit (MEO) satellite constellation.

The Board delegated to the Chairman's Office the issuing of new A- shares and B-shares under the authorized share capital, and ratified such issuing at its next meeting. The Board further approved a new facility lease in Princeton.

During 2012, the Board also decided to launch a new share buyback programme, which was implemented on Euronext Paris through the filing of a 'notice d'information' on May 8, 2012. The 2012 programme was limited to the following two objectives:
– to meet the company's obligations under its executive share ownership and stock option plans; and
– to operate under the framework of a liquidity contract signed with BNP Exane.

Finally, the Board noted two updates to the company's risk management report. During 2012, there was no self-evaluation of the Board's workings and its organization, but such self-evaluation is foreseen for 2013.

The Board was regularly informed by the Executive Committee on the group's activities and financial situation, as well as on the implementation of the new company wide information system that "went live" on January 1, 2013. The Board noted a report on global supply trends and received at each meeting, a report on ongoing matters. At each Board meeting, the chairmen of the three committees set up by the Board present a report on the latest developments discussed in these respective committees. In addition, a business report is distributed to the members of the Board on a monthly basis.

The current members of the Board of Directors are:

René Steichen

Born November 27, 1942. Mr Steichen became a director on June 1, 1995. He was elected Chairman on April 15, 1996. Prior to that time, he was a member of the Luxembourg government (1984–1993) and member of the European Commission (1993–1995). He is currently an attorney at law in Luxembourg. He is also a member of the Board of Directors of SES ASTRA and Chairman of the Board of Luxconnect S.A. Mr Steichen studied law and political science in Aix-en-Provence and Paris. He holds a doctorate in law and also earned the final degree in economics and finance from the Institut d'Etudes Politiques of Paris. Mr Steichen is the Chairman of the Board as well as of the company's Nomination and Remuneration Committees.

Mr Steichen is a Luxembourg national. He is not an independent director because he represents an important shareholder.

François Tesch

Born January 16, 1951. Mr Tesch became a director on April 15, 1999. He is Chief Executive Officer of Foyer S.A. and Luxempart S.A.. He graduated with a degree in economics from the Faculté d'Aix-en-Provence and holds an MBA from INSEAD (Institut Européen d'Administration des Affaires). Mr Tesch is also a Board Member of Atenor Group S.A. and Pescanova S.A., and Vice Chairman of the Board of SES and a member of the Nomination Committee of SES.

Mr Tesch is a Luxembourg national. He is not an independent director because he has been a director for more than 12 years.

Jean-Paul Zens

Born January 8, 1953. Mr Zens became a director on May 7, 2002, and was elected Vice Chairman on the same date. Mr Zens is also a member of the Board of Directors of SES ASTRA and Entreprise des Postes et Télécommunications, Luxembourg. He is currently Director of the Media and Communications department of the Ministry of State in Luxembourg. He holds a law degree and a degree in psychology and communications sciences from the University of Strasbourg. Mr Zens is a member of the Nomination Committee of SES.

Mr Zens is a Luxembourg national. He is not an independent director because he represents an important shareholder.

Serge Allegrezza

Born October 25, 1959. Mr Allegrezza became a director on February 11, 2010. He is currently the Director General of Statec, the Luxembourg Institute for Statistics and Economic Studies, a post he has held since April 2003. He was Conseiller de Gouvernement 1ère classe at the Ministry of Economics, responsible for internal market policy, and is the Chairman of the Observatory for Competitiveness. He is also the Chairman of the Board of Directors of Entreprise des Postes et Télécommunications and of the Board of LuxTrust i.n.c and a Vice Chairman of the Conseil Economique et Social. Mr Allegrezza, was a parttime lecturer at the IAE/University of Nancy 2, has a Master in economics and a PhD in applied economics.

Mr Allegrezza is a Luxembourg national. He is not an independent director, because he represents an important shareholder.

Marc Beuls

Born September 15, 1956, Mr Beuls became a director on April 7, 2011. He is the former President and CEO of Millicom International Cellular S.A., a position he held from 1998 to 2009. Prior to joining Millicom in 1992 as Senior Vice President in charge of finance and treasury, Mr Beuls worked for

Generale Bank in Belgium, specialising in project and trade financing in emerging markets. Mr Beuls graduated from the Limburg Business School, currently UHasselt, holding a degree in economics with a major in finance. Mr Beuls is a member of the Audit and Risk Committee of SES.

Mr Beuls is a Belgian national. He is an independent director.

Marcus Bicknell

Born February 28, 1948. Mr Bicknell became a director on May 6, 2005. Mr Bicknell is a director of New Media Foundry Ltd, a non-listed company in the United Kingdom, and is a member of the Development Board of the Royal Academy of Dramatic Art. From 1986 to 1990 he was Commercial Director of Société Européenne des Satellites. Mr Bicknell holds an MA Honours Degree in physical anthropology from Cambridge University. Mr Bicknell is a member of the Remuneration Committee and the Nomination Committee of SES.
Mr Bicknell is a British national. He is an independent director.

Bridget Cosgrave

Born July 1, 1961. Ms Cosgrave became a director on April 3, 2008. She is President and Founder of EVERY EUROPEAN DIGITAL, a project to develop broadband infrastructure opportunities, currently focused on Poland and Eastern Europe. From 2009 until 2011, Ms Cosgrave served as Director General of DIGITALEUROPE. Ms Cosgrave was with Belgacom S.A. from 2001-2007 as a member of the Executive Committee. Her roles there included Executive Vice President of the Enterprise division, Chairman of the International Carrier Services division, and Board Member of Belgacom Mobile (Proximus) and Telindus Group. Ms Cosgrave holds an MBA from London Business School and a BA (Hons) in Economics & History from Queen's University in Canada.

Ms Cosgrave is a dual Irish and Canadian national. She is an independent director.

Hadelin de Liedekerke Beaufort

Born April 29, 1955. Mr de Liedekerke Beaufort became a director on April 17, 2000. He is currently a director of Santander Telecommunications, a privately held company, as well as a director of other private companies with interests in various fields such as financial, communication and real estate developments. Mr de Liedekerke Beaufort graduated from the Ecole Hôtelière de Lausanne. Mr de Liedekerke Beaufort is a member of the Remuneration Committee of SES.

Mr de Liedekerke Beaufort is a French national. He is not an independent director because he has been a director for more than 12 years.

Jacques Espinasse

Born May 12, 1943. Mr Espinasse became a director on May 6, 2005. In May 2007, after five years of duty, he retired as a member of the Management Board and Chief Financial Officer of Vivendi. Mr Espinasse is the former Chief Operations Officer of TPS. He is a member of the Supervisory Boards of LBPAM, Axa Belgium, Axa Holdings Belgium, Axa Bank Europe and Hammerson Plc. and holds a BBA and an MBA from the University of Michigan. Mr Espinasse is a member of the Audit and Risk Committee and the Remuneration Committee of SES.

Mr Espinasse is a French national. He is an independent director.

Jean-Claude Finck

Born January 22, 1956. Mr Finck became a director on May 31, 2001. Mr Finck is Chief Executive Officer of Banque et Caisse d'Epargne de l'Etat, a member of the Boards of Directors of Bourse de Luxembourg S.A., Luxair S.A., Cargolux S.A., La Luxembourgeoise S.A., La Luxembourgeoise Vie S.A., Paul Wurth S.A., and La Banque Postale Asset Management. Mr Finck graduated with a degree in economics from the University of Aix/Marseille. Mr Finck is a member of the Audit and Risk Committee of SES.

Mr Finck is a Luxembourg national. He is not an independent director because he represents an important shareholder.

Conny Kullman

Born July 5, 1950. Mr Kullman became a director on April 5, 2012. He is a former Director General, CEO and Chairman of Intelsat. Mr Kullman graduated with a Master of Science in Electronic Engineering from the Chalmers University of Technology in Gothenburg in 1974. After working as a Systems Engineer for Saab-Ericsson Space AB in Sweden until 1983, he joined Intelsat in Washington, D.C., where he held several positions before becoming the company's Director General and CEO in 1998. Mr Kullman became the CEO of Intelsat, Ltd. in 2001, and in 2005, Chairman of Intelsat, Ltd., and CEO and President of Intelsat (Bermuda), Ltd., positions from which he retired in 2006.

Mr Kullman is a Swedish national. He is an independent director.

Miriam Meckel

Born July 18, 1967. Pr. Dr. Meckel became a director on April 5, 2012. She is Professor for Corporate Communication and Director of the Institute for Media Management and Communication, University of St. Gallen. Prior to her current position, she was Undersecretary of State for Europe, International Affairs and Media and government spokeswoman in the office of the Premier of North Rhine-Westphalia. She also worked as Professor for Journalism and Communication Studies at the University of Münster, and was Managing Editor and presenter of a television news magazine for RTL Television. She has also been active as a freelance journalist for public and commercial television. Pr. Dr. Meckel is a Member of the Board of Directors of the Ecole Hôtelière de Lausanne and of Commerzbank International S.A. Luxembourg. She holds a PhD in Communication Studies from the University of Münster.

Pr. Dr. Miriam Meckel is a German national. She is an independent director.

Victor Rod

Born April 26, 1950. Mr Rod became a director on November 23, 1995. He is President of Commissariat aux Assurances and Chairman of the Board of Directors of Banque et Caisse d'Epargne de l'Etat, Luxembourg. Mr Rod graduated with a degree in law from the University of Nancy.

Mr Rod is a Luxembourg national. He is not an independent director because he represents an important shareholder.

Robert W. Ross

Born January 8, 1941. Mr Ross became a director on June 28, 2007. He has had a long career in the field of media and telecommunications, in which he held senior executive and director positions. He retired as CEO of New Skies Satellites Ltd in January 2002 but continued to serve as advisor to the company until July 2004. Mr Ross graduated from Brown University and holds MA and JD degrees from Boston University in the United States.

Mr Ross is a United States national. He is an independent director.

Karim Michel Sabbagh

Born September 26, 1963. Dr Sabbagh became a director on April7, 2011. He is a Senior Partner and a practice leader for communications, media & technology at Booz & Company. He also serves as the Chairman of the Ideation Center, Booz & Company's think tank in the Middle East. Dr Sabbagh is a visiting professor in technology management and member of the Academic Council for the School of International Management at Écoles des Ponts et Chaussées ParisTech (Grandes Écoles) in France. In addition, Dr. Sabbagh also serves on the Advisory Council for the Global Information Technology Report by the World Economic Forum. He holds a BBA with Distinction from the American University of Beirut, an MBA from the American University of Beirut and a PhD with Honors in strategic management from the American Century University in New Mexico. Dr Sabbagh is a member of the Audit and Risk Committee of SES.

Dr Sabbagh is a Canadian and Lebanese national. He is an independent director.

Terry Seddon

Born February 14. 1941. Mr Seddon became a director on May 6, 2005. He has had a long international career in the field of telecommunications, in which he held several senior executive and director positions. He was Chairman of New Skies Satellites Ltd and was the founding CEO of AsiaSat. He has also held several non-executive directorships of U.K. manufacturing and operating companies. Mr Seddon graduated from Blackburn Polytechnic and Leeds University of the U.K. Mr Seddon is a member of the Remuneration Committee and the Nomination Committee of SES.

Mr Seddon is a British national. He is an independent director.

Marc Speeckaert

Born May 23, 1951. Mr Speeckaert became a director on May 6, 2005. He is the Managing Director of Sofina S.A. and a Director of several non-listed corporations, as well as of Rapala (which is listed on the Helsinki Stock Exchange), and of Mersen (which is listed on Euronext Paris). Mr Speeckaert graduated with a degree in applied economics and holds a Master in Business and Administration from the Université Catholique de Louvain (UCL) in Belgium. He also participated in an Advanced Management Program from Wharton, University of Pennsylvania (USA). Mr Speeckaert is the Chairman of the Audit and Risk Committee and a member of the Nomination Committee of SES.

Mr Speeckaert is a Belgian national. He is an independent director.

Committees of the Board of Directors

The Chairman’s Office

The Chairman and the two Vice Chairmen are members of the Chairman’s Office. The Chairman’s Office prepares the agenda for the Board meetings, allowing the Vice Chairmen to co-ordinate the preparation of the Board meetings with the directors of their share class.

Current members are:
Mr René Steichen, Mr François Tesch and Mr Jean-Paul Zens.

The Chairman’s Office met seven times during 2012, with a members’ attendance rate of 100%. In its June meeting, and based on a delegation from the Board, the Chairman’s Office, in the presence of Notary Me Joelle Baden, proceeded to issue 4,614,870 new A-shares to Goldman Sachs and 2,307,435 new B-shares to the existing B-shareholders. The company had agreed with Goldman Sachs to buy back these A-shares within the context of its share buy back program.

The Remuneration Committee

In accordance with general corporate governance standards, the company’s Board established a Remuneration Committee, which determines the remuneration of the members of the Executive Committee and advises on the overall remuneration policies applied throughout the company. It reports to the Board at each meeting through its chairman. The Remuneration Committee is composed of six members, at least half of whom are independent Board members in line with the SES internal regulations. After the annual general meeting, Mr Gaston Reinesch replaced Mr Jean-

Claude Finck as a member of the Remuneration Committee, until his resignation from the Board in December, when Jean-Paul Zens became a member of the Remuneration Committee. The Remuneration Committee is now composed of the following six non-executive directors:
Mr René Steichen, Mr Marcus Bicknell (independent), Mr Jacques Espinasse (independent), Mr Hadelin de Liedekerke Beaufort (independent), Mr Terry Seddon (independent), and Mr Jean-Paul Zens.

The Remuneration Committee was chaired in 2012 by the Chairman of the Board.

The Remuneration Committee held three meetings, with an attendance rate of 100%. Matters addressed related to the determination of the 2012 stock option grant and the 2011 bonus for members of the Executive Committee. The Remuneration Committee further determined the number of performance shares allocated to the members of the Executive Committee for their performance in 2011 and it adopted the 2012 business objectives, which are used as one element in the determination of their bonuses for 2012. After each meeting, the Board is briefed in writing about the work of the Remuneration Committee.

The Remuneration Committee also oversees the implementation of the decision under which the members of the Executive Committee must within five years hold the equivalent of an annual salary's worth of registered shares in the company (with the President and CEO of SES having to hold shares worth two years of his salary).

The Audit and Risk Committee

As part of its overall corporate governance, the Board established an Audit and Risk Committee, which assists the Board in carrying out its oversight responsibilities in relation to corporate policies, risk management, internal control, internal and external audit and financial and regulatory reporting practices. The committee has an oversight function and provides a link between the internal and external auditors and the Board. The Audit Committee is composed of six members, four of whom are independent Board members.
The current members of the Audit and Risk Committee are:
Mr Marc Speeckaert, Chairman of the Audit and Risk Committee (independent), Mr Marc Beuls (independent), Mr Jacques Espinasse (independent), Mr Jean-Claude Finck, and Mr Karim Sabbagh (independent). Mr Gaston Reinesch was a member of the Audit and Risk Committee until December 6, 2012.
The Audit and Risk Committee held four meetings, with a members' attendance rate of nearly 96%.

The meetings were dedicated in particular to the review of the 2011 financial results before their submission to the Board and their subsequent approval by the shareholders at the statutory annual general meeting, and to the results of the first half of 2012. Members of the Board also had the opportunity to communicate any comments they had on the company's quarterly results through the Chairman of the Audit and Risk Committee prior to the publication of these results.

The Audit and Risk Committee reviewed the company's statement on internal control systems prior to its inclusion in the annual report, and endorsed the proposal to reappoint Ernst & Young for another year.

It approved the Internal Audit plan, and received bi-annual updates on the Internal Audit activities and on the follow-up of the major recommendations. It also reviewed the Ernst & Young Management letter.

The Audit and Risk Committee further continued to encourage management in its efforts to eliminate as many non-operating legal entities as possible. In line with good corporate governance practice, the Audit and Risk Committee launched an RFP for the appointment of the external auditor. As a result of this process, the shareholders will be asked to appoint a new external auditor for 2013. The members of the Audit and Risk Committee also met with the proxy board that monitors the activities of SES Government Solutions, a 100% affiliate based in the US.

The Audit and Risk Committee received bi-annual updates on risk management from the SES risk management committee and held several thorough discussions on IT security. The Committee received an update on the counterparty, market and political risks faced by SES, as well as on the credit profiles of SES' customers. It discussed tax risk mitigation as well as some compliance issues. Finally the Audit and Risk Committee was briefed on the implementation of the new company wide information system that "went live" on January 1, 2013.

After each meeting, the Board is briefed in writing about the work of the Audit and Risk Committee.

The Nomination Committee

In accordance with general corporate governance standards, the Board established a Nomination Committee whose role is to identify and nominate suitable candidates for the Board of Directors, for election by the annual general meeting of shareholders. Such proposals are based on submissions from shareholders for a number of candidates at least equal to the number of posts to be filled for each class of shareholders. The Nomination Committee also proposes candidates for Executive Committee membership for election by the Board.

The Nomination Committee is composed of six members, at least half of whom are independent Board members in line with the SES internal regulations. The current members of the Nomination Committee are:
Mr René Steichen, Mr Marcus Bicknell (independent), Mr Terry Seddon (independent), Mr Marc Speeckaert (independent), Mr François Tesch, and Mr Jean-Paul Zens.

The Nomination Committee was chaired in 2012 by the Chairman of the Board. The Nomination Committee met six times, with an attendance rate of 100%. The main topics discussed related to the Management Succession Plan 2012 as well as to the preparation of the Board renewal.

After each meeting, the Board is briefed in writing about the work of the Nomination Committee.

The Executive Committee

Mission

The Executive Committee is in charge of the daily management of the group. It functions as a collegial body. The Executive Committee is mandated to prepare and plan the overall policies and strategies of the company for approval by the Board. It may approve intra-group transactions, irrespective of the amount, provided that they are consistent with the consolidated annual budget of the company, and specific transactions with third parties for an amount up to EUR 10 million per project. It informs the Board at its next meeting on each such transaction, it being understood that the aggregate amount for such transactions with third parties can at no time be higher than EUR 30 million.

The Executive Committee may approve any external credit facilities or external guarantees, pledges, mortgages and any other encumbrances of the company, or any wholly-owned affiliate, so long as the company will not lose its investment grade rating as a result of such facility or guarantee. It may approve increases of up to 5% in the capital expenditure budget for a satellite procurement already approved by the Board, it being understood that the Internal Rate of Return will need to comply with certain specific thresholds defined by the Board. The Executive Committee informs the Board at its next meeting of each such increase.
The Executive Committee submits to the Board those measures which it deems necessary to be taken in order to meet the purposes of the company. Prior to the beginning of each fiscal year, the Executive Committee submits to the Board a consolidated budget for approval.

The Executive Committee is in charge of implementing all decisions taken by the Board and by the committees specially mandated by the Board. The Executive Committee may, in the interests of the company, sub-delegate part of its powers and duties to its members acting individually or jointly.

The Chairman of the Executive Committee organises the work of the Executive Committee and co-ordinates the activities of its members, who report directly to him. In order to facilitate the implementation by the Board of its overall duty to supervise the affairs of the company, the Chairman of the Executive Committee informs the Chairman of the Board on a regular basis of the company's activities. The latter receives the agenda and the minutes of all meetings of the Executive Committee in due time. During 2012, the Executive Committee met 45 times, with an attendance rate of more than 96.44%. Mr Pierre Margue, Vice President Legal Services Corporate and Finance, the secretary of the Board of Directors, also acted as secretary to the Executive Committee.

Composition

The following persons are members of the Executive Committee:
the President and CEO, who assumes the chairmanship of the Executive Committee, the Chief Financial Officer, the Chief Commercial Officer, the Chief Development Officer, and the Chief Technology Officer.
Members of the Executive Committee are nominated by the Board of Directors upon a proposal from the Nomination Committee.

During the year 2012, the five members of the Executive Committee were:

Mr Romain Bausch

Born July 3, 1953, Mr Bausch has been President and Chief Executive Officer of SES since 1995, following a career in the Luxembourg civil service (Ministry of Finance). Before joining SES as its chief executive. Mr Bausch occupied key positions in the banking, media and telecommunications sectors and spent a five-year term as a Director and Vice Chairman of SES. Mr Bausch is also Chairman of the Board of Directors of SES ASTRA, Vice Chairman of the Board of Directors of O3b Networks, and member of the Board of Solaris Mobile Ltd. Mr Bausch also serves as a Director of Fedil – Business Federation Luxembourg and is a member of the Boards of Directors of Aperam, BIP Investment Partners, and Compagnie Financière La Luxembourgeoise. He graduated with a degree in economics (specialisation in business administration) from the University of Nancy. He holds an honorary doctorate from the Sacred Heart University in Luxembourg.

Mr Andrew Browne

Born June 4, 1955, Mr Browne became Chief Financial Officer of SES effective April 1, 2010. Mr Browne previously held CFO and board positions at a number of global companies and organisations, specialising in the telecommunications and high-technology sectors. Mr Browne was the CFO of Intelsat from 1995 to 1999, and subsequently at New Skies Satellites following the company's spin-off from Intelsat, in which Mr Browne played a significant role. Mr Browne was CFO at SES NEW SKIES until 2008. He also served as acting CEO for the completion of the integration process into the SES group. Since then, Mr Browne has held a number of board and advisory positions with a number of companies, most recently as Chairman of TomTom, the Dutch satellite navigation company. Mr Browne's earlier career has included senior financial positions at Advanced Micro Devices (AMD) in California and the Development Bank of Ireland. He holds an MBA, International Business and Finance, from Trinity College, Dublin, and is a member of the Institute of Certified Public Accountants of Ireland (CPA). Mr Browne is a member of the Boards of SES ASTRA, O3b Networks and YahLive.

Mr Martin Halliwell

Born April 20, 1959, and appointed Chief Technology Officer on May 1, 2011. Mr Halliwell was President of SES ENGINEERING from January 1, 2008 to April 2011. Prior to this assignment, Martin Halliwell held the position of SVP and Chief Technology Officer at SES ASTRA, where he was responsible for all engineering and operational activities. In the course of his career at SES ASTRA, Mr Halliwell held a number of positions, including General Manager, Global Multimedia Networks, Technical Director of SES Multimedia, and Deputy to the Technical Director of SES ASTRA. Prior to joining SES, Martin Halliwell worked for Cable & Wireless and for Mercury Communications. Mr Halliwell holds a BA in Mathematics and Mechanical Engineering and an MBA specialising in external environment and strategic management from the Open University. Mr Halliwell is a member of the Boards of SES ASTRA and O3b Networks.

Mr Ferdinand Kayser

Born July 4, 1958, and appointed Chief Commercial Officer of SES on May 1, 2011. Mr Kayser was previously President and Chief Executive Officer of SES ASTRA as of January 2002. Mr Kayser came to SES from Premiere World, the digital pay-TV bouquet of Germany's Kirch Group, where he was Managing Director between 1997 and 2001. Prior to joining the Kirch Group, Mr Kayser held a number of executive positions at CLT, Europe's largest commercial broadcaster, including Senior Vice President in charge of German TV and radio activities (1989–1992), Managing Director in charge of the launch of RTL2 (1993), and Executive Vice President and member of the Management Board responsible for all TV activities of CLT (1993–1996). Mr Kayser holds a Master of Economics from the University of Paris 1, Panthéon-Sorbonne, and has concluded specialised university studies in Media Law and Management of Electronic Media. Mr Kayser is a member of the Boards of SES ASTRA, ODM and YahLive.

Mr Gerson Souto

Born June 14, 1964, and appointed Chief Development Officer of SES on May 1, 2011. Mr Souto joined SES in 1998 for a career in the Business Development function and held various executive positions within SES. Since 2009, Mr Souto was a member of the executive management of SES' WORLD SKIES division with responsibility for commercial services. Prior to that and since 2007, he held similar responsibilities at SES' NEW SKIES division. Prior to joining SES, Mr Souto worked for Intelsat and Embratel. Mr Souto holds an MBA from George Washington University in Washington, D.C., an MA in Telecommunication Systems from the Pontifical Catholic University in Brazil, and a bachelor's degree in Telecommunication Engineering from the Federal Fluminense University in Brazil. Mr Souto is a member of the Boards of SES ASTRA, O3b Networks and Solaris Mobile Ltd.

Remuneration

Remuneration of the members of the Board of Directors

The annual general meeting of shareholders determines the remuneration of the members of the Board of Directors for attending Board and committee meetings. In 2012, the shareholders decided to maintain the fees paid to the directors at the previous year's level, by a majority of more than 99.99%. Directors receive a fixed fee of EUR 40,000 per year, whereas the Vice Chairmen and the Chairman of the Audit and Risk Committee receive an annual fixed fee of EUR 48,000, and the Chairman receives EUR 100,000 per year.
The shareholders also maintained the fees per meeting at EUR 1,600 for each meeting of the Board or a committee of the Board attended. Half of that fee is paid if the director participates via telephone or videoconference in the meeting.

All these fees are net of any Luxembourgish withholding taxes. The total net remuneration fees paid for the year 2012 to the members of the Board of Directors (net of the Luxembourgish withholding tax) amounted to EUR 1,112,000 of which EUR 308,000 were paid as variable fees, with the remaining EUR 804,000 representing the fixed part of the Board fees. The gross overall figure for the year 2012 was EUR 1,390,000.

Company stock owned by members of the Board of Directors

On December 31, 2012, the members of the Board of Directors and their closely associated family members owned a combined total of 663,605 shares and FDRs (representing 0.13% of the company's share capital).
Transactions made by members of the Board of Directors are published on the company's website under Management Disclosures. Directors are required to comply with the company's Dealing Code.

Remuneration of the members of the Executive Committee

The remuneration of the members of the Executive Committee is determined by the Remuneration Committee. It is composed of a fixed and a variable part. The total gross remuneration paid to the members of the Executive Committee relative to the year 2012 amounted to EUR 6,974,760.57 of which EUR 2,988,743.65 represented the fixed part and EUR 3,986,016.92 the variable part. The direct remuneration paid to the members of the Executive Committee amounted to EUR 4,245,837.54 whereas the indirect remuneration was EUR 2,728,923.03. The indirect remuneration contains the benefits derived by the members of the Executive Committee from the company's executive stock option plan and the long-term incentive plan, as adopted by the Board of Directors. During 2012, the members of the Executive Committee were awarded a combined total of 207,150 options to acquire company FDRs at an exercise price of EUR 18.38, the price being based on the average of the closing price on Euronext Paris of the first 15 trading days following the Remuneration Committee meeting at which the options were authorised. A quarter of those options vested on January 1, 2013, the remaining quarters vesting on January 1, 2014, 2015 and 2016, respectively. In 2012, members of the Executive Committee were granted 82,896 restricted shares as part of the company's long-term incentive plan, and 32,642 performance shares. These shares will vest on June 1, 2015.

During 2012, Messrs Romain Bausch, Andrew Browne, Martin Halliwell, Ferdinand Kayser and Gerson Souto sold some or all of the restricted shares which vested on June 1, 2012. SES publishes the details of all transactions made by its Board members and by the members of its Executive Committee on its website: http://www.ses.com/management-disclosures.

Each member of the Executive Committee is entitled to two years of base salary if his contract is terminated without cause. If a member of the Executive Committee resigns, he is not entitled to any compensation.

Company stock owned by members of the Executive Committee

On December 31, 2012, the five members of the Executive Committee then in place owned a combined total of 223,939 shares and FDRs, 289,710 unvested restricted and performance shares, and 1,397,539 options. Transactions made by members of the Executive Committee are published on the company's website under Management Disclosures. Executive Committee members are required to comply with the company's Dealing Code.

External auditor

In accordance with the Luxembourg law on commercial companies, the company's annual and consolidated accounts are certified by an external auditor appointed by the annual general meeting of shareholders. On April 5, 2012, the shareholders retained Ernst & Young for another year and approved its remuneration, by a majority of 99.483%. The mandate of Ernst & Young will expire at the annual general meeting on April 4, 2013.

Business risks and their mitigation

This section contains a summary of the main risks that SES may face during the normal course of its business. However:

- this section does not purport to contain an exhaustive list of the risks faced by SES. SES may be significantly affected by risks that it has not identified or considered not to be material;
- some risks faced by SES, whether they are mentioned in this section or not, may arise from external factors beyond SES' control;
- where mitigations are mentioned in this section, there is no guarantee that such mitigations will be effective (in whole or in part) to remove or reduce the effect of the risk.

Risks relating to procurement

Risk of launch delays and/or launch failures

SES is planning to launch six satellites between 2013 and 2015. The launch of any of these satellites carries a risk of delay for a variety of reasons, including the late availability of the satellite for shipment to the launch site, the late availability of the launch service, or last-minute technical problems arising on the satellite or launcher.

A launch delay or failure could have a material negative effect on revenue and also potentially cause the loss of frequency rights at certain orbital positions. Satellite launch and in-orbit insurance policies do not compensate for lost revenues due to the loss of customers or for consequential losses resulting from any launch delay or failure.

SES attempts to mitigate the risk of a launch delay interrupting existing services by establishing sufficient time margins in procurement schedules for replacement satellites and by exercising rights in multi-launch agreements with launch service providers(ILS and Arianespace) which may allows SES to switch satellites to a backup launch vehicle in case of late availability of the primary launcher.

For each launch, there is always a risk of reduced satellite lifetime (in case of incorrect orbit injection), reduced functionality of the satellite, or the total loss of a satellite.

SES attempts to mitigate the risk of launch failure in several ways including by detailed technical risk management of each satellite and launch vehicle programme, asset insurance for each launch, and a staggered fleet deployment scheme (allowing assets to be repurposed in the case of a single satellite failure so as to minimize the impact on customers and revenues where possible).

Risk of dependency on launch service providers

SES is largely dependent on Arianespace, ILS and SpaceX to launch its satellites into space. SES may incur significant delays in launching new satellites in the event of a prolonged unavailability of one of those three systems. This risk is partly mitigated by SES' multi-launch agreements with these providers; however, the prolonged unavailability of one of the launch systems would likely cause a global shortage in launch service capacity.

Risk of dependency on satellite manufacturers and secondary suppliers

SES is dependent on six major satellite manufacturers for the construction of its satellites. Dependency on a small number of satellite manufacturers may reduce SES' negotiating power and access to advanced technologies (which may only be available to certain suppliers). It may also result in a higher concentration of risk – SES may incur significant delays in procuring new satellites in the event of prolonged problems at one of these satellite manufacturers. Further, the difficulties caused by any technical problems with the design of a particular model of satellite may be multiplied if several satellites of that design are purchased.

In addition, there are a limited number of second tier suppliers of certain key components for communication satellites. SES may incur significant delays in launching new satellites in the event of prolonged problems at one of these secondary suppliers.

SES attempts to mitigate these risks by a frequent monitoring of its supplier base, maintaining multiple procurement sources and developing relationships with new suppliers to the extent possible.

Risks relating to satellites

Risk of in-orbit failure

One or more of SES' satellites may suffer in-orbit failures, ranging from a partial impairment of their commercial capabilities to a total loss of the asset. In the event of such a failure, SES may not be able to continue to provide service to its customers from the same orbital slot or at all.

SES attempts to mitigate the risk of in-orbit failure by careful vendor selection and high quality in-orbit operations. The impacts of such failures on customer service and related revenues are mitigated by an in-orbit backup strategy where customers on an impaired satellite can be transferred to another satellite in the fleet. However, there is no guarantee that these mitigations will be entirely effective, especially in the event of the failure of several satellites.

In-orbit insurance constitutes an additional financial mitigation against the risk of impairments, subject to the limitations of such insurance.

Risk of short operational life

The design life of SES satellites is typically 15 years. In the event of changes in the expected fuel life of the satellite, in-orbit anomalies or other technical factors, its actual life may be shorter than 15 years. This could lead to the satellite being depreciated faster than anticipated and the lifetime revenue generated by the satellite being reduced, diminishing the overall return on investment for the asset. SES attempts to mitigate the risk of a reduced operational life by careful vendor selection and high quality in-orbit operations.

Risks relating to insurance

Insurance coverage risk

SES' satellites may be subject to damage or loss from events that might not be covered by insurance policies. SES maintains launch and initial in-orbit insurance, in-orbit insurance and third party liability insurance for its satellites. The insurance policies generally contain exclusions for losses resulting from:

– military or similar action;
– any anti-satellite device;
– electromagnetic and radio interference (except for physical damage to a satellite directly resulting from this interference);
– confiscation by any governmental body;
– insurrection and similar acts or governmental action to prevent such acts;
– nuclear reaction or radiation contamination;
– wilful or intentional acts causing the loss or failure of satellites; and
– terrorism.

The insurance policies do not provide compensation for business interruption, loss of market share, reputational damage, loss of revenue, incidental and consequential damages, and similar losses that might arise from the failure of a satellite launch, incorrect orbital placement or the failure of a satellite to perform according to specifications. In addition, SES' in-orbit insurance only covers losses in excess of the risk retention level selected by SES.

The insurance policies may exclude from coverage failures arising from pre-existing defects, such as defects in solar array and battery anomalies of some existing satellites. In addition, SES will not be fully reimbursed if the cost of a replacement satellite exceeds the sum insured. As a consequence, the loss, damage or destruction of any satellites as a result of any of these events could result in material increases in costs or reductions in expected revenues, or both.

SES has reviewed its approach to in-orbit insurance of its satellites and, in recognition of its excellent procurement and operating record, has adopted a policy of limited self-insurance. Premiums are paid to a wholly-owned subsidiary, thus reducing the amount of insurance premiums paid to external insurance companies.

If any event occurs that is covered by the in-orbit insurance, the payment of a claim could result in material increases in costs.

SES has third party liability insurance that covers damage suffered by third parties resulting from accidents such as launch failures and satellite collisions. It is subject to an annual combined single limit of EUR 500 million of coverage.

Insurance availability risk

Satellite insurance is a cyclical market dominated by the law of supply and demand. The amount of capacity currently available in the market is adequate to cover SES satellite programmes. However, events outside SES' control – including large losses and shifts of insurance capacity from space to other lines of business – could change this situation. This could result in increases in the amount of insurance premiums paid by SES to cover its risks and affect its ability to obtain the desired level of coverage.

Risks relating to customers

Risk of key customer loss

SES depends on a number of key customers whose loss (or non-renewal) would reduce SES' revenues. SES' five largest commercial customers represented approximately 25% of SES' total revenues in 2012. The total revenue generated from contracts with the U.S. government (and customers serving the U.S. government) represented approximately 10% of SES' total revenues in 2012.

If key customers reduce their reliance on SES by developing or increasing relationships with other satellite operators (or moving to other telecommunications solutions) and such key customers cannot be replaced, SES' revenues may be impacted negatively.

SES' main existing satellite capacity agreements for direct to home in Europe have contract durations typically of ten years, with some contracts for longer periods. If SES is unsuccessful in obtaining the renewal of its satellite capacity agreements on commercial terms similar to those currently reflected in its agreements, revenues could be adversely affected for some time.

SES' customer base is subject to constant change. Bankruptcy of key customers or customer consolidation resulting from mergers and acquisitions can reduce demand for SES' satellites capacity, affecting SES' revenues.

Risks inherent in international business

SES conducts business around the world. It is exposed to such issues as financial, regulatory, geopolitical, tax and trade risks in many jurisdictions. Political and financial stability in some jurisdictions may impact SES' business in that country. It may be difficult in practice for SES to enforce its legal rights in some jurisdictions.
The inherent instability of doing business in certain jurisdictions may have a negative impact on SES' revenues.

Risks inherent in doing business with the U.S. government

The proxy structure of the SES Government Solutions entity, in line with common practice for businesses serving certain segments of the U.S. government, imposes various restrictions on SES' Board of Directors and executive management in directly supervising the maintenance of an internal control system and imposing an internal audit structure. However, these restrictions are mitigated through an agreement on a required risk management and internal control framework.

Risks relating to the satellite communications market

Competition risk

The telecommunications market is fiercely competitive and SES faces competition from satellite, terrestrial and wireless networks.

SES faces competition from international, national and regional satellite operators. Some national operators receive tax and regulatory advantages in their country which are not available to SES. The development of national satellite programmes may hinder SES' ability to compete in those countries on normal economic terms.

In addition, SES competes with operators of terrestrial and wireless networks. Any increase in the technical effectiveness or geographic spread of these terrestrial and wireless networks could result in a reduction in demand for SES' satellites. Some terrestrial and wireless operators may receive state aid and subsidies not available to SES.

Competition in the telecommunications market could result in a demand reduction for SES' satellite capacity and have a significant negative impact on SES' results.

Technology risk

The satellite telecommunications industry is vulnerable to technological change. SES' satellites could become obsolete due to unforeseen advances in telecommunications technology, leading to a reduction in demand for its services and a negative impact on revenues.

The use of new technology to improve signal compression rate could lead to a reduction in demand for SES' satellites, which, if not offset by an increase in demand, could lead to a negative impact on SES' results.

Risks relating to SES' strategic development

Emerging market risk

SES' development strategy involves targeting new geographical areas and emerging markets and potentially to develop joint ventures or partnerships with local telecommunications, media and financial businesses in order to improve market access for its services.

SES may be exposed to the inherent instability of doing business in those regions. Such inherent instability could have an adverse impact on SES' revenue.
Please also see "**Risks inherent in international business"** above.

In some emerging markets, customers may be less financially secure and run a higher risk of insolvency than in more developed markets. The failure of a customer could have an adverse impact on SES' revenues.

Investment risk

SES regularly evaluates opportunities to make strategic investments. These opportunities may not become investments due to a number of factors, such as antitrust reviews, financing costs and regulatory approvals. If an investment is made, it may adversely affect SES results, due to financing costs or the performance of the investment following acquisition.
SES has a number of strategic investments in businesses that it does not fully control. As a result, SES is dependent in part on the cooperation of other investors and partners in protecting and realising the full potential of certain investments. SES may not be able to prevent strategic partners from taking actions that are contrary to SES' business interests.

SES also invests in new and innovative projects, such as O3b Networks, which often feature new technology or uncertain market demand. If the technology is not successful or demand does not materialise as planned, the value of SES' investment may be reduced.

In relation to O3b, there can be no assurance that the business will not require further funding. If SES was to increase its investment in O3b to over 50%, it would have to include O3b's indebtedness in SES' financial statements. It may also have to purchase the shares of the minority investors at a fair market value.

SES has also earmarked certain funds for investment, which includes the replacement of existing satellites (often with increased capacity) and the launching of new satellites. The successful marketing and sale of new capacity is dependent on the underlying demand for satellite capacity in the targeted regional markets. If that demand does not materialise as anticipated, SES' financial forecasts may not be met.

Risks related to Regulatory and Corporate

Legal risk

SES cannot always predict the impact of laws and regulations on its operations. The operation of the business is and will continue to be subject to the laws and regulations of the governmental authorities of the countries where SES operates or uses radio spectrum, or offers satellite services or capacity, and to the frequency co-ordination process of the International Telecommunication Union (ITU). Regulation and legislation is extensive and outside SES' direct control. New or modified rules, regulations, legislation or decisions by a relevant governmental entity or the ITU could materially and adversely affect operations.

The international nature of SES' business means that it is subject to potential civil or criminal liability under the U.S., UK, EU and other regulations in relation to economic sanctions, export controls and anti-bribery requirements. International risks and violations of international regulations may negatively affect future operations or subject SES to criminal or civil enforcement actions.

Disputes in relation to SES' business arise from time to time and can result in legal or arbitration proceedings. The outcome of these proceedings cannot be predicted. A negative outcome in a substantial litigation or arbitration case could have a material impact on SES' business and financial position.

Spectrum access risk

SES needs access to orbital slots and associated frequencies to permit it to maintain or grow its satellite system.

The ITU establishes radio regulations and is responsible for the allocation of frequency spectrum for particular uses and the allocation of orbital locations and associated frequency spectrum. SES can only access spectrum through ITU filings made by national administrations.

Orbital slots and associated frequencies are a limited resource. The ITU may reallocate spectrum from satellite to terrestrial uses. In addition, national administrations are increasingly charging for access to spectrum by the use of fees and auctions.

Any reallocation of spectrum from satellite to terrestrial uses or charging by national administrations may have a significant adverse effect on SES' current results and future prospects.

Spectrum co-ordination risk

SES is required to co-ordinate the operation of its satellites with other satellites operators through the ITU, so as to prevent or reduce interference between satellites. It may not always be possible to reach such coordination, which may affect the planned operation by SES of its satellites. SES may also be required to co-ordinate any replacement satellite that has performance characteristics which differ from those of the satellite it replaces.

As a result of such co-ordination, SES may be required to modify the proposed coverage areas of its satellites, or to modify satellite design or transmission plans in order to eliminate or minimise interference with other satellites or ground-based facilities. Those modifications may mean that use of a particular orbital position is significantly restricted, possibly to the extent that it may not be economical to place a new satellite in that location. In addition, interference concerns of a country may affect the ability of SES' satellite network to generate revenues due to the operational restrictions that the country may impose.

Similarly, the performance of SES' satellites in certain areas could be adversely affected if ITU regulations or other legal constraints fail to prevent competing satellite operators from causing harmful interference by the operation of their satellites.

Spectrum bringing into use risk

If SES does not

- occupy unused orbital locations by specified deadlines, or
- maintain satellites in the orbital locations it currently uses, or
- operate in all the frequency bands for which a licence has been received,

those orbital locations or frequency bands may become available for other satellite operators to use.

SES has access to a large portfolio of orbital locations that have been filed at the ITU through various administrations. For each filing, the ITU and the national regulators impose various conditions that have to be met in order to secure the spectrum. Operational issues such as satellite launch failure, launch delay or in-orbit failure might compromise the access to the spectrum at specific orbital locations. SES is committed to the highest quality in satellite procurement and launch, which helps to reduce this risk. In addition, SES' large fleet permits the relocation of in-orbit satellites in order to meet the regulatory conditions in some of the cases.

Regulatory risk

SES may need to obtain and maintain approvals from authorities or other entities to offer or operate satellite capacity. For example, SES must obtain authorisations or landing rights in certain countries for satellites to be able to transmit signals to or receive signals from those countries. The failure to obtain landing rights or the authorisations necessary to operate satellites internationally to provide services could lead to loss of revenues.

Customers are responsible for obtaining regulatory approval for their operations. As a result, there may be governmental regulations of which SES is not aware or which may adversely affect the operations of customers. SES could lose revenues if customers' current regulatory approvals do not remain sufficient in the view of the relevant regulatory authorities, or if additional necessary approvals are not granted on a timely basis, or at all, in all jurisdictions in which customers wish to operate or provide services, or if applicable restrictions in those jurisdictions become unduly burdensome.

Export control

U.S. companies and companies located in the United States must comply with U.S. export control laws in connection with any information, products or materials that they provide to foreign companies relating to communications satellites, associated equipment and data. SES' U.S. operations may not be able to maintain normal international business activities and SES' non-U.S. operations may not be able to source satellites, satellite-related hardware, technology and services in the United States if:

– export licences are not obtained in a timely fashion;
– export licences do not permit transfer of all items requested;
– launches are not permitted in the locations that SES prefers; or
– the requisite licence, when approved, contains conditions or restrictions that pose significant commercial or technical problems.

Such occurrences could impede construction and delay the launch of future satellites, adversely impacting current and/or future revenues.

External threat risk

In common with other satellite operators, SES is vulnerable to the risk of terrorist acts, sabotage, piracy, attack by anti-satellite devices, jamming and natural disaster. Such external threats may lead to a temporary or permanent interruption in service and/or the loss of customers. Any such act could have a potentially significant adverse effect on SES' results.

Cyber risk

SES' operations may be subject to hacking, malware and other forms of cyber-attack. SES has put in place protections against these forms of cyber-attack and is continually updating its defences. However, the environment for cyber-attack is increasingly hostile and there remains a risk to SES.

Risk of loss of key employees

SES has a number of key employees with highly specialised skills and extensive experience in their fields. If one of these employees were to leave, SES may have difficulty replacing him or her. SES attempts to mitigate the risk of losing key employees by retention programmes, succession planning and development plans.

If SES is unable to retain key employees or attract new highly-qualified employees, it could have a negative impact on SES' business, financial situation and results.

Unforeseen high impact risk

SES' operations may be subject to unforeseen events which are both improbable and have a high impact. Due to the unforeseen nature of the event, it is difficult to manage the impact of such events or predict the nature or extent of the damage. Such unforeseen events may have a significant negative impact on SES' business, financial situation and results.

Risks relating to finance

Economic conditions risk

The global financial system has suffered considerable turbulence and uncertainty in recent years, including the Eurozone sovereign debt crisis. This turbulence has contributed to a general economic slowdown in many of the countries where SES operates. If potential customers face difficulties funding their business plans, this may have a negative effect on SES' performance, which could in turn delay the onset of new revenue.

Cash flow risk

SES operates a strong business model but if, for any reason, SES is not successful in implementing its business model, cash flow and capital resources may not be sufficient to repay indebtedness. If SES is unable to meet debt service obligations or comply with covenants, a default under debt agreements would occur. To avoid a possible default or upon a default, SES could be forced to reduce or delay the completion or expansion of the satellite fleet, sell assets, obtain additional equity capital, or refinance or restructure its debt.

Debt rating risk

A change in SES' debt rating could affect the cost and terms of its debt, as well as its ability to raise finance. SES' policy is to attain, and retain, a stable BBB rating with Standard & Poor's and Fitch, and a Baa2 rating with Moody's. If SES' credit rating was downgraded, it may affect SES' ability to obtain financing and the terms associated with that financing. SES cannot guarantee that it will be able to maintain its credit ratings.

Financial covenant risk

Many of SES' financing agreements require it to maintain a net debt to EBITDA ratio of not more than 3.5 to 1. Several major rating agencies have indicated that failure to comply with SES' policy of maintaining a ratio of not more than 3.3 to 1 could result in a review of SES' credit rating. Complying with this ratio may limit SES' flexibility and opportunities including by limiting capital expenditures and investments.

Tax risk

SES' financial results may be materially adversely affected by unforeseen additional tax assessments or other tax liabilities.

SES does business in many different countries and is potentially subject to tax liabilities in multiple tax jurisdictions. It has tax liabilities on its business operations in multiple jurisdictions. SES makes provisions in its accounts for current and deferred tax liabilities and tax assets based on a continuous assessment of tax laws relating to it.

However, SES cannot be certain of a tax authority's application and interpretation of the tax law. SES may be subjected by tax authorities to unforeseen material tax claims, including late payment interest and/or penalties. These unforeseen tax claims may arise through a large number of reasons including identification of a taxable presence of a non-indigenous group company in a taxing jurisdiction, transfer pricing adjustments, application of indirect taxes on certain business transactions after the event, and disallowance of the benefits of a tax treaty. In addition, SES may be subject to tax law changes in a taxing jurisdiction leading to retroactive tax claims.

SES has implemented a tax risks mitigation charter based in part on a framework of tax opinions for the financially material tax positions taken by SES, transfer pricing documentation for the important inter-company transactions of SES, a transfer pricing policy, and procedures for accurate tax compliance in all taxing jurisdictions.

Liquidity risk

SES requires liquidity to maintain its operations and meet its obligations. Any liquidity problems may have a significant impact on SES' operations and lead to the breach of contractual obligations. SES' 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, SES can call on uncommitted loans and a committed syndicated loan. In addition, if deemed appropriate based on prevailing market conditions, SES can access additional funds through a European Medium-Term Note or commercial paper programme. SES' debt maturity profile is tailored to allow the company to cover repayment obligations as they fall due.

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

Further details are provided in Note 21 to the consolidated financial statements.

Foreign currency risk

SES' reported financial performance can be impacted by movements in the U.S. dollar/euro exchange rate, as SES has significant operations whose functional currency is the U.S. dollar and liabilities denominated in U.S. dollars.

To mitigate this exposure, SES enters into forward foreign exchange or similar derivatives contracts to hedge the exposure on financial debt or on net assets.

Further details are provided in Note 21 to the consolidated financial statements.

Interest rate risk

SES' exposure to risk of changes in market interest rates relates primarily to SES' floating rate borrowings. SES carefully monitors and adjusts the mix between fixed and floating rate debt from time to time, following market conditions. Interest rate swaps are used to manage the interest rate risk. The terms of the hedge derivatives are negotiated to match the terms of the hedged item to maximise hedge effectiveness.

Further details are provided in Note 21 to the consolidated financial statements.

Counterparty risk

SES exposure relates to the potential default of a counterparty holding financial assets (cash and cash equivalents held for trading financial assets, loans receivable and derivative instruments), 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, SES only deals with recognised financial institutions with an appropriate credit rating – generally 'A' and above. All counterparties are financial institutions which are regulated and controlled by the national financial supervisory authorities of the applicable 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 relationship for all categories of products (derivatives as well as deposits).

Further details are provided in Note 21 to the consolidated financial statements.

Internal control procedures

Objective

The Board of Directors has overall responsibility for ensuring that SES maintains a sound system of internal controls, including financial, operational and compliance controls. Such a system is an integral part of the corporate governance strategy of the company.

Internal control procedures help to ensure the proper management of risks and provide reasonable assurance that the business objectives of the company can be achieved.

The internal control procedures are defined and implemented by the company to ensure:
– the compliance of actions and decisions with applicable laws, regulations, standards, internal rules and contracts;
– the efficiency and effectiveness of operations and the optimal use of the company's resources;
– the correct implementation of the company's internal processes, notably those to ensure the safeguarding of assets;
– the integrity and reliability of financial and operational information, both for internal and external use;
– that management's instructions and directions are properly applied; and
– that material risks are properly identified, assessed, mitigated and reported.

Like all control systems, internal controls cannot provide an absolute guarantee that risks of misstatement, losses or human error have been totally mitigated or eliminated.

Control environment

SES has adopted a robust internal control framework based on a set of guidelines prepared by COSO (Committee of Sponsoring Organisations of the Treadway Commission). This framework provides reasonable assurance that the internal control objectives are being achieved; it is also consistent with the reference framework proposed by the French securities regulator, the 'Autorité des Marchés

Financiers' (AMF).

The control environment is an essential element of the company's internal control framework, as it sets the tone for the organisation. This is the foundation of the other components of internal control, providing discipline and structure.

The Board of Directors has delegated the design, implementation and maintenance of a rigorous and effective system of internal controls to the Executive Committee of SES, which in turn works closely with the other levels of management in establishing control policies and procedures.

In the context of SES' organisational realignment in 2011, management undertook several initiatives to increase the internal efficiency and effectiveness of its operations. The descriptions of the main SES functions and processes have been reviewed and electronically documented using a Business Process Management software, with the support of the Operational Excellence Team. This has been supplemented by a review of all policies and procedures. The aim is to design and implement a common set of policies and procedures that best support the organisation and can be used company-wide.

As a result, SES applies only one level of internal control policies and procedures, which are formalised by the management of a department or cross-functional teams to apply to the employees, officers and directors of the company, its subsidiaries and other controlled affiliates as the general framework for their own business process design.

These policies and procedures also take into account specificities of each legal entity and are adapted where necessary to their activity, size, organisation, and legal and regulatory environment.

A 'Code of Conduct and Ethics' has been established to reinforce the corporate governance principles and the control environment. This code is applicable to all employees, officers and directors of the company, its subsidiaries or other controlled affiliates. Regular refresher courses are presented to SES employees worldwide to ensure high level of awareness and compliance by SES staff.

The policies outlined in this code are designed to ensure that all employees, officers and directors act at all times in accordance with the applicable laws, regulations and norms of conduct, and with the highest standards of integrity. The code was submitted to the Audit and Risk Committee and has been approved by the Board of Directors. During 2012, a Sales Agency and Representative policy has been adopted and implemented to further strengthen this process.

Employees and officers in all entities of the company have been informed of the content of the Code of Conduct and its applicable principles. For new hires, training on the code is integrated in the induction training. An SES Compliance Committee, composed of designated Compliance Officers in each main company location, is tasked with raising the staff's awareness of the code and to ensure a consistent roll-out and training programme for the code. The committee meets regularly to discuss important topics or issues.

Another key component of the control environment is the co-ordination of risk management with internal control. Risk management and internal control systems complement each other in controlling the company's activities.

Risk management

In 2010, SES adopted a risk management policy based on principles proposed by COSO and ISO31000. The co-ordination of the implementation of this policy and the development of a risk register is the responsibility of a Risk Management Committee which reports to the Executive Committee of SES. The Executive Committee in turn reports to the Board of Directors which has the ultimate responsibility for oversight of the company's risks and ensuring that an effective risk management system is in place.

Common definitions and measures of risk management have been established and training has been provided to the various risk owners to ensure that the risk management policy is properly implemented. A risk management co-ordinator has been appointed in order to ensure the adequate review of the risks facing SES.

Each reported risk is categorised, assessed by the risk owners, and reviewed by the Risk Management Committee. As a result of such review, a risk can be flagged as a 'top risk' which triggers additional analysis for that risk in order to determine the appropriateness and effectiveness of the risk response.

All top risks are periodically reported to the Executive Committee, the Audit and Risk Committee, and the Board of Directors.

Internal control activities

Regarding the internal controls in the area of accounting and financial reporting, the following should be noted:

– In the context of the organisational realignment implemented in 2011, a greater integration of the financial operations of the parent company and affiliates under a single management structure was established.

– Staff involved in the company's accounting and financial reporting are appropriately qualified and are kept up-to-date with relevant changes in International Financial Reporting Standards (IFRS). Additionally, specific training and written guidance on particular matters is provided where needed. A reporting handbook, regularly updated for business developments and regulatory changes, is available to all relevant staff members and provides a summary of the company's accounting and financial reporting guidelines and policies.

– Controls have been established in the processing of accounting transactions to ensure appropriate authorisations for transactions, effective segregation of duties, and the complete and accurate recording of financial information.

– Activities with a significant potential risk, such as financial derivative transactions, take place within a clearly defined framework approved by the Board, or are brought to the Board for specific approval. In accordance with the requirements of IFRS, SES discloses detailed information on the market, credit and foreign exchange risks to which it is exposed, as well as its strategy for managing those risks.

– The company relies on a comprehensive system of financial reporting. Strategic plans, business plans, budgets and the interim and full-year consolidated accounts of the company are drawn up and brought to the Board for approval. The Board also approves all significant investments. The Board receives monthly financial reports setting out the company's financial performance in comparison to the approved budget and prior year figures.

– Any weaknesses in the system of internal controls identified by either internal or external auditors are promptly and fully addressed.

– The external auditors perform a limited review of the company's half-year financial statements and a full audit of the annual consolidated financial statements.

Regarding the internal controls in the area of treasury management, the following should be noted:

– The treasury function uses a specific software that helps to ensure the efficiency and control of the implementation of the SES' hedging strategy for interest rate and foreign currency fluctuations. This software also aims to centralise the cash management of the SES affiliates.

– In order to ensure enhanced security and efficiency of the bank payments process, the company is using a secured banking payments system that allows for secured authorisation and transfer of payments from the existing accounting systems directly to the bank.

– A clear segregation of duties and assignment of bank mandates between members of SES management, treasury and accounting departments is implemented.

– In order to streamline the cash management process, SES has centralised the in-house bank in one hub and further reduced the number of cash pools being used.

– SES predominately uses forward currency contracts to eliminate or reduce the currency exposure on single deals, such as satellite procurements, tailoring the maturities to each milestone payment. The foreign currency risk might be in EUR or USD. 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 company'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.

– The activities of the Treasurer, and in particular the hedging activities engaged during the year, are authorised within the framework approved by the Board.

– The Treasurer reports on a formal basis every quarter to the Board as part of the financial reporting.

– To further strengthen these controls, a treasury policy was updated and approved by the Board in 2012. In addition, a Foreign Exchange Risk Mitigation strategy, combined with a multiple year funding plan based on the SES business plan, was prepared and presented to the Audit and Risk Committee.

Regarding the internal controls in the area of tax management, the following should be noted:

– The tax management department aims to seek upfront tax clearance with relevant local tax authorities with regard to the tax ramifications of main business ventures, corporate reorganisations and financing structures of the company. Where this is not possible, the tax treatment is analysed based on best authoritative interpretations and reported in internal tax technical memos or tax opinions from external tax consultancy firms.

– The transfer pricing team is responsible for continuously improving and fine-tuning the required contemporaneous transfer pricing documentation underpinning all inter-company transactions of the company. SES' transfer pricing reports (including functional and economic analyses including benchmarking studies), are embedded in a framework consisting of a master file and a transfer pricing policy.

Regarding the internal controls in the area of satellite operations, the following should be noted:

– SES' Technology Department is responsible for the procurement of satellites, launch vehicles, the procurement and maintenance of satellite-related ground infrastructure, and the administration, control and operations of the global satellite ecosystem.

– The reporting of the satellite-procurement and operations risk management process that is in place to monitor and assess sources of technical risks and to develop qualitative, quantitative and statistical methods which allow the mitigation of risk at the satellite fleet level has been integrated into the company's Risk Management framework.

– There are operational procedures for satellite control and payload management. They cover manoeuvres and configuration changes required in nominal situations as well as in case of technical emergencies. The controllers are trained and certified in the execution of such procedures. These procedures are periodically reviewed to ensure that they are up-to-date. An up-to-date satellite control software is being used and fully validated electronic station-keeping procedures are being applied throughout the entire SES fleet.

– SES has designed crisis management systems and supporting infrastructure and tools in order to address satellite in-orbit anomaly situations at an appropriate management level. An effective "trouble tickets" escalation process is used to provide effective and timely support to customers.

– The Satellite Contingency and Emergency Response Process reflects the current company's organisational structure.
– SES has adequate satellite control backup capability utilising European and U.S.-based Satellite Operations Centres ("SOCs").

– TT&C functions in the US are being moved from the Woodbine and Vernon Valley SOCs to Princeton, NJ.

– During 2012, additional backup capabilities were implemented in the following areas:
  A backup Ground Control System for Loral and Astrium spacecraft has been installed in the US to support the emergency disaster recovery capabilities of the European SOC;
  The global network that supports TT&C (telemetry, tracking and control) has been greatly strengthened in 2012 by deploying a dual-redundant state-of-the-art MPLS network connecting all the SOCs and TT&C sites worldwide; and
  The alternative European back-up of the TT&C functions has been further built out in 2012 and the backup plan is now fully operational for all ASTRA satellites.

Regarding the internal controls in the area of information and communication technology, the following should be noted:

– Management is committed to ensuring that its data, infrastructure and information technology systems are as secure as is reasonably practicable. Security controls, policies and procedures are in place to prevent unauthorised access to premises, computer systems, networks and data. Policies and procedures have been defined and implemented in order to address the more rigorous regulations governing handling of personally identifiable data;

– Electronic information is regularly backed up and copies are stored off-site;

– SES has disaster recovery plans for its business applications. An ongoing Information Systems security enhancement initiative has been started by Information Technology in 2012 to ensure that the impact of new security threats is identified and assessed, and that potential risks are adequately mitigated.

Information and communication

Until the end of 2012, the company's business information system was based on a variety of legacy applications. A project to align and harmonise all front- and back-office business processes in SES was substantially completed. The main components of a new ERP system, Customer Relation Management system and back-office business processes were commissioned into use on January 1st, 2013.

Once implemented in 2013, a single integrated and company-wide application platform will enable consistency and transparency of all business data throughout SES, fast consolidation of financial data, and accurate real time reporting on all levels, which will enhance the general and IT internal control systems of SES.

Internal communication ensures the effective circulation of information and supports the implementation of internal control and risk management by providing business and functional objectives, instructions and information to all levels of SES. The corporate intranet portal and collaboration tools are instrumental to sharing and disseminating information throughout the company.

Monitoring activities

The SES Internal Audit function was established in 2000. Internal Audit evaluates the relevance of, and compliance with, company policies and internal control procedures.

The mission of the Internal Audit function is to provide independent and objective assistance and

assurance regarding the effectiveness and efficiency of business operations, the reliability of financial and operational reporting, and the company's compliance with legal and regulatory requirements. In this context, Internal Audit is also tasked to support management with identifying, preventing and minimising risks, as well as safeguarding the company's assets.
To ensure an appropriate level of independence and communication, the Internal Audit function has a direct reporting line into the Audit and Risk Committee and reports functionally to the President and CEO of SES.

The activities of the Internal Audit function are executed in accordance with an annual audit plan, which is reviewed and approved by the Audit and Risk Committee. This annual plan is derived from an annual risk assessment based on a risk mapping exercise relying on the SES Risk register. The annual risk assessment responds to the need to dynamically link the audit plan to risks and exposures that may affect the organisation and its operations. This exercise involves identifying the inherent risks relative to all business processes and then assessing the levels of residual risks after consideration of specific mitigating controls.
Internal Audit monitors the implementation of internal control recommendations and regularly reports on effective compliance to the President and CEO of SES and to the Audit and Risk Committee.

Internal Audit also regularly co-ordinates audit planning and exchanges relevant information with the company's external auditors.

The proxy structure of the SES Government Solutions entity, in line with common practice for businesses serving certain segments of the U.S. government, imposes various restrictions on the Board of Directors and executive management in directly supervising the maintenance of an internal control system and imposing an internal audit structure. The SES Internal Audit function did not perform any direct internal control review of this entity during 2012, in line with the imposed restrictions. However, these restrictions are mitigated through having agreement on a required risk management and internal control framework which is subject to evaluation and testing by a third-party internal audit function. An adequate reporting process of activities of the third-party audit function to the Internal Audit function and Audit and Risk Committee has been put in place.

It should be further noted that in any event Ernst & Young, as external auditor, reviewed the stand-alone accounts of SES Government Solutions.

Human resources

Human resources strategy

SES strives to be the employer of choice in the industry. The company identifies, secures, engages, develops and retains the best talent, to further expand its technological reach and business objectives.

SES respects and trusts its people, embraces diversity, and lives by its values. SES senior managers have a responsibility as role models to all SES employees, and must therefore act in accordance with the guidelines laid down for SES senior management. SES employees are engaged, committed and proud to be associated with their company.

To leverage the employees' full potential, SES focuses on competency development, alignment of objectives, and knowledge sharing. SES ensures that every employee has the necessary resources and support to be successful in his or her career within the context of its performance management system. Human Resources is the catalyst to drive organisational and cultural initiatives leading to sustainable stakeholders' value creation.

SES employees

At year-end 2012, SES employed a total of 1,257 full time equivalent employees (FTEs).

SES values and culture

SES' employees observe a common set of core values, which provide guidance for their activities. These values inspire a unique organisational culture and reflect SES' aspirations, which are geared towards achieving the highest performance in the service of customers, shareholders and society at large. SES' values are primarily focused on providing highest-quality customer service.
They are:
Excellence -Having the passion and commitment to be the best in the industry.

Partnership -Developing and maintaining co-operative relationships which build upon SES' strengths and skills to achieve common goals and benefits in the service of the customers.

Leadership -Articulating strategic vision, demonstrating values and creating an environment in which SES can meet the needs of the marketplace.

Integrity -Consistently applying the principles of honesty, accountability, responsibility, fairness and respect.

Innovation -Establishing a business culture that stimulates creativity across the organization, develops employees' skills and improves processes, products and services.

Remuneration

SES applies a performance-based compensation philosophy. Remuneration includes: base salaries, performance bonuses, stock options, restricted and performance shares and fringe benefits that are continuously reviewed in line with best market practices.

Stock-related compensation schemes

SES applies an equity incentive compensation plan. The purpose of the plan is to attract and retain highly qualified leadership level staff. This policy applies to executive-level employees of SES. In 2012, 1,216,478 options were granted to 146 executive participants, including the members of the Executive Committee.

Long-term incentive scheme for executives

SES' long-term incentive scheme for executives is based on restricted shares (restricted for a vesting period of three years) and on performance shares (shares which are only granted in case the company and the executive meet or exceed a certain performance threshold over a three-year period). In 2012, 232,586 restricted shares and 182,332 performance shares were granted. These figures include the members of the Executive Committee.

Stock appreciation rights plan

SES operates a stock appreciation rights (STAR) plan, which applies to the non-executive-level staff. Through the grant of stock options, the company aims to encourage the long-term commitment of the staff towards the company, and to provide the possibility to share in the value-creation of the company. In 2012, 774,735 STARs were granted.

A variety of awards are being used to acknowledge and reinforce the contributions of SES' employees. In 2012, these mechanisms included management awards, spot awards and deal attainment bonuses.

The Human Resources (HR) function

SES is supported by a team of HR professionals based in the company's major locations around the world. HR strategy and objectives are aligned with the business objectives, decisions and guidance of the Executive Committee. A major task in 2012 was to support growth in the emerging markets (Africa, Latin America, Asia/Middle East) by assisting in the opening of new offices, establishing an organisation structure in the markets, hiring local staff, and transferring employees from mature to emerging markets.

Development of the company's intranet has been ongoing, ensuring employees receive the most up-to-date and relevant information according to location and entity. The intranet continues to be the main vehicle for employee communications. Additionally, the company's vision and business strategy are conveyed successfully to all employees to strengthen awareness and engagement.

The Human Resources Team worked towards bringing all entities within SES under one framework and in 2012 introduced a harmonised approach towards mobility, working hours, seniority awards and employee bonus evaluation through a worldwide sales compensation plan and a new bonus plan for all service companies.

A learning organisation

Only highly motivated employees deliver the top-quality service which our customers demand. SES is convinced that investing in the training and development of its employees is essential, irrespective of general economic developments. Therefore, we continue to offer our employees a wide range of training courses that center around the SES competency model. On average, the training budget per employee reached EUR 1,200 in 2012.

Developing and retaining talent

SES focuses on identifying and developing high-potential leadership talent by means of succession planning. This includes participation in executive assessments, executive development programmes, coaching and stretch assignments.

In order to support the company's organisational realignment, SES launched the 'MOMENTUM' employee development programme in 2011 which is offered to all employees in the organisation. The programme consists of four modules, the first of which was delivered to all employees in 2011 and early 2012. The second module is being rolled out across the organisation starting in February 2013.

SES has a 'Global Development Programme' (GDP) which is used for cross-functional and cross-continental talent and knowledge exchange that will be continued in 2013.

A total of five graduates successfully completed the two-year 'SES Global Associate Programme' consisting of four six-month cross-functional assignments.

Social dialogue within SES

In its dealings with their employees and associates, SES and its legal entities rely upon best practices of social dialogue and openness. These principles are applied at all levels of the organisation and are rooted both in legal requirements and in management culture.

For some divisions in Luxembourg, the legal framework provides for a personnel delegation and a mixed committee.

The personnel delegations consist of between two and five members. All delegates have been elected for a five-year term. Their mandate consists of protecting the interests of the workforce with regard to working conditions, job security and social matters. The personnel delegation is informed on the developments affecting the company and advises on amendments to work rules.

The mixed committee consists of three employer representatives and three employee representatives. The mixed committee has co-decision powers in matters covering performance assessment, health and safety, and in the general criteria applied in the recruitment, promotion and dismissal policies. The mixed committee is consulted on all important decisions regarding investments in plant or equipment, work processes and working conditions. The committee is informed about the general development of the company and employment trends.

In other SES locations, the social dialogue is conducted according to the rules laid out in the local legal frameworks, for instance by means of works councils.

As one of SES legal entities, SES ASTRA, benefits from a concession granted by the Luxembourg State, three employee representatives sit on the Board of Directors of SES ASTRA. One of them sits as an observer on the Board of SES.
In The Hague, The Netherlands, a Dutch works council represents the interests of the employees in line with national laws; the same is true for some divisions in Munich, Germany, where employee representation occurs via the local 'Betriebsrat.'

Investor Relations

SES has a dedicated Investor Relations function reporting to the Chief Financial Officer and working closely with the President and CEO. Its purpose is to develop and co-ordinate the group's external financial communications and interactions with equity and debt investors, investment analysts, credit rating agencies, financial journalists and other external audiences, to monitor stock market developments and to provide feedback and recommendations to the Executive Committee.

Investor Relations is responsible for the definition and execution of SES' active Investor Relations programme and participation in investor conferences and similar events. Investor Relations also works closely with the group's General Counsel to ensure that the group's external communications comply with applicable legal and regulatory requirements.

Corporate social responsibility

SES implements a range of corporate social responsibility (CSR) projects.

SES' CSR policy is primarily focused on supporting educational projects. The company believes that, as a leading provider of global communications infrastructure and services, it has a responsibility to support the development of a communications-based society and a knowledge-based economy. We believe that progress in this area should help develop more resilient and flexible economic structures, should contribute to enhance social mobility development, and should also contribute to the emergence of more sustainable economic development models.

In 2012, SES reinforced its commitment to support educational institutions especially in Africa, reflecting the company's increasing commercial presence on the African continent.

Educational projects represented 89% of the company's total CSR spending for the year 2012.

Projects supported by SES

Education
In 2012, SES initiated a student scholarship support programme with the University of the Witwatersrand in Johannesburg, South Africa. The company also initiated a scholarship and support programme with the African School of Economics to be established in Benin, as an extension of the existing Institute of Empirical Research in Political Economy, that will offer Masters' and PhD programmes as well as conduct research activities.

In the framework of its multi-year partnership agreement with the University of Luxembourg, SES continued its support of the university's centre of excellence and innovation for advanced information and communications technology in satellite systems, by co-operating with the university's Interdisciplinary Centre for Security, Reliability and Trust, and by financing a chair in satellite, telecommunications and media law.
SES pursued its scholarship programme with the International Space University (ISU) in Strasbourg, France, supporting students in advanced space applications.

SES supported an executive MBA programme at the International Institute of Space Commerce (IISC) based in the Isle of Man. The IISC is an off-shoot of the ISU, and the programme benefits students from the Isle of Man.

Charitable donations
SES made a donation to the Institut St. Joseph in Betzdorf, Luxembourg, a home for mentally handicapped persons.

SES made a donation to the American Red Cross in support for the victims of Hurricane Sandy. The company also matched donations made by SES employees to international emergency relief organisations providing help to victims of natural or man-made disasters.

In the context of a satellite launch campaign, SES donated educational material to a local school in Baikonur, Kazakhstan.

SES renewed its support to the International Polar Foundation. The company donates bandwidth to enable the foundation's Princess Elisabeth research station in Antarctica to communicate via satellite. This unique facility is the first 'zero emission' polar research station, and was designed and built to operate entirely on renewable energies.

Other projects
SES provided support to the project 'Business Initiative 123 – GO', a 'business angel' project that aims to stimulate the development of innovative business projects in Luxembourg and in the surrounding regions.
SES is a sponsor to 'Musek am Syrdal', a local music festival in Luxembourg.

SES is a member of IDATE's Digiworld Institute, based in Montpellier, France, a top-tier think tank focusing on the digital economy worldwide. SES is also a member of the International Astronautical Federation, a global organisation that promotes awareness of space activities worldwide. SES also is a member of professional industry associations, such as the World Teleport Association and Luxembourg's Engineers' Association ALIAI.

Environmental initiatives

SES is committed to respecting the world's natural environment, and to aligning the companies' and the staff's conduct and, to the extent possible, those of their suppliers, to the principles of sustainable development.

Compliance is benchmarked against the legal rules and regulations applied in the countries in which SES operates, as well as against industry-wide best practices. SES' objective is to continuously improve its environmental performance and to further reduce the environmental impact of its activities.

The activities of SES are mainly office and technology-based and overall have a light environmental impact. In its operations, the company promotes the most efficient use of energy and natural resources. It has successfully implemented a programme to rely on cogeneration power. SES applies a waste recycling programme, which aims to avoid, reduce and recycle waste material as efficiently as possible; this programme is subject to independent third-party audits and quality control. SES also conducts environmental training on a regular basis and encourages its staff to adopt environmentally correct attitudes in their professional activities.

SES regularly conducts a company-wide carbon footprint assessment covering all of its operations. In 2011, the company's activities related to operating and commercialising SES' satellite fleet, as well as general administration, finance and marketing generated approximately 39,200 tonnes of CO_2e worldwide, a reduction of more than 12% compared to 2010. The reduction in greenhouse gas emissions registered in 2011 is essentially related to the reframing of the CO_2e accounting perimeter following the company's divestment of ND SatCom.

Emissions from Scope 2 electricity consumption represented the largest component of SES' total emissions in 2011 (approximately 71%) with Scope 1 emissions (approximately 17%) and Scope 3 business travel (12%) providing the remaining contribution. Teleports generated the largest share of the emissions from Scope 1 and Scope 2 sources. Details of the carbon footprint are disclosed as part of the Carbon Disclosure Project, in which SES participates (www.cdproject.net).

In the wake of the implementation in previous years of a substantial carbon reduction plan at its headquarter site in Betzdorf, Luxembourg, SES continues to support carbon reduction initiatives on an ongoing basis, and especially in connection with new building constructions and infrastructure upgrades. In Luxembourg, the company also operates a CHP unit, which reduces the emissions load of the general grid. In addition, since January 2010, the Luxembourg campus has been using electricity sourced from hydropower, which can be considered CO2-free; the same applies to operations in Sweden. The use of renewable energy has had a significant additional reduction impact (of an estimated 7,000 tons) on the company's carbon emissions in Luxembourg. However, due to the carbon accounting rules, these emissions gains are not reflected in the company's carbon disclosure figures.

SES applies best practices in minimising the environmental impact of outsourced activities, such as the manufacturing and launching of spacecraft. The company also ensures that the amount of radiation emitted from earth stations respects or remains below the maximum levels defined by the countries of operation; compliance is checked through yearly internal and third-party audits by accredited organisations that specialise in the field of industrial safety.

Responsibility statement

The Board of Directors and the executive management of the company reaffirm their responsibility to ensure the maintenance of proper accounting records disclosing the financial position of the group with reasonable accuracy at any time, and ensuring that an appropriate system of internal controls is in place to ensure the group's business operations are carried out efficiently and transparently. In accordance with Article 3 of the law of January 11, 2008 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, we declare that, to the best of our knowledge, the consolidated financial statements for the year ended December 31, 2012, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the year of SES and its subsidiaries included in the consolidation taken as a whole. In addition, the management report includes a fair review of the development and performance of the business and the position of SES and its subsidiaries included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

René Steichen
Chairman of the Board of Directors

Romain Bausch
President and CEO

Main SES Shareholders
as of 1 March 2013

A Shares

Sofina Group
Luxempart Invest S. à r.l.
Nouvelle Santander Telecommunications S.A.
Banque et Caisse d'Epargne de l'Etat (Fiduciary)

B Shares

Banque et Caisse d'Epargne de l'Etat
Etat du Grand Duché de Luxembourg
Société Nationale de Crédit et d'Investissement

Composition of the Board of Directors and of the Committees set up by the Board as on December 31, 2012

Chairman

Mr René Steichen

Vice-Chairmen

Mr François Tesch
Mr Jean-Paul Zens

Members

Mr Serge Allegrezza
Mr Marcus Bicknell
Mr Marc Beuls
Mrs Bridget Cosgrave
Mr Hadelin de Liedekerke Beaufort
Mr Jacques Espinasse
Mr Jean-Claude Finck
Mr Conny Kullman
Dr Miriam Meckel
Mr Gaston Reinesch (resigned effective December 6, 2012)
Mr Victor Rod
Mr Robert W. Ross
Dr. Karim Sabbagh
Mr Terry Seddon
Mr Marc Speeckaert

Observers

Mr Pierre Goerens, Commissioner of the Government at SES ASTRA

Mrs Maria Kugel, SES ASTRA Employee Representative

Secretary to the Board of Directors

Mr Pierre Margue, VP Legal Services Corporate and Finance

Chairman's Office

Mr René Steichen, Chairman
Mr François Tesch
Mr Jean-Paul Zens

Audit and Risk Committee

Mr Marc Speeckaert, Chairman
Mr Marc Beuls
Mr Jacques Espinasse
Mr Jean-Claude Finck
Mr Gaston Reinesch (resigned effective December 6, 2012)
Dr Karim Sabbagh

Remuneration Committee

Mr René Steichen, Chairman
Mr Marcus Bicknell
Mr Hadelin de Liedekerke Beaufort
Mr Gaston Reinesch (resigned effective December 6, 2012)
Mr Jacques Espinasse
Mr Terry Seddon

Nomination Committee

Mr René Steichen, Chairman
Mr Marcus Bicknell
Mr Terry Seddon
Mr Marc Speeckaert
Mr François Tesch
Mr Jean-Paul Zens

Assemblée Générale Annuelle de SES
Jeudi 4 avril 2013 à 10 heures 30

Point 4 de l'ordre du jour

Une présentation sur les principaux développements de la société pendant l'année 2012 et les perspectives sera donnée en cours de séance.

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Agenda item 4

A presentation on the main developments during 2012 and perspectives will be given during the meeting.

4. Présentation des principaux développements durant 2012, et perspectives
4. Presentation on the main developments during 2012, and perspectives

Romain Bausch, President and CEO

A Year of Achievement

- 2012 was potentially a very challenging year
  - The German analogue switch-off took EUR 108 million out of our revenue line in 2012
- SES has delivered a very strong performance
  - We achieved growth in our business which not only offset the German analogue switch-off, but delivered an absolute increase in year-on-year revenue, as reported and at constant FX
- We reported our highest ever backlog – EUR 7.5 billion, over 4 times 2012 revenue
  - In 2012 we signed EUR 2 billion of new business and renewals
  - Substantial contract renewals (e.g. BBC, Canal+, Globecast)
  - New business, notably DTH contracts in Latin America and Europe
- We successfully launched three satellites, important components of our future growth
- Free cash flow before financing activities almost doubled as capex commitments reduce
- These elements contribute to our confidence in reiterating our guidance for 3 year (2012-2014) revenue and EBITDA CAGR of 4.5%

Operational Highlights

- 3 successful satellite launches:
  - SES-4 (operational April 2012)
  - SES-5 (operational September 2012)
    - Launch delayed by approximately 3 months
    - EGNOS hosted payload acceptance tests continue to be evaluated by the European Commission
  - ASTRA 2F (operational November 2012)
- Group transponder utilisation of 74.4% at end 2012 (2011: 81.2%)
  - Utilised transponders remained unchanged at 1,068
    - 55 transponders commercialised in the period, absorbing the 55-transponder reduction arising from the analogue switch-off, end of cable contracts at 23.5E and AMC-16 payload reduction
  - Available transponders increased by 121 to 1,436 (2011: 1,315)
- Procurements:
  - SES-9 satellite ordered with Boeing Satellite Systems
  - Multiple launch contract signed with SpaceX

Europe Business Review – FY 2012

- Revenue was EUR 923.3 million, down 3.6% at constant FX
  - A strong performance, as revenue increased by 9.1%, excluding the analogue switch-off impact
  - EUR 74 million of new business offsetting the German analogue switch-off impact of EUR 108 million
- New and replacement capacity launched
  - SES-5 added 12 Ku-band transponders for Nordic markets
  - ASTRA 2F, replacing capacity at the 28.2E neighbourhood and adding Ka-band for European broadband
- New business secured for 26 transponders
  - Offsetting the end of contracts on 47 transponders carrying German analogue TV (32) and cable feeds (15)
  - Net decline in utilisation of 21 transponders
  - Available capacity increased by 12 transponders
  - Overall utilisation rate of 80.9% (2011: 90.1%)
- Transponder pricing remained stable
- HD+ continued its favourable development, passing 1 million paying customers in January 2013
  - 2.9 million active HD+ households at end 2012
  - 945,000 paying customers at end 2012
  - Number of paying customers expected to increase by 25% during 2013

Satellite TV reception still growing

- As of December 2011, ASTRA served 62 million, or 74%, of all European satellite homes
  - Total reach, including terrestrial redistribution, rose to 142 million TV households
  - Positive trend continues in 2012 (full European survey results due March 2013)
- At end 2012, over 18 million German households received TV via satellite, more than any other distribution platform
  - An increase of 3% over 2011, representing 47% of all TV households in Germany in 2012
  - Cable reach continued to decline, down 3% against the prior year
- 13.1 million satellite TV households in Germany watch in HD (2011: 11.5 million)

TV households in millions (Germany)	2012	2011	Change
Satellite	18.1	17.5	+3%
Cable	16.7	17.3	-3%
DVB-T	2.1	1.8	+12%
IPTV	1.3	1.3	nm

Source: TNS Infratest TV Monitor, February 2013

North America Business Review – FY 2012

- Revenue of EUR 422.1 million, an increase of 5.7% at constant FX
- Revenue increase largely driven by new government service business and services rendered with SES-3 Ka-band payload
- Occasional Use services were boosted by the Presidential election
- GoGo is contracting 6 transponders, for in-flight broadband connectivity
  - For continental United States and transatlantic routes
  - Capacity spread over several spacecraft
- Utilisation reduced by 13 transponders
  - The AMC-16 payload reduction accounting for 8, and miscellaneous non-renewals for the balance
- Overall utilisation rate of 75.3% (2011: 77.0%)
- Transponder pricing remained stable

International Business Review – FY 2012

- Revenue of EUR 482.6 million, an increase of 8.5% at constant FX
  - Numerous new contracts across markets served
  - QuetzSat-1 made a full contribution in the period
- SES-4 and SES-5 were successfully launched and brought into service
  - Following launch delays
- Available capacity increased by 117 transponders
  - New capacity from SES-4 (+27) and SES-5 (+52)
  - Additional capacity from the relocation of AMC-3 and NSS-7, as well as other fleet movements
- An additional 34 transponders were commercialised
- Overall utilisation rate of 70.7% (2011: 79.0%)
  - Resulting from the addition of capacity for long term growth opportunities
- Aggregate pricing in the segment remained stable

Investment in O3b Networks

- Two launches of four satellites each are scheduled, in Q2 and Q3 2013
- Service start expected in H2 2013
- New service offerings unveiled in 2012:
  - *O3bTrunk* - for internet trunking services
  - *O3bMaritime* – for maritime communications networks
  - *O3bCell* – for mobile telephone networks
  - *O3bEnergy* – for the special requirements of the oil & gas industry
- Sales commitments have increased, to stand at approximately USD 600 million
  - New agreements with Royal Caribbean Cruises and several regional telecoms operators
- SES interest in O3b presently stands at 47%
  - Following payment of cash commitments and recognition of contributions in kind
  - SES' total cash investment of approximately USD 200 million

Capacity to Increase by 22%

SES GROUP by region (36 MHz Equiv. Transponders)	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	2015 H1	Total	2015-2017
Europe			SES-5 (+12) 9 Jul 2012	ASTRA 2F 28 Sep 2012		ASTRA 2E	ASTRA 5B (+21)		ASTRA 2G		**33**	
North America												
International	SES-4 (+27) 15 Feb 2012		SES-5 (+52) 9 Jul 2012	ASTRA 2F beam (+12) 28 Sep 2012		SES-6 (+49) SES-8 (+21) ASTRA 2E beam (+12)			ASTRA 2G beam (+10)	SES-9 (+53)	**236**	1-3 satellites in Asia & Latin America
Changes due to fleet movements in international region	AMC-3 (+16)		NSS-7 (+22)	ASTRA 2B (-12)							**26**	
Total New Capacity [1]	**43**		**86**	**0**		**82**	**21**		**10**	**53**	**295**	

New Capacity
Replacement & New Capacity
Replacement Capacity

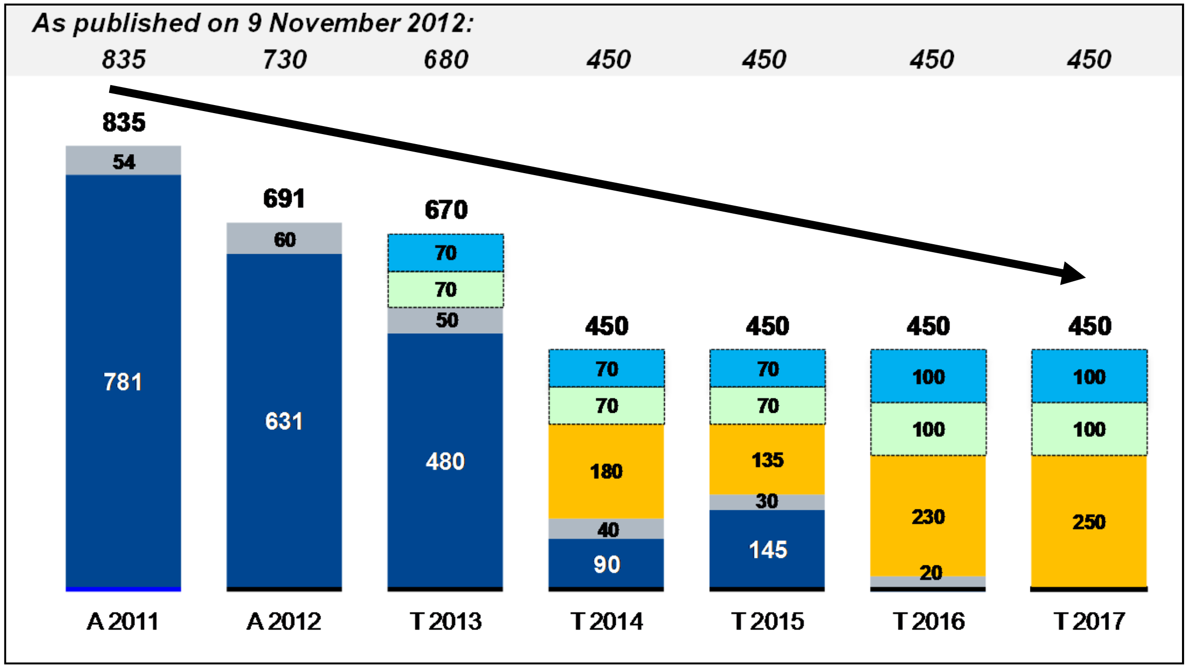
1) Entry into commercial service is typically 6 to 8 weeks after the launch of the satellite

Timing shift of SES-6

- Three satellites have been successfully launched in 2012
- Six satellites to be launched by end 2015, of which four in 2013, providing replacement and incremental capacity
- In total 295 incremental transponders will deliver around 22% additional capacity compared to the 1,315 transponders available at 31 December 2011
- 1-3 additional investment opportunities are to be developed with potential launch dates between 2015 and 2017
- All infrastructure projects exceed IRR hurdle rate of 10-15%

SES' investment programme has a strong focus on growing market segments and regions

Capital Expenditure is Reducing



EUR million

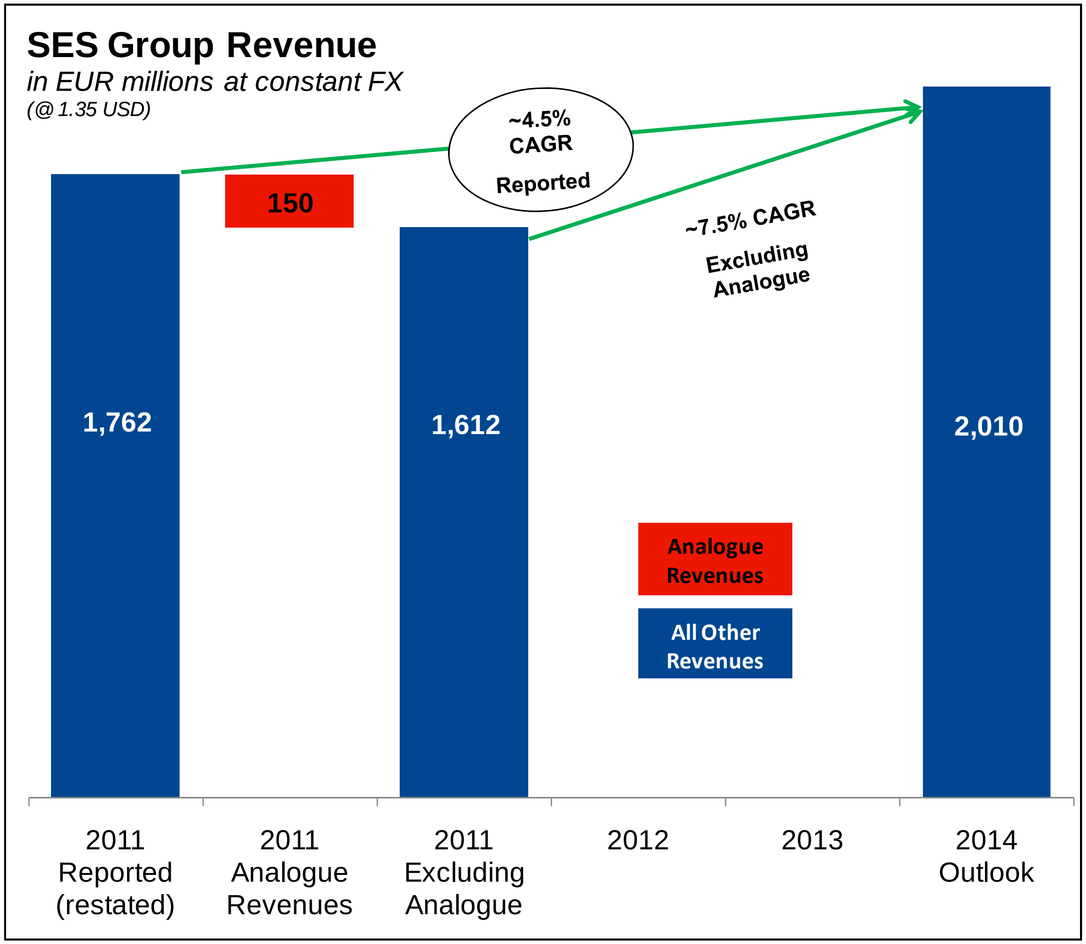
- Estimated, uncommitted potential Growth Investments (maximum)
- Estimated, uncommitted potential Growth Investments (minimum)
- Estimated, uncommitted Replacement Satellite CapEx
- Committed, Non Satellite CapEx – Infrastructure and Services
- Committed Satellite CapEx for Replacement and Incremental capacity

Total 2013-2017: EUR 2.0 to 2.5 billion

- 2013 to 2017: CapEx spending significantly reduces as replacement cycle of the SES fleet nears its floor
- Three satellites still foreseen for potential, as yet uncommitted, investment programmes with additional CapEx spending of approximately EUR 0.8 billion as of 2013 for growth in Asia and Latin America
- CapEx as proportion of revenue reduces from 38% in 2012 to ~10% to ~25% between 2014 and 2017

Notes: FX translation based on 1 EUR = 1.40 USD (Actual 2011), 1.29 USD (Actual 2012) and 1.35 USD (Trend 2013-2017);
Including capitalised interest (57 MEUR in Actual 2012), not including financial investments

3-year CAGR 2012-2014 of 4.5% reiterated



- 3-year CAGR growth of 4.5%, or approximately EUR 250 million, despite analogue switch-off impact of EUR 150 million
- EUR 400 million of gross new business corresponds to 3-year CAGR growth of 7.5%
- 2013 and 2014 revenue growth to be delivered by:
  - New satellites launched in 2012 (SES-4, SES-5 and ASTRA 2F), 2013 (SES-6, SES-8, ASTRA 2E and ASTRA 5B) and 2014 (ASTRA 2G)
  - Favourable services business development (mainly HD+)

Assemblée Générale Annuelle de SES
Jeudi 4 avril 2013 à 10 heures 30

Point 5 de l'ordre du jour

Une présentation sur les résultats financiers pour l'exercice 2012 sera donnée en cours de séance.

* * *

Agenda item 5

A presentation on the 2012 financial results will be given during the meeting.

5. Présentation des résultats financiers pour l'exercice 2012

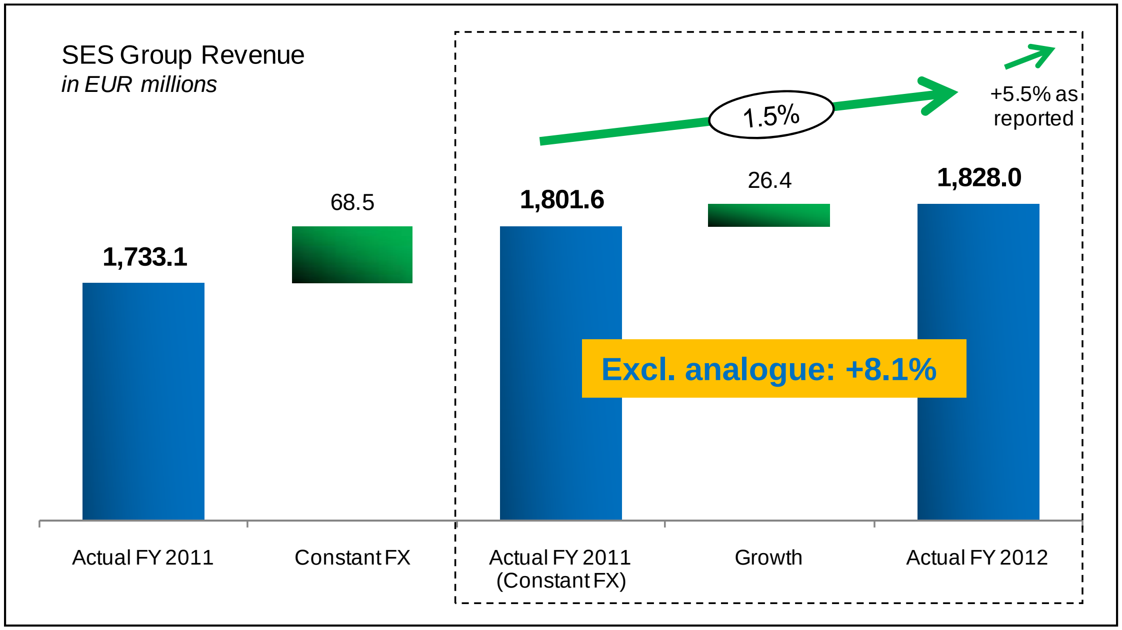
5. Presentation of the 2012 financial results

Andrew Browne, CFO

Financial Highlights – FY 2012

- ▲ Revenue of EUR 1,828.0 million, up 5.5% (+1.5% at constant FX)
  - New business of EUR 134 million offset the EUR 108 million negative impact of analogue switch-off
  - Growth of 8.1%, excluding the analogue switch-off impact (at constant FX)
- ▲ EBITDA of EUR 1,346.6 million, up 5.6% (+1.6% at constant FX)
  - EBITDA margin of 73.7% (2011: 73.5%)
  - Infrastructure margin at 83.5% (2011: 82.3%)
- ▲ Operating Profit of EUR 790.5 million (-2.2%)
  - AMC-16 charge of EUR 36.6 million
- ▲ Profit of the Group increased by 5% to EUR 648.8 million (2011: EUR 617.7 million)
  - Release of EUR 107.9 million of tax provisions
- ▲ Earnings per A-share of EUR 1.62 (2011: 1.56)
- ▲ Operating cash flow of EUR 1,233.4 million (+14.2%)
- ▲ Closing net debt / EBITDA of 2.96 times (2011: 3.12 times)
- ▲ Contract backlog of EUR 7.5 billion, an all-time high (2011: EUR 7.0 billion)
- ▲ Dividend of EUR 0.97 per A-share proposed (2011: EUR 0.88)

Revenue walk from FY 2011 to FY 2012



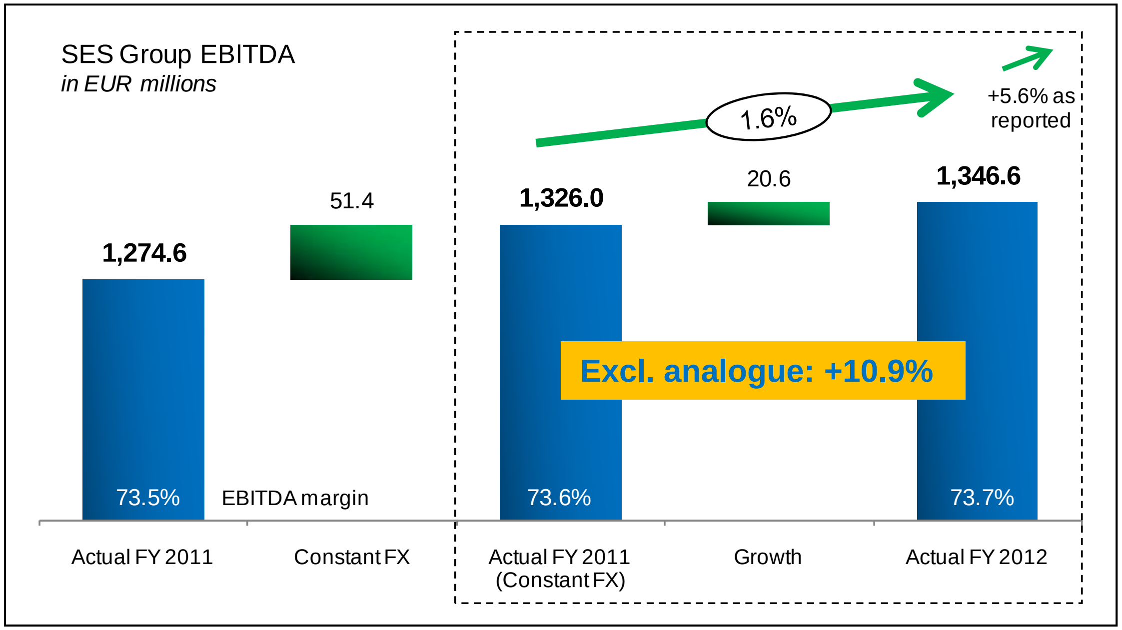
FX rate EUR/USD:
Actual FY 2011 1.40
Actual FY 2012 1.29 **+8%**

1.5%	as reported
+0.7 pp	13 MEUR adj.*)
2.2%	adjusted

*) adjusted for launch delays and health issues

- Reported FY 2012 revenue increased by 5.5%, as stronger USD augmented growth
- On a constant FX basis, revenue growth of 1.5% or EUR 26.4 million was driven by the international region and North America overcoming the decrease in the European region resulting from the analogue switch-off impact in Germany on 30 April 2012
- Excluding the analogue switch-off impact, revenue increased by 8.1% (constant FX) reflecting the strong underlying growth in the European region driven by recommercialisation of capacity at 19.2 E and the successful development of HD+ in Germany

EBITDA walk from FY 2011 to FY 2012



FX rate EUR/USD:
Actual FY 2011 1.40
Actual FY 2012 1.29 **+8%**

1.6%	as reported
+0.9 pp	13 MEUR adj.*)
2.5%	adjusted

*) adjusted for launch delays and health issues

- EBITDA rose 5.6% as reported, and by 1.6% at constant FX against the prior year
- Overall operating expenses of EUR 481.4 million (2011: 475.6 million) increased by 1.2% year-on-year (at constant FX), reflecting higher costs of sales associated mainly with the increased revenue contribution from HD+ and SES-GS; excluding costs of sales, and adjusting for the reorganisation charge of EUR 14.8 million in 2011, operating costs fell EUR 12.2 million, or 3.8%, year-on-year
- As a result, SES group EBITDA margin increased to 73.7% (2011: 73.5% as reported, 73.6% at constant FX)

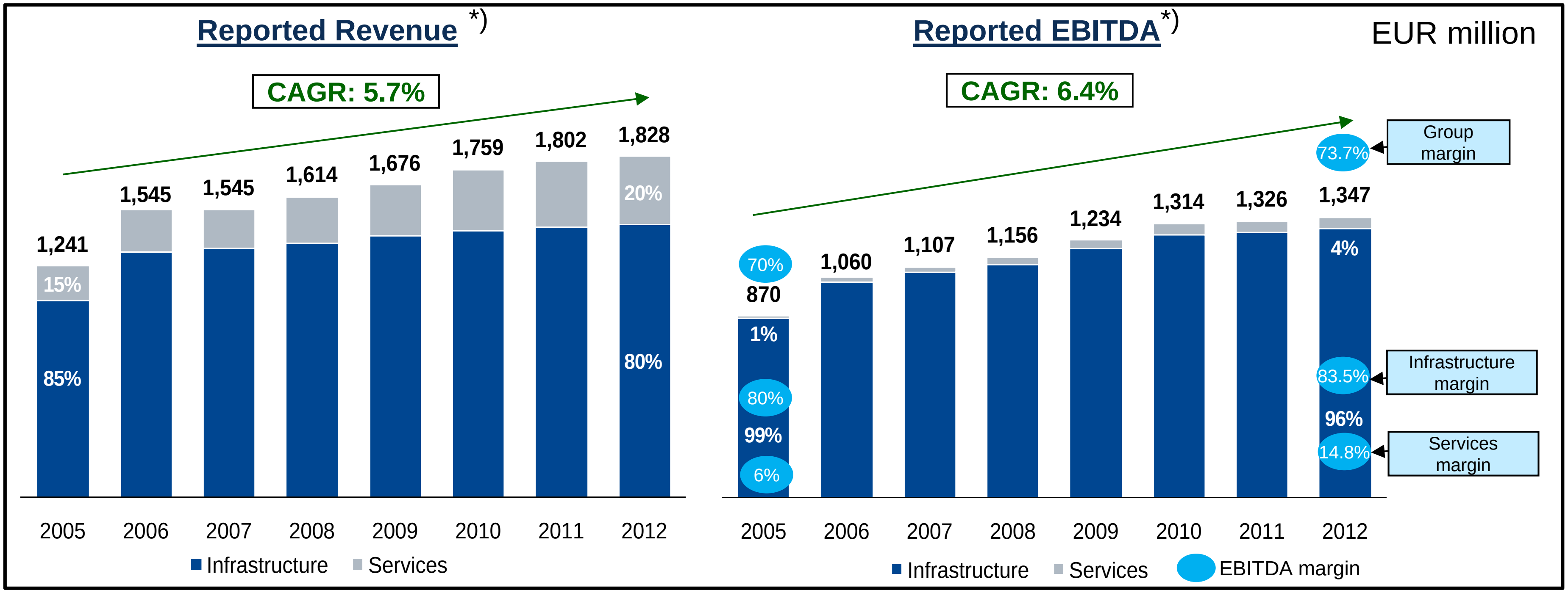
Business Segmentation

Business Segmentation FY 2012 (as reported)				
in EUR million	**Infrastructure**	**Services**	**Other / Elim.** *)	**SES GROUP**
Revenues	**1,586.4**	**386.9**	**(145.3)**	**1,828.0**
EBITDA	**1,324.8**	**57.2**	**(35.4)**	**1,346.6**
Margin %	**83.5%**	**14.8%**		**73.7%**

- The Infrastructure EBITDA margin of 83.5% was above guidance (>82%) and ahead of the prior period (82.3%). The adverse impact of the analogue switch-off in Germany was offset at the EBITDA level by the non-recurrence of SES reorganisation charges taken in 2011 and further cost management in the infrastructure business activities
- The Services margin of 14.8% was well within the guidance range of 14% to 18%.
- The Group EBITDA margin rose to 73.7% (2011: 73.5%) as a result of the increase of the infrastructure margin, partly offset by the mix of the services business

*) Revenue elimination refers to cross-charged capacity and other services, EBITDA elimination to unallocated SES corporate expenses

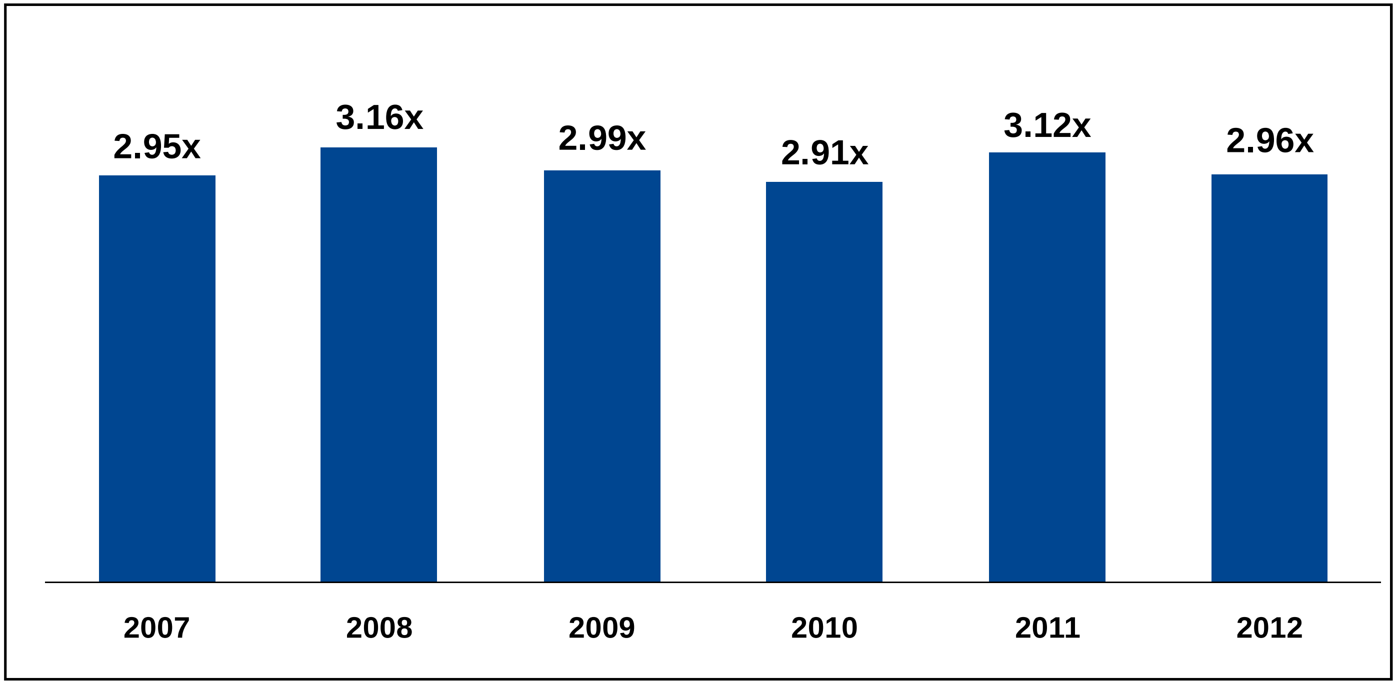
Historical Performance



- Strong revenue CAGR of 5.7% since 2005 reflects organic growth (more capacity, higher fill rates) augmented by the acquisition of New Skies (excluding German analogue switch-off impact: ~8%)
- EBITDA CAGR of 6.4%, outperforming revenue growth (excluding German analogue switch-off impact: ~10%)
- Infrastructure contributing appr. 80% of revenue in 2012 with an EBITDA margin of 83.5%
- Services contributing appr. 20% of revenue in 2012 with an EBITDA margin of 14.8%
- SES Group EBITDA margin increased from 70% in 2005 to 73.7% in 2012

*) At constant EUR/USD 2012 exchange rate

Leverage (Net debt / EBITDA)

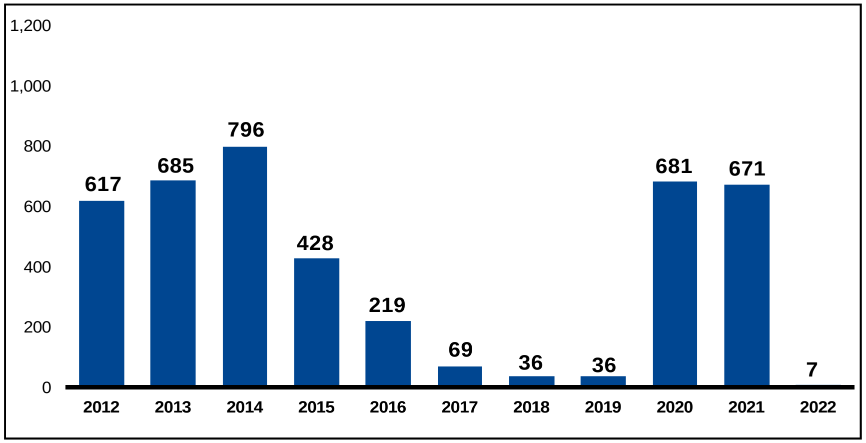


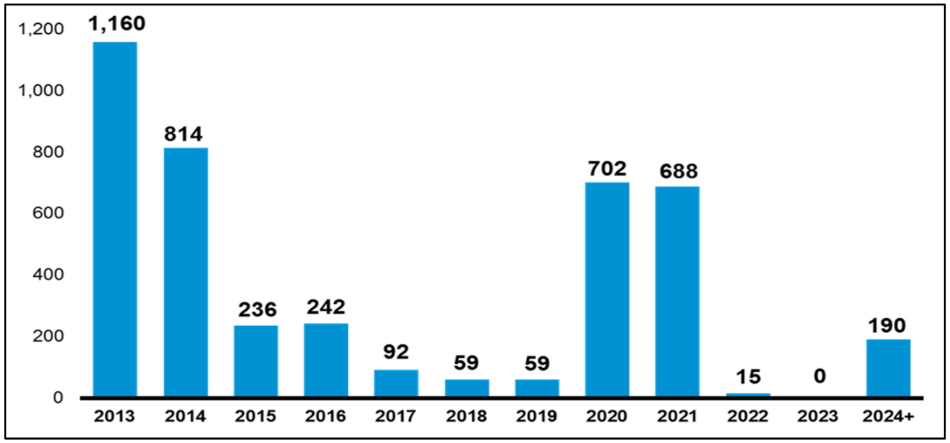
- Indebtedness has been managed well below the target of 3.3x to date
- Indebtedness target of 3.3x to be maintained with ongoing investment levels
- Sound and well balanced financing and liquidity levels in place

Maturity Profile

EUR million

Since January 2010, SES has completed over EUR 3 Bn of funding transactions

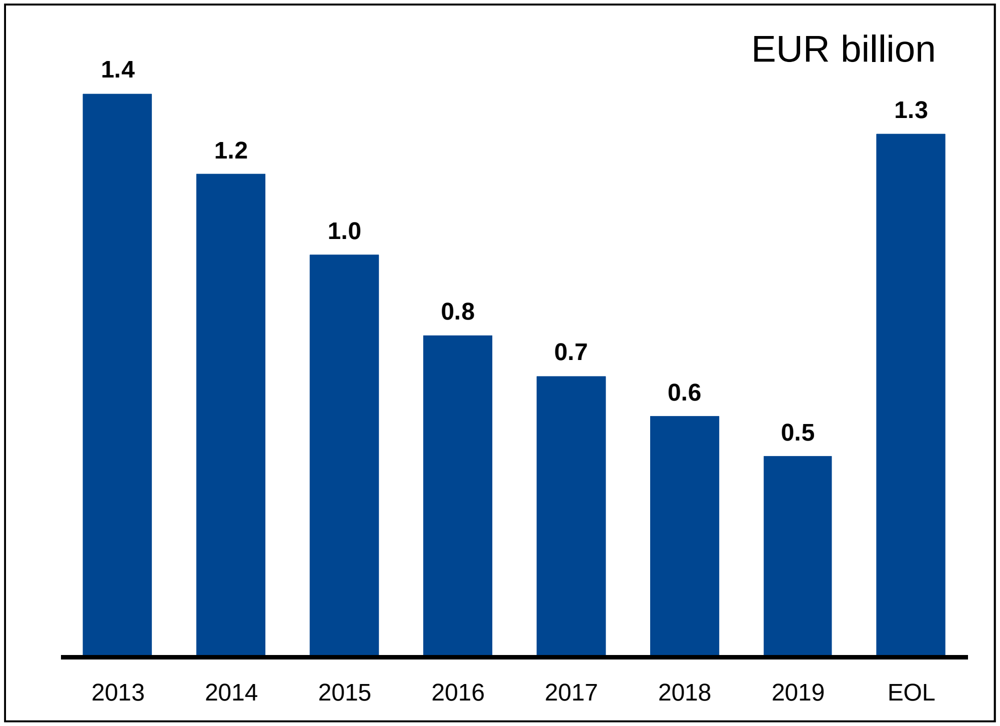




- **On 31 December 2011,** total debt stood at EUR 4,245 million
- Extended maturity was delivered through:
  - Eurobond, EUR 650 million, maturing in 2021
  - U.S. Ex-Im Bank, USD 158 million, maturing in 2021

- **On 31 December 2012**, total debt stood at EUR 4,257 million
- Extended maturity was delivered through:
  - Private Placements, EUR 140 million, maturing in 2027
  - Schuldschein (German bond), EUR 50 million, maturing in 2032
  - Successful inception of European Commercial Paper program in Q3 2012

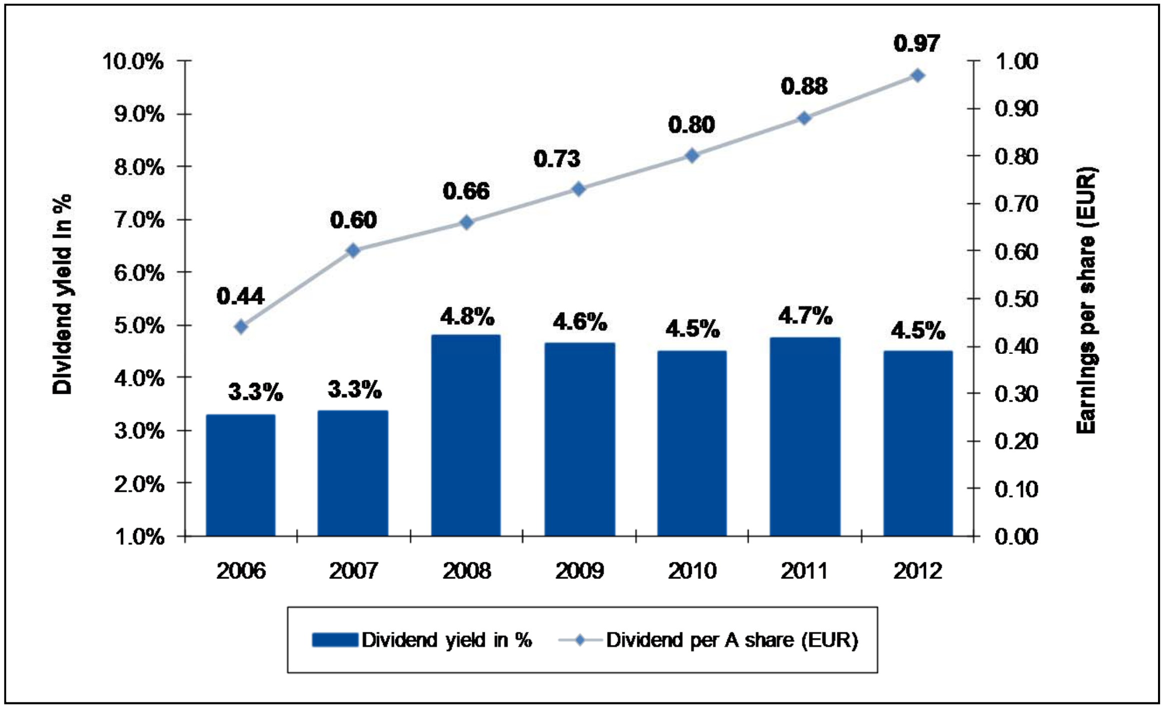
Backlog roll-out



- SES group contract backlog at 31 December 2012 = EUR 7.5 billion = 4.1 x 2012 revenue
- EUR 2.0 billion of renewals and new business signed since end 2011
- Some 75% of 2013 budgeted revenue already under contract at beginning of the year
- Weighted average remaining contract life of 8.6 years

USD exchange rate on 31.12.2012: 1.32 USD/EUR   EOL = End Of Life

Shareholder Returns



- ▲ Dividend per share in 2012 more than doubled since 2006 (CAGR: 14%)
- ▲ 2012 Dividend yield of 4.5%
- ▲ Shareholder return of approximately EUR 3.8 billion over 2006-2012
  - Cumulative dividends of circa EUR 1.8 billion
  - Cumulative share buy-backs and cancellations of circa EUR 2.0 billion

Note: Dividend yields calculated using year end closing price

Outlook

Reporting Period	Growth as reported / Outlook		Proforma as reported / Outlook Excluding Analogue	
	Revenue	EBITDA	Revenue	EBITDA
2012 growth as reported	1.5%	1.6%	~ 8%	~ 11%
2012 growth pro forma (excl. additional launch delays and health issues)	2.2%	2.5%	~ 9%	~ 12%
2013	~ 4% - 5%	~ 4% - 5%	~ 6.5% - 7.5%	~ 7% - 8%
2012-2014 CAGR (Guidance reiterated)	~ 4.5%	~ 4.5%	~ 7.5%	~ 8.0%

- Strong underlying revenue and EBITDA growth in 2013
  - Overall growth rate reflects the four months of German analogue revenue in 2012
- Other key financial guidance for 2013:
  - Infrastructure EBITDA margin above 82%
  - Services activities EBITDA margin of 14% to 18%
  - Reported tax rate in a range of 10% to 15%
  - Net Debt / EBITDA ratio will be managed below 3.3 times
  - Total depreciation (excluding amortisation) of EUR 480 – 520 million

Note: Guidance is presented on a constant FX basis

SES' Financial Strategy

- SES' ongoing focus upon Revenue and EBITDA growth
  - 3-year revenue / EBITDA CAGR 2012-2014 of 4.5% is reiterated (7.5% and 8.0% respectively excluding analogue switch-off impact and at constant FX rate)
  - 2013 revenue and EBITDA growth of 4%-5% (6.5%-7.5% and 7%-8% respectively excluding analogue switch-off impact and at constant FX)
- Continued emphasis on financial execution and communication
- Maintain BBB/Baa2 investment grade credit rating
  - Net debt / EBITDA target to be maintained at the level of 3.3x
  - Continuation of dividend to shareholders
- Contract backlog of EUR 7.5 billion at an all-time high
- Soundly financed with diversified debt maturity profile
- Maintain focus on cost control, CapEx and enhancing EBITDA
- Creation of shareholder value

Assemblée Générale Annuelle de SES
Jeudi 4 avril 2013 à 10 heures 30

Point 6 de l’ordre du jour

Présentation du rapport du réviseur d’entreprises.

* * *

Agenda item 6

Presentation of the audit report.

SES
Château de Betzdorf
L-6815 Betzdorf

RCS Luxembourg B 81267

Consolidated financial statements as at 31 December 2012, and Independent auditor's report

Contents

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Independent auditor's report

To the shareholders of
SES
Château de Betzdorf
L-6815 Betzdorf

Report on the consolidated financial statements

Following our appointment by the annual general meeting of the shareholders dated 5 April 2012, we have audited the accompanying consolidated financial statements of SES, which comprise the consolidated statement of financial position as at 31 December 2012, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated financial statements

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

Responsibility of the 'réviseur d'entreprises agréé'

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the 'Commission de Surveillance du Secteur Financier'. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the judgement of the 'réviseur d'entreprises agréé', including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the 'réviseur d'entreprises agréé' considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of SES as at 31 December 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

The consolidated management report, including the corporate governance statement, which is the responsibility of the Board of Directors, is consistent with the consolidated financial statements and includes the information required by law with respect to the corporate governance statement.

ERNST & YOUNG
Société Anonyme
Cabinet de révision agréé

Thierry BERTRAND

Luxembourg, 21 February 2013

Consolidated income statement

For the year ended December 31, 2012

In millions of euros		**2012**	2011
Continuing operations			
Revenue	Note 5	**1,828.0**	1,733.1
Cost of sales	Note 6	**(173.3)**	(135.2)
Staff costs	Note 6	**(180.7)**	(173.5)
Other operating expenses	Note 6	**(127.4)**	(149.8)
Operating expenses	Note 6	**(481.4)**	(458.5)
EBITDA		**1,346.6**	1,274.6
Depreciation expense	Note 13	**(515.6)**	(431.7)
Amortisation expense	Note 15	**(40.5)**	(34.7)
Operating profit	Note 5	**790.5**	808.2
Finance revenue	Note 8	**6.5**	14.9
Finance costs	Note 8	**(176.1)**	(173.4)
Net financing charges		**(169.6)**	(158.5)
Profit before tax		**620.9**	649.7
Income tax income/(expense)	Note 9	**42.2**	(16.0)
Profit after tax		**663.1**	633.7
Share of joint ventures and associates' result	Note 4, 16	**(14.0)**	(8.4)
Profit from continuing operations		**649.1**	625.3
Discontinued operations			
Loss after tax from discontinued operations	Note 3	**–**	(7.3)
Profit for the year		**649.1**	618.0
Attributable to:			
Equity holders of the parent		**648.8**	617.7
Non-controlling interests		**0.3**	0.3
		649.1	618.0
Earnings per share (in euro)[1]			
Class A shares (of which from continuing operations 1.62 (2011: 1.58))	Note 11	**1.62**	1.56
Class B shares (of which from continuing operations 0.65 (2011: 0.63))	Note 11	**0.65**	0.62

1 Earnings per share are calculated by dividing the net profit attributable to ordinary shareholders for the period by the weighted average number of shares outstanding during the year as adjusted to reflect the economic rights of each class of share. Fully diluted earnings per share are insignificantly different from basic earnings per share.

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

Consolidated financial statements
Consolidated statement of comprehensive income
For the year ended December 31, 2012

In millions of euros		**2012**	**2011**
Profit for the year		**649.1**	618.0
Other comprehensive income			
Impact of currency translation		**(99.8)**	162.5
Net loss on hedge of net investment		**9.3**	(87.2)
Income tax effect		**(2.4)**	25.8
Total net loss on hedge of net investment, net of tax		**6.9**	(61.4)
Net movements on cash flow hedges	Note 10	**11.5**	(0.2)
Income tax effect		**(1.9)**	(1.5)
Total net movements on cash flow hedges, net of tax		**9.6**	(1.7)
Total other comprehensive income for the year, net of tax		**(83.3)**	99.4
Total comprehensive income for the year, net of tax		**565.8**	717.4
Attributable to:			
Equity holders of the parent		**569.5**	716.1
Non-controlling interests		**(3.7)**	1.3
		565.8	717.4

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

Consolidated statement of financial position
As at December 31, 2012

In millions of euros		2012	2011
Non-current assets			
Property, plant and equipment	Note 13	**4,048.7**	3,708.9
Assets in the course of construction	Note 14	**1,050.3**	1,300.4
Total property, plant and equipment		**5,099.0**	5,009.3
Intangible assets	Note 15	**2,864.4**	2,913.4
Investments in joint ventures and associates	Note 4, 16	**158.4**	150.4
Other financial assets	Note 17	**23.8**	48.0
Valuation of financial derivatives	Note 19	**–**	3.3
Other non-current financial assets		**70.1**	45.3
Deferred tax assets	Note 9	**89.2**	60.5
Total non-current assets		**8,304.9**	8,230.2
Current assets			
Inventories		**4.4**	9.3
Trade and other receivables	Note 18	**412.7**	382.8
Prepayments		**34.9**	29.5
Valuation of financial derivatives	Note 19	**4.3**	–
Cash and cash equivalents	Note 21	**240.0**	218.0
Total current assets		**696.3**	639.6
Total assets		**9,001.2**	8,869.8
Equity			
Attributable to equity holders of the parent	Note 22	**2,806.1**	2,534.2
Non-controlling interests		**79.4**	83.1
Total equity		**2,885.5**	2,617.3
Non-current liabilities			
Interest-bearing loans and borrowings	Note 24	**3,068.0**	3,579.8
Provisions and deferred income	Note 25	**350.6**	381.2
Valuation of financial derivatives	Note 19	**–**	1.3
Deferred tax liabilities	Note 9	**671.5**	694.0
Other long-term liabilities	Note 26	**42.5**	18.2
Total non-current liabilities		**4,132.6**	4,674.5
Current liabilities			
Interest-bearing loans and borrowings	Note 24	**1,159.7**	616.8
Trade and other payables	Note 26	**410.7**	444.5
Valuation of financial derivatives	Note 19	**40.4**	56.9
Income tax liabilities	Note 9	**134.1**	201.3
Deferred income		**238.2**	258.5
Total current liabilities		**1,983.1**	1,578.0
Total liabilities		**6,115.7**	6,252.5
Total liabilities and equity		**9,001.2**	8,869.8

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

Consolidated financial statements
Consolidated statement of cash flow
For the year ended December 31, 2012

In millions of euros	2012	2011
Profit from continuing operations before tax	**620.9**	649.7
Loss from discontinued operations before tax	**–**	(2.6)
Profit before tax – Total	**620.9**	647.1
Taxes paid during the year	**(37.9)**	(64.0)
Finance costs	**132.4**	126.2
Depreciation and amortisation	**556.1**	470.3
Amortisation of client upfront payments	**(41.0)**	(39.0)
Other non-cash items in consolidated income statement	**23.5**	12.1
Consolidated operating profit before working capital changes	**1,254.0**	1,152.7
(Increase)/decrease in inventories	**0.6**	(2.6)
(Increase)/decrease in trade and other debtors	**(63.7)**	(94.6)
(Increase)/decrease in prepayments and deferred charges	**14.5**	9.7
Increase/(decrease) in trade and other creditors	**64.5**	6.0
Increase/(decrease) in payments received on account	**11.6**	(43.5)
Increase/(decrease) in upfront payments and deferred income	**(48.1)**	52.2
Changes in operating assets and liabilities	**(20.6)**	(72.8)
Net operating cash flow	**1,233.4**	1,079.9
Cash flow from investing activities		
Net disposal/(purchase) of intangible assets	**(1.6)**	(3.0)
Purchase of tangible assets	**(634.0)**	(834.5)
Disposal of tangible assets	**3.2**	6.4
Disposal of controlling interests in ND SatCom, net of cash disposed (Note 3)	**–**	(9.3)
Investment in equity-accounted investments	**(68.1)**	(7.3)
Repayment of loan to associate	**4.1**	(2.6)
Other investing activities	**(1.3)**	–
Net cash absorbed by investing activities	**(697.7)**	(850.3)
Cash flow from financing activities		
Proceeds from borrowings	**790.6**	926.9
Repayment of borrowings	**(784.6)**	(847.8)
Dividends paid on ordinary shares	**(351.0)**	(317.0)
Dividends paid to non-controlling interest	**(5.6)**	–
Interest on borrowings	**(194.5)**	(178.1)
Issue of shares	**86.7**	–
Acquisition of treasury shares	**(86.7)**	–
Proceeds on treasury shares sold	**44.1**	29.9
Financing received from non-controlling interests	**–**	58.9
Net cash absorbed by financing activities	**(501.0)**	(327.2)
Net foreign exchange movements	**(12.7)**	(8.1)
Net (decrease)/increase in cash	**22.0**	(105.7)
Net cash at beginning of the year (Note 21)	**218.0**	323.7
Net cash at end of the year (Note 21)	**240.0**	218.0

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

Consolidated statement of changes in shareholders' equity
For the year ended December 31, 2012

	Issued capital	Share premium	Treasury shares	Other reserves	Retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
At January 1, 2012	**624.4**	**507.0**	**(25.9)**	**1,391.7**	**617.7**	**(9.7)**	**(571.0)**	**2,534.2**	**83.1**	**2,617.3**
Result for the year	–	–	–	–	648.8	–	–	648.8	0.3	649.1
Other comprehensive income (loss)	–	–	–	–	–	9.6	(88.9)	(79.3)	(4.0)	(83.3)
Total comprehensive income (loss) for the year	–	–	–	–	**648.8**	**9.6**	**(88.9)**	**569.5**	**(3.7)**	**565.8**
Allocation of 2011 result	–	–	–	266.7	(266.7)	–	–	–	–	–
Issue of share capital	8.6	88.9	(11.0)	–	–	–	–	86.5	–	86.5
Dividends paid[1]	–	–	–	–	(351.0)	–	–	(351.0)	–	(351.0)
Movements on treasury shares	–	–	(38.5)	–	–	–	–	(38.5)	–	(38.5)
Share-based payment adjustment	–	(6.6)	–	12.0	–	–	–	5.4	–	5.4
At December 31, 2012	**633.0**	**589.3**	**(75.4)**	**1,670.4**	**648.8**	**(0.1)**	**(659.9)**	**2,806.1**	**79.4**	**2,885.5**

	Issued capital	Share premium	Treasury shares	Other reserves	Retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Total	Non-controlling interests	Total Equity
At January 1, 2011	**624.4**	**495.1**	**(55.8)**	**1,221.1**	**487.3**	**(8.0)**	**(671.1)**	**2,093.0**	**35.5**	**2,128.5**
Result for the year	–	–	–	–	617.7	–	–	617.7	0.3	618.0
Other comprehensive income (loss)	–	–	–	–	–	(1.7)	100.1	98.4	1.0	99.4
Total comprehensive income (loss) for the year	–	–	–	–	**617.7**	**(1.7)**	**100.1**	**716.1**	**1.3**	**717.4**
Allocation of 2010 result	–	–	–	170.3	(170.3)	–	–	–	–	–
Dividends paid[1]	–	–	–	–	(317.0)	–	–	(317.0)	–	(317.0)
Movements on treasury shares	–	–	30.4	–	–	–	–	30.4	–	30.4
Share-based payment adjustment	–	11.9	(0.5)	–	–	–	–	11.4	–	11.4
Other movements	–	–	–	0.3	–	–	–	0.3	–	0.3
Subsidiary non-controlling interests contribution/distribution	–	–	–	–	–	–	–	–	46.3	46.3
At December 31, 2011	**624.4**	**507.0**	**(25.9)**	**1,391.7**	**617.7**	**(9.7)**	**(571.0)**	**2,534.2**	**83.1**	**2,617.3**

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

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

Note 1 – Corporate information

SES S.A, ('SES' or 'the company') was incorporated on March 16, 2001 as a limited liability company (Société Anonyme) under Luxembourg law. References to the 'group' in the following notes are to the company and its subsidiaries, joint ventures and associates. SES trades under 'SESG' on the Luxembourg Stock Exchange and Euronext, Paris.

The consolidated financial statements of SES for the year ended December 31, 2012 were authorised for issue in accordance with a resolution of the directors on February 21, 2013. Under Luxembourg law the financial statements are approved by the shareholders at the annual general meeting.

Note 2 – Summary of significant accounting policies

Basis of preparation

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.

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board, and endorsed by the European Union, as at December 31, 2012.

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 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 and affiliates 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 see Note 29.

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

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the group loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative translation differences, recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Application of IFRS 1

The group adopted IFRS on January 1, 2004 and applied the provisions of IFRS 1 for this transition. In particular, goodwill arising on business combinations (IFRS 3) that occurred before January 1, 2004 has not been restated. In accordance with IFRS 1, the group has elected not to apply IAS 21 (as revised in 2003) retrospectively to fair value adjustments and goodwill arising in business combinations that occurred before January 1, 2004.

The group has taken advantage of the transitional provisions of IFRS 2 in respect of equity-settled awards and has applied IFRS 2 only to equity-based awards granted after November 7, 2002 that had not vested on January 1, 2004.

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 and effective as of January 1, 2012:

- IAS 12 Income Taxes (amendment) - Deferred Taxes: Recovery of Underlying Assets effective January 1, 2012;
- IFRS 7 Financial Instruments: Disclosures - Enhanced Derecognition Disclosure Requirements effective July 1, 2011.

Adoption of these standards and interpretations did not have any effect on the financial position or performance of the group. The adoption of the standards or interpretations is described below:

IAS 12 Income Taxes (Amendment) - Deferred Taxes: Recovery of Underlying Assets

The amendment clarified the determination of deferred tax on investment property measured at fair value and introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. It includes the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 should always be measured on a sale basis.

IFRS 7 Financial Instruments - Disclosures - Transfers of financial assets (Amendment)

The amendment requires additional disclosures about financial assets that have been transferred but not derecognised to enable the user of the financial statements to understand the relationship between those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about the entity's continuing involvement in derecognised assets to enable the users to evaluate the nature of, and risks associated with, such involvement.

Interests in joint ventures

The group has interests in joint ventures which are jointly controlled entities. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest.

Until the year ended December 31, 2011, the group recognised its interest in the joint venture using proportional consolidation. The group combined its share of each of the assets, liabilities, income and expenses of the joint venture with the similar items, line by line, in its consolidated financial statements. With effect from January 1, 2012 the company has voluntarily changed its accounting policies for interests in a joint venture from proportional consolidation to the equity method of accounting. The management believes that this results in the financial statements providing reliable and more relevant information about the effects of transactions, other events, or conditions on the group's financial position, financial performance or cash flows. The change of this accounting policy did not have a significant impact on the financial position or performance of the group, so that the prior periods have not been restated in this respect. The restatement of the prior year 2011 would have no impact on the profit for the year; however the earnings before interest, tax, depreciation & amortisation would have been increased by Euro 2.8 million.

Under the equity method, the investment in a jointly controlled entity is carried in the statement of financial position at cost, plus post-acquisition changes in the group's share of net assets of the jointly controlled entity, less distributions received and less any impairment in value of the investment. The group income statement reflects the group's share of the results after tax of the jointly controlled entity.

Financial statements of jointly controlled entities are prepared for the same reporting year as the group. Where necessary, adjustments are made to those financial statements to bring the accounting policies used into line with those of the group.

Unrealized gains on transactions between the group and its jointly controlled entities are eliminated to the extent of the group's interest in the jointly controlled entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The group assesses investments in jointly controlled entities for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication of impairment exists, the carrying amount of the investment is compared with its recoverable amount, being the higher of its fair value less costs to sell and value in use. Where the carrying amount exceeds the recoverable amount, the investment is written down to its recoverable amount.

The group ceases to use the equity method of accounting on the date from which it no longer has joint control, or significant influence over the joint venture or associate respectively, or when the interest becomes held for sale.

Investments in associates

The group has investments in associates which are accounted for under the equity method. An associate is an entity in which the group has significant influence and which is neither a subsidiary nor a joint venture.

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 net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After application of the equity method, the group determines whether it is necessary to recognise any additional impairment loss with respect to the group's net investment in the associate. The income statement reflects the share of the results of operations of the associate. Where there has been a change recognised directly in the equity of the associate, the group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity.

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. Where differences arise in the reporting dates the group adjusts the financial information of the associate for significant transactions in the intervening period.

Significant accounting judgements and estimates

1) **Judgements**

In the process of applying the group's accounting policies, management has made the following judgements, 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. On the expiry of such agreements, the operating company will generally be in a position to re-apply for the usage of these positions and frequency rights. Where the group has obtained such rights through the acquisition of subsidiaries and associates, 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. Such assets are deemed to have an indefinite life where the group has a high probability that it will be able to successfully re-apply for these rights as and when they expire. 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 materiality 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 made for the potential taxation charge arising. These provisions are recorded as current liabilities in the statement of financial position. As at December 31, 2012 an amount of EUR 84.8 million (2011: EUR 160.5 million) is disclosed under 'Income tax liabilities'.

One significant area of management judgement 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, judgement 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 makes provisions where this seems appropriate on a case by case basis.

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, 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 is 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 is allocated. Establishing the value in use requires the group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount 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

As described above the group assesses at each reporting date whether there is any indicator 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. This requires an estimation of the value in use of the assets to ensure that this exceeds the carrying amount included in the consolidated financial statements. As far as this affects the group's satellite assets, this 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.

For one satellite, AMC-16, three solar array circuit failures in 2012 have resulted in aggregate impairment charges of EUR 36.6 million being taken in 2012. These solar array failures impact the satellites ability to generate power to operate its transponders and hence its commercialisable capacity. This impairment charge, together with regular depreciation charges recorded during the year, have resulted in the carrying value of the satellite being reduced to EUR 39.8 million from EUR 87.9 million at the end of 2011. In arriving at the appropriate impairment charge, management has assumed reduced capacity based on its experience of this satellite, and other satellites of the same type. Changes in capacity assumptions used and/or additional circuit failures in the future could further impact the value in use of the satellite.

Business combinations

1) Business combinations as from January 1, 2010

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer 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 administrative 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 recognized at fair value.

If the business combination is achieved in stages, the acquisition date fair 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 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

2) Business combinations prior to January 1, 2010

In comparison to the above-mentioned requirements, the following differences applied: Business combinations were accounted for using the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Any additional acquired share of interest did not affect previously recognised goodwill.

Contingent consideration was recognised if, and only if, the group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent adjustments to the contingent consideration were recognised as part of goodwill.

Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and their fair value less costs to sell.

In the consolidated statement of comprehensive income of the reporting period, and of the comparable period of the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the statement of comprehensive income.

Property, plant and equipment

Property, plant and equipment is initially recorded at acquisition or manufacturing cost and is depreciated over the expected useful economic life. The manufacturing cost of internally generated property, plant and equipment includes directly attributable costs as well as appropriate overheads. Costs for the repair and maintenance of these assets are recorded as expense. Relevant borrowing costs arising during the construction period of satellites are capitalised.

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 16 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, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Assets in the course of construction

Amounts payable in respect of the purchase of satellites, including launch costs and other related expenses such as ground equipment and financing costs, are included in the statement of financial position when accepted and billed. Once the asset is subsequently put into service, the expenditure is transferred to assets in use and depreciation commences.

Intangible assets

1) Goodwill

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

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 reviewed 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 taken as charges to the 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 business plans approved by management. Beyond a seven-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 disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2) Other intangibles

Intangible assets, consisting principally of rights of usage of orbital frequencies and acquired transponder service agreements, 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 a period not exceeding 21 years. Indefinite life intangible assets are held at cost in the statement of financial position but 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.

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 using an appropriate discount rate. The estimated cash flows are based on the most recent business plans. If impairment is indicated, the asset value will be written down to its recoverable amount.

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. All other borrowing costs are recognised as an expense in the period in which they are incurred.

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 income.

2) **Held-to maturity investments**

   Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the group has the positive intent and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process.

3) **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 income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

4) **Available-for-sale financial assets**

   Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial recognition available-for-sale financial assets are measured at fair value with gains and losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the income statement totally or partially.

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.

Inventories

Inventories primarily consist of work-in-progress, related accessories and network equipment spares and are stated at the lower of cost or market value, with cost determined on an average-cost method and market value based on the estimated net realisable value.

Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Provision is made 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. Certain comparatives have been reclassified to conform with current year presentation (see Note 18).

Inter-company transactions

The group accounts for internal sales and transfers as if the sales or transfers were to third parties at current market prices.

Treasury shares

Acquired own equity instruments (treasury shares) are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the group's own equity instruments.

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. For the purposes of the consolidated statement of cash flow, 'Net Cash' consists of cash and cash equivalents, net of outstanding bank overdrafts.

Revenue recognition

The group enters into contracts to provide high-quality satellite transponder capacity and broadcasting services through which television, radio and data broadcasting make available programming services to the general public. Revenues are generated primarily from service agreements with customers to provide satellite transponder services.

All amounts received from customers under contracts for satellite capacity are recognised, at the fair value of the consideration received or receivable, over the duration of the respective contracts on a straight-line basis. Payments received in advance are deferred and included in the statement of financial position as deferred income. Certain comparatives of deferred income have been reclassified to conform with current year presentation (see Note 25).

Interest is accrued on advance payments received using the incremental borrowing rate of the group at the time the advance payments are received. Payments of receivables in arrears are accrued and included in trade debtors.

The group also has a number of long-term construction contracts. Revenue is recognised on these contracts by reference to the stage of completion of the contract where the outcome can be estimated reliably.

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 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 a reliable estimate can be made of the amount of the obligation.

Current taxes

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

Deferred taxes

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

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 tax items 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.

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 the functional currency.

Transactions in foreign currencies are initially recorded in the functional currency ruling at the date of 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 exchange. During the year, expenses and income expressed in foreign currencies are recorded at exchange rates 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.

Goodwill and fair value adjustments arising on the acquisition of a 100%-owned 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 currency exchange 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 income statement.

The U.S. dollar exchange rates used by the group during the year were as follows:

1 euro =	**Average rate for 2012**	**Closing rate for 2012**	Average rate for 2011	Closing rate for 2011
USD	**1.2910**	**1.3194**	1.4035	1.2939

Basic and diluted 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 and diluted earnings per share are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share are also adjusted for the effects of dilutive options.

Derivative financial instruments and hedging

The group recognises all derivatives as assets and liabilities in the statement of financial position at fair value. Changes in the fair value of derivatives are recorded in the income statement or in accordance with the principles below where hedge accounting is applied. The group uses derivative financial instruments such as foreign currency contracts and interest rate swaps to hedge its risks associated with interest rate and foreign currency fluctuation. The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments. On the date a hedging derivative instrument is entered into, the group designates the derivative as one of the following:

1) a hedge of the fair value of a recognised asset or liability or of an unrecognised firm commitment (fair value hedge);
2) a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognised asset or liability (cash flow hedge); or
3) a hedge of a net investment in a foreign operation.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

1) Fair value hedges

   In relation to fair value hedges (Interest Rate Swaps on fixed-rate debt) which meet the conditions for hedge accounting, any gain or loss from remeasuring the hedging instrument at fair value is recognised immediately in the income statement. Any gain or loss on the hedged item attributable to the hedged risk is adjusted against the carrying amount of the hedged item and recognised in the income statement as finance revenue or cost.

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 – which meet the conditions for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity and the ineffective portion is recognised in the income statement as finance revenue 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, and meets all the required criteria for, a hedge of a net investment are recorded in the currency exchange reserve to the extent that it is deemed to be an effective hedge. The ineffective portion is recognised in the income statement as finance revenue 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 on 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.

Derecognition of financial assets and liabilities

1) Financial assets

   A financial asset is derecognised where:

   - the rights to receive cash flows from the asset have 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 have neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset continues to be recognised to the extent of the group's continuing involvement in the asset. 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.

2) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. 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 plans. The cost of providing benefits under the defined benefit pension plan is determined using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised as income or expense when the cumulative unrecognised gains or losses for each individual plan exceed 10% of the higher of the defined benefit obligation and the fair value of plan assets. These gains or losses are recognised over the expected average remaining working lives of the employees participating in the plans. Costs relating to the defined contribution plan are recognised in the income statement as incurred on an accruals basis.

Equity-settled share-based payments schemes

Employees (including senior executives) of the group receive remuneration in the form of share-based payment 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, further details of which are given in Note 23. In valuing equity-settled transactions, no account is taken of any 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 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).

Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. For arrangements entered into prior to January 1, 2005, the date of inception is deemed to be January 1, 2005 in accordance with the transitional requirements of IFRIC 4.

Finance leases, which transfer to the group substantially all risks and benefits 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 charges 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 income statement on a straight-line basis over the lease term.

IFRS standards and interpretations issued but not yet effective

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

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

The amendments to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the group's financial position or performance. The amendment becomes effective for annual periods beginning on or after July 1, 2012, and will therefore be applied in the group's first annual report after becoming effective.

IAS 19 Employee Benefits (Revised)

The revised standard includes a number of amendments that range from fundamental changes to simple clarifications and re-wording. The more significant changes include the following:

- For defined benefit plans, the ability to defer recognition of actuarial gains and losses (i.e., the corridor approach) has been removed. As revised, amounts recorded in profit or loss are limited to current and past service costs, gains or losses on settlements, and net interest income (expense). All other changes in the net defined benefit asset (liability), including actuarial gains and losses are recognised in other comprehensive income with no subsequent recycling to profit or loss.
- Objectives for disclosures of defined benefit plans are explicitly stated in the revised standard, along with new or revised disclosure requirements. These new disclosures include quantitative information about the sensitivity of the defined benefit obligation to a reasonably possible change in each significant actuarial assumption.

The amendment becomes effective for annual periods beginning on or after January 1, 2013. The rules must be applied retrospectively (with exceptions). It is anticipated that the application of the standard will lead to the adjustment of defined benefit pension plans. A detailed analysis of the effect on net assets, financial position, and results of operations is currently being performed. The amendments are likely to result in a EUR 2.9 million decrease in the equity attributable to equity holders of the parent net of deferred tax assets. Management expects the amended standard to apply for the first time to the consolidated financial statements for the financial year beginning January 1, 2013.

IAS 27 Separate Financial Statements (as revised in 2011)

As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The group does not present separate financial statements.

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)

As a consequence of the new IFRS 11 Joint Arrangements, and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates, has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The revised standard becomes effective for annual periods beginning on or after January 1, 2014. The revised standard has no impact on the group's financial position or performance as the company made a voluntarily change in its accounting policies in the current period for interests in a joint venture from proportional consolidation to the equity method of accounting.

IAS 32 Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32

These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are not expected to impact the group's financial position or performance and become effective for annual periods beginning on or after January 1, 2014.

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

These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32 *Financial Instruments: Presentation*. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. These amendments will not impact the group's financial position or performance and become effective for annual periods beginning on or after January 1, 2013.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after January 1, 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to January 1, 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the group's financial assets, but will not have an impact on classification and measurements of financial liabilities. The group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued and once endorsed by the European Union.

IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 *Consolidation* —Special Purpose Entities.

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. This standard becomes effective for annual periods beginning on or after January 1, 2014. The group is currently assessing the impact that this standard will have on the financial position and performance.

IFRS 11 Joint Arrangements

IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. This standard becomes effective for annual periods beginning on or after January 1, 2014.

Based on the preliminary analyses performed, the application of this new standard will have no impact on the group's financial position or performance with respect to the currently held jointly controlled entities, as the company made a voluntarily change in its accounting policies in the current period for interests in a joint venture from proportional consolidation to the equity method of accounting.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required, but has no impact on the group's financial position or performance. This standard becomes effective for annual periods beginning on or after January 1, 2014.

IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The group is currently assessing the impact that this standard will have on the financial position and performance, but based on the preliminary analyses, no material impact is expected. This standard becomes effective for annual periods beginning on or after January 1, 2013.

Annual Improvements May 2012

These improvements will not have an impact on the group, but include:

IAS 1 Presentation of Financial Statements

This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative information is the previous period.

IAS 16 Property Plant and Equipment

This improvement clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

IAS 32 Financial Instruments, Presentation

This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 *Income Taxes*.

IAS 34 Interim Financial Reporting

The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures.

These improvements are effective for annual periods beginning on or after January 1, 2013 or once endorsed by the European Union.

Note 3 – Discontinued operation – disposal of controlling interest in ND SatCom

SES disposed of its 75.1% controlling interest in ND SatCom on February 28, 2011. As at the end of 2010, and for the first two months of 2011, the interest in ND SatCom was disclosed in the group's financial reporting as an 'Asset held for sale'. The group retains a minority shareholding of 24.9% which is accounted for using the equity method and disclosed as part of the line 'Share of associates' result'.

The results after tax from discontinued operations as well as the cash outflow arising from ND SatCom sale were as follows:

In millions of euros	February 28, 2011
Revenue	5.7
Operating expenses	(8.6)
EBITDA	(2.9)
Depreciation	(0.3)
Amortisation	(0.7)
Operating profit	(3.9)
Net finance charges	1.2
Share of associate's result	0.1
Loss recognised on the remeasurement to fair value	–
Loss before tax for the period from discontinued operations	(2.6)
Tax income/(expense):	
Related to current pre-tax profit/(loss)	–
Related to measurement to fair value less cost to sell	–
	(2.6)
Loss for the period from discontinued operations:	
Loss on disposal of the discontinued operations	(4.3)
Attributable tax expense	(0.4)
	(4.7)
Loss after tax for the period from discontinued operations	(7.3)
Cash outflow on sale:	
Consideration received	5.0
Net cash disposed of with the discontinued operation	(14.3)
Net cash outflow	(9.3)
Net operating cash flow	(8.2)
Net cash generated by investing activities	12.5
Net cash generated by financing activities	7.3
Net foreign exchange movements	–
Net cash inflow/(outflow)	11.6
Earnings per share – A shares	(0.02)
Earnings per share – B shares	(0.01)

Note 4 – Interest in a joint venture

With effect from January 1, 2012 SES has adopted the equity method for the presentation of the results of joint ventures (refer to Note 2).

Solaris Mobile Limited, Ireland

In 2007, SES ASTRA and Eutelsat entered into a joint venture, Solaris Mobile Limited ('Solaris') based in Dublin, to develop the use of S-band frequencies for next-generation entertainment services via satellite. On April 6, 2009, the S-band payload was launched on board Eutelsat's W2A satellite. On May 14, 2009, the European Commission granted one of two 15 MHz blocks of S-band capacity for a European coverage to Solaris, subject to certain conditions, with the second block assigned to Inmarsat. On the same day Eutelsat and SES announced an anomaly in the functioning of the payload. On June 22, 2009, Solaris filed a constructive total loss insurance claim for the full insured value of the payload which was fully impaired on June 30, 2009. The insurance proceeds were collected in full towards the end of 2009. SES, together with the other shareholder Eutelsat, remains committed to establishing an economically viable business through the commercialisation of the allocated S-band frequencies.

The share of assets, liabilities, income and expenses of the joint venture as at December 31, 2012 and 2011 and for the years then ended, which are included in the consolidated financial statements, are as follows:

In millions of euros	**2012**	2011
Non-current assets	**2.0**	2.0
Current assets	**3.2**	5.5
Non-current liabilities	**–**	–
Current liabilities	**0.3**	0.6
Revenue	**–**	–
Other income	**0.1**	
Operating expenses	**(2.0)**	(2.8)
Depreciation and amortisation	**(0.2)**	(0.2)
Finance income, net	**0.1**	0.2
Net loss	**(2.0)**	(2.8)

Note 5 – Operating segments

SES provides satellite-based data transmission capacity, and ancillary services, to customers around the world through its fleet of over 50 geostationary-orbit satellites that provide capacity both focussed on particular continents or across continents.

Up until 2011, the primary segmental reporting analysis was 'ASTRA', 'WORLD SKIES' and 'SES S.A. and other participations' and these three divisions formed the basis of the group's segmental reporting up to and including the year ended December 31, 2011.

In the second quarter of 2011, SES announced the implementation of an internal restructuring which resulted in the effective elimination of this organisational structure during 2011. This former management structure has been fully replaced, effective January 1, 2012, by the following five fully integrated business functions:

- Sales;
- Development;
- Technical;
- Finance, and
- Corporate.

The Executive Committee, which is the most senior 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 company resources which are submitted to the Board of Directors. This committee comprises primarily the leaders of the above five business functions.

The main sources of financial information used by the Executive Committee in assessing the group's performance and allocating resources are:

- Analyses of group revenues including the allocation of revenues between the geographical downlink regions;
- Overall group 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.

Only the Sales function earns significant revenues and whilst SES generates sales reporting for the different regions of the sales organisation, the current financial reporting does not, for example, attempt to match these revenue streams to the responsibility for the relevant direct and indirect operating expenses and underlying assets.

For this reason, and due to the tightly integrated management structure and the common nature of the services which are provided by the group's satellite fleet around the world, SES believes that it now does business in one operating segment. This internal restructuring has currently not impacted the composition of the CGUs (Note 15).

When analysing the performance of the operating segment the comparative prior year figures are reconsolidated using, for all currencies, the exchange rates applying for each month in the current period. These restated prior year figures are noted as being presented at 'constant FX'. The financial results for the twelve months ending December 31 for the SES satellite operations operating segment, and the comparative prior year figures at constant FX are set out below:

In millions of euros	**2012**	Constant FX 2011	Change Favourable + / Adverse
Revenue	**1,828.0**	1,801.6	+1.5%
Operating expenses	**(481.4)**	(475.6)	-1.2%
EBITDA	**1,346.6**	1,326.0	+1.6%
EBITDA marging	**73.7%**	73.6%	+0.1 % pts
Depreciation	**(515.6)**	(453.3)	-13.7%
Amortisation	**(40.5)**	(34.9)	-16.0%
Operating profit	**790.5**	837.8	-5.6%

In millions of euros	2011	Constant FX 2010	Change Favourable + / Adverse -
Revenue	**1,733.1**	1,695.7	+2.2%
Operating expenses	**(458.5)**	(431.2)	-6.3%
EBITDA	**1,274.6**	1,264.5	+0.8%
EBITDA margin (%)	**73.5%**	74.6%	-1.1 % pts
Depreciation	**(431.7)**	(449.6)	+4.0%
Amortisation	**(34.7)**	(34.4)	-0.9%
Operating profit	**808.2**	780.5	+3.5%

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

In millions of euros	2012	2011	Change Favourable + / Adverse -
Europe	**923.3**	957.4	-3.6%
North America	**422.1**	399.4	+5.7%
International	**482.6**	444.8	+8.5%
Total	**1,828.0**	1,801.6	+1.5%

The group's revenues from external customers analysed between components of the business is as follows: 'Infrastructure' refers to the sale of satellite transponder capacity and directly attributable services, whereas 'Services' refers to the provision of products such as engineering services, retail broadband two-way internet access, and playout and transmission services. Sales between the two, mainly sales of infrastructure capacity to the 'Services' businesses, are eliminated on consolidation.

2012 *In millions of euros*	Infra-structure	Services	Elim. / unalloc.	Total
Revenue	1,586.4	386.9	(145.3)	1,828.0

2011 *In millions of euros*	Infra-structure	Services	Elim. / unalloc.	Total
Revenue	1,527.1	350.1	(144.1)	1,733.1

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

In millions of euros	2012	2011
Luxembourg (SES country of domicile)	**56.2**	52.3
United States of America	**485.1**	505.3
Germany	**387.3**	415.9
United Kingdom	**359.6**	301.3
France	**98.6**	93.7
Others	**441.2**	364.6
Total	**1,828.0**	1,733.1

No single customer accounted for 10% or more of total revenue in 2012 or 2011.

The group's non-current 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	**2012**	2011
Luxembourg (SES country of domicile)	**2,127.7**	1,932.6
United States of America	**2,785.7**	3,217.3
The Netherlands	**1,187.4**	1,142.6
Isle of Man	**1,205.7**	1,194.3
Sweden	**312.5**	245.1
Others	**344.4**	190.8
Total	**7,963.4**	7,922.7

Note 6 – Operating expenses

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

1) Cost of sales (excluding staff costs and depreciation) represents cost categories which generally vary directly with revenue development. Such costs include the rental of third-party satellite capacity, the cost of goods sold (for example on the disposal of space segment assets), and costs directly attributable to the facilitation of customer contracts.
2) Staff costs include gross salaries and employer's social security payments, payments into pension schemes for employees, and charges arising under share-based payment schemes.
3) Other operating expenses 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 on provisions for debtors.

Note 7 – Audit fees

For the year ended December 31, the group has recorded charges – both billed and accrued – from its independent auditor and affiliated companies thereof, as set out below:

In millions of euros	**2012**	2011
Audit fees	**1.6**	1.6
Tax advisory fees	**0.6**	0.2
Other services	**0.2**	0.3
Total audit fees	**2.4**	2.1

Note 8 – Finance revenue and costs

In millions of euros	**2012**	2011
Finance revenue		
Interest income	**2.0**	5.3
Net foreign exchange gains	**4.5**	9.6
Total	**6.5**	14.9
Finance costs		
Interest expense on loans and borrowings (net of amounts capitalised)	**(167.4)**	(168.6)
Value adjustments on financial assets	**(8.7)**	(4.8)
Total	**(176.1)**	(173.4)

Note 9 – Income taxes

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

In millions of euros	2012	2011
Consolidated income statement		
Current income tax		
Current income tax charge	**(1.6)**	(71.5)
Adjustments in respect of prior periods	**6.1**	(3.0)
Total current income tax	**4.5**	(74.5)
Deferred income tax		
Relating to origination and reversal of temporary differences	**25.9**	31.7
Relating to tax losses brought forward	–	–
Changes in tax rate	**22.7**	12.7
Adjustment of prior years	**(10.9)**	14.1
Total deferred income tax	**37.7**	58.5
Income tax income/(expense) per consolidated income statement	**42.2**	(16.0)
Consolidated statement of changes in equity		
Deferred income tax related to items (charged) or credited directly in equity		
Net loss on revaluation of financial instruments – Cash flow hedge	**(1.9)**	(1.5)
Unrealised loss on loans and borrowings – Net Investment hedge	**(2.4)**	25.8
Income taxes reported in equity	**(4.3)**	24.3

A reconciliation between tax expenses and the profit before tax of the group multiplied by theoretical tax rate of 29.55% which corresponds to the Luxembourg domestic tax rate for the year ended December 31, 2012 is as follows:

In millions of euros	2012	2011
Profit before tax from continuing operations	**620.9**	649.7
Loss before tax from discontinued operations	–	(2.6)
Profit before tax	**620.9**	647.1
Multiplied by theoretical tax rate of 29.55%	**183.5**	192.0
Investment tax credits	**(46.6)**	(60.2)
Tax exempt income	**(8.1)**	(22.3)
Deferred tax asset on previously unrecognised tax losses	–	1.4
Effect of different local tax rates	**(78.1)**	(88.8)
Taxes related to prior years	**(4.8)**	(11.1)
Non deductible expenditures	**10.0**	10.5
Effects of changes in tax rate	**(22.7)**	(12.7)
Reversal of previously recognised deferred tax assets	**1.1**	2.4
Group tax provision related to current year	**10.0**	–
Reversal of group tax provision related to prior years	**(85.7)**	–
Other	**(0.8)**	4.8
Income tax reported in the consolidated income statement	**(42.2)**	16.0

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

In millions of euros	**Deferred tax assets 2012**	Deferred tax assets 2011	**Deferred tax liabilities 2012**	Deferred tax liabilities 2011	**Deferred tax in income 2012**	Deferred tax in income 2011
Losses carried forward	**68.5**	133.4	–	–	**(64.9)**	115.0
Tax credits	**83.5**	40.2	–	7.6	**50.9**	29.5
Intangible assets	–	–	**254.8**	154.5	**(100.3)**	3.8
Tangible assets	**0.5**	0.8	**458.0**	600.1	**141.8**	16.7
Retirement benefit obligation	**10.5**	10.2	–	–	**0.3**	–
Value adjustments on financial asset	–	–	**18.6**	26.6	**8.0**	(1.6)
Receivables	–	–	**0.4**	15.7	**15.3**	1.6
Payables	–	–	–	0.9	**0.9**	(22.0)
Other provisions and accruals	**1.6**	–	**7.9**	–	**(6.3)**	(101.2)
Foreign exchange impact					**(8.0)**	16.7
Total deferred tax as per consolidated income statement	**164.6**	184.6	**739.7**	805.4	**37.7**	58.5
Measurement of financial instruments and cash flow hedges and net investment hedges	**11.8**	1.3	**19.0**	4.2	**(4.3)**	24.3
Subtotal	**176,4**	185.9	**758.7**	809.6	**33.4**	82.8
Offset of deferred taxes	**(87.2)**	(125.4)	**(87.2)**	(115.6)	–	–
Total	**89.2**	60.5	**671.5**	694.0	**33.4**	82.8

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 191.3 million (2011: EUR 192.3 million) that are available indefinitely for offset against future taxable profits of the companies in which the losses arose. 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.

Note 10 – Components of other comprehensive income

In millions of euros	**2012**	2011
Cash flow hedges		
Gains (losses) arising during the year:		
On currency forward contracts	**6.6**	(10.9)
On interest rate swaps	**5.2**	8.0
Reclassification adjustments for (gains)/losses included in the fixed assets	**(0.3)**	2.7
Total	**11.5**	(0.2)

Note 11 – Earnings per share

Basic earnings per share are 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. Earnings per share calculated on a fully diluted basis are insignificantly different from the basic earnings per share.

For the year 2012, earnings per share of EUR 1.62 per A share (2011: EUR 1.56), and EUR 0.65 per B share (2011: EUR 0.62) have been calculated on the following basis:

In millions of euros	**2012**	2011
Profit attributable to equity holders of the parent	**648.8**	617.7

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

	2012	2011
Class A shares (in million)	**334.1**	330.1
Class B shares (in million)	**167.8**	166.5
Total	**501.9**	496.6

The weighted average number of shares is based on the capital structure of the company as described in Note 22.

Note 12 – Dividends paid and proposed

Dividends declared and paid during the year:

In millions of euros	**2012**	2011
Class A dividend (2011: EUR 0.88, 2010: EUR 0.80)	**293.0**	266.4
Class B dividend (2011: EUR 0.35, 2010: EUR 0.32)	**58.6**	53.3
Total	**351.6**	319.7

Dividends proposed for approval at the annual general meeting to be held on April 4, 2013, which are not recognised as a liability as at December 31, 2012.

In millions of euros	**2012**	2011
Class A dividend for 2012: EUR 0.97	**326.8**	293.0
Class B dividend for 2012: EUR 0.39	**65.4**	58.6
Total	**392.2**	351.6

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
Movements in 2011 on cost					
As at January 1	**168.8**	**6,483.7**	**377.9**	**211.7**	**7,242.1**
Additions	0.9	270.3	13.6	12.2	297.0
Disposals	–	–	(2.3)	(3.7)	(6.0)
Retirements	–	–	(51.5)	(24.7)	(76.2)
Transfers from assets in course of construction (Note 14)	2.1	643.1	10.4	4.1	659.7
Transfer to another heading	0.3	–	1.9	3.1	5.3
Impact of currency translation	0.9	157.5	5.2	1.4	165.0
As at December 31	**173.0**	**7,554.6**	**355.2**	**204.1**	**8,286.9**
Movements in 2011 on depreciation					
As at January 1	**(95.7)**	**(3,612.4)**	**(292.0)**	**(148.8)**	**(4,148.9)**
Depreciation	(6.6)	(373.8)	(27.2)	(24.1)	(431.7)
Depreciation on disposals	–	–	1.7	2.0	3.7
Depreciation on retirements	–	–	51.5	24.7	76.2
Transfer to another heading	–	–	(0.2)	2.2	2.0
Impact of currency translation	(0.5)	(73.1)	(4.6)	(1.1)	(79.3)
As at December 31	**(102.8)**	**(4,059.3)**	**(270.8)**	**(145.1)**	**(4,578.0)**
Net book value as at December 31, 2011	**70.2**	**3,495.3**	**84.4**	**59.0**	**3,708.9**

In millions of euros	Land and buildings	Space segment	Ground segment	Other fixtures and fittings, tools and equipment	Total
Movements in 2012 on cost					
As at January 1	**173.0**	**7,554.6**	**355.2**	**204.1**	**8,286.9**
Additions	4.2	90.2	6.7	19.5	120.6
Disposals	–	–	(8.5)	(3.6)	(12.1)
Retirements	–	–	(8.3)	(7.9)	(16.2)
Transfers from assets in course of construction (Note 14)	9.6	738.7	24.1	6.9	779.3
Transfer to another heading	–	–	5.1	–	5.1
Impact of change in accounting policies - Solaris	–	(2.7)	(0.1)	–	(2.8)
Impact of currency translation	(0.6)	(81.5)	(2.3)	(1.2)	(85.6)
As at December 31	**186.2**	**8,299.3**	**371.9**	**217.8**	**9,075.2**
Movements in 2012 on depreciation					
As at January 1	**(102.8)**	**(4,059.3)**	**(270.8)**	**(145.1)**	**(4,578.0)**
Depreciation	(6.3)	(425.6)	(24.2)	(22.8)	(478.9)
Depreciation on disposals	–	–	7.5	3.6	11.1
Depreciation on retirements	–	–	8.3	7.9	16.2
Impairment on AMC-16	–	(36.7)	–	–	(36.7)
Transfer from assets in course of construction (Note 14)	–	(0.5)	(1.2)	(2.9)	(4.6)
Impact of change in accounting policies - Solaris	–	2.7	0.1	–	2.8
Impact of currency translation	0.4	38.5	1.8	0.9	41.6
As at December 31	**(108.7)**	**(4,480.9)**	**(278.5)**	**(158.4)**	**(5,026.5)**
Net book value as at December 31, 2012	**77.5**	**3.818.4**	**93.4**	**59.4**	**4.048,7**

Note 14 – Assets in the course of construction

In millions of euros	Land and Buildings	Space segment	Ground segment	Total
Cost and net book value as at January 1, 2011	**5.1**	**1,266.9**	**39.6**	**1,311.6**
Movements in 2011				
Additions	11.4	597.0	17.3	625.7
Transfers to assets in use (Note 13)	(2.1)	(643.1)	(14.5)	(659.7)
Transfers to current assets	(0.5)	–	–	(0.5)
Disposals	–	–	(0.6)	(0.6)
Impact of currency translation	–	22.6	1.3	23.9
Cost and net book value as at December 31, 2011	**13.9**	**1,243.4**	**43.1**	**1,300.4**

In millions of euros	Land and Buildings	Space segment	Ground segment	Total
Cost and net book value as at January 1, 2012	**13.9**	**1,243.4**	**43.1**	**1,300.4**
Movements in 2012				
Additions	6.2	487.2	43.7	537.1
Transfers to assets in use (Note 13)	(11.0)	(738.2)	(25.5)	(774.7)
Disposals	–	(1.7)	–	(1.7)
Impact of change in accounting policies - Solaris	–	(0.1)	–	(0.1)
Impact of currency translation	–	(10.0)	(0.7)	(10.7)
Cost and net book value as at December 31, 2012	**9.1**	**980.6**	**60.6**	**1,050.3**

Borrowing costs of EUR 57.1 million (2011: EUR 57.6 million) arising on financing specifically relating to satellite construction were capitalised during the year and are included in 'Space segment' additions in the above table.

A weighted average capitalisation rate of 4.88% (2011: 5.08%) was used, representing the borrowing group's average weighted cost of borrowing. Excluding the impact of the loan origination costs the average weighted interest rate was 4.49% (2011: 4.65%).

Note 15 – Intangible assets

In millions of euros	Orbital slot licence rights	Goodwill	Definite life intangibles	Total
Book value as at January 1, 2011	750.4	1,779.3	336.3	2,866.0
Movements in 2011 on cost				
As at January 1	**750.4**	**1,779.3**	**662.8**	**3,192.5**
Additions	0.2	–	2.5	2.7
Transfers to another heading	(0.6)	–	–	(0.6)
Disposal	–	–	(0.4)	(0.4)
Impact of currency translation	22.3	56.2	1.9	80.4
As at December 31	772.3	1,835.5	666.8	3,274.6
Movements in 2011 on amortisation				
As at January 1	–	–	**(326.5)**	**(326.5)**
Amortisation	–	–	(34.7)	(34.7)
Transfers to another heading	–	–	0.6	0.6
Disposal	–	–	0.4	0.4
Impact of currency translation	–	–	(1.0)	(1.0)
As at December 31	–	–	(361.2)	(361.2)
Book value as at December 31, 2011	**772.3**	**1,835.5**	**305.6**	**2,913.4**
Movements in 2012 on cost				
As at January 1	**772.3**	**1,835.5**	**666.8**	**3,274.6**
Additions	–	–	37.3	37.3
Transfers to another heading	(2.0)	–	(2.4)	(4.4)
Impact of change in accounting policies - Solaris	(1.0)	–	(1.3)	(2.3)
Impact of currency translation	(10.3)	(33.4)	(1.0)	(44.7)
As at December 31	**759.0**	**1,802.1**	**699.4**	**3,260.5**
Movements in 2012 on amortisation				
As at January 1	–	–	**(361.2)**	**(361.2)**
Amortisation	–	–	(40.5)	(40.5)
Transfers to another heading	–	–	4.5	4.5
Impact of change in accounting policies - Solaris	–	–	0.3	0.3
Impact of currency translation	–	–	0.8	0.8
As at December 31	–	–	**(396.1)**	**(396.1)**
Book value as at December 31, 2012	**759.0**	**1,802.1**	**303.3**	**2,864.4**

Indefinite life intangible assets

The indefinite life intangible assets as at December 31, 2012 have a net book value of EUR 2,561.1 million (2011: EUR 2,607.8 million) made up as set out per cash-generating unit in the table below.

In millions of euros	**2012**	2011
SES WORLD SKIES	**2,415.8**	2,466.0
SES ASTRA AB	**105.8**	87.8
SES Platform Services	**33.9**	33.9
SES ASTRA SA	**–**	13.7
Others	**5.6**	6.4
Total	**2,561.1**	2,607.8

1) Orbital slot licence rights

Interests in orbital slot licence rights were acquired in the course of the acquisitions of SES WORLD SKIES entities and SES ASTRA AB, as well as through the targeted acquisition of such rights from third parties. The group believes that it has a high probability of being able to achieve the extension of these rights as the current agreements expire. Hence these assets are not amortised, but rather are held on the statement of financial position at acquisition cost. Impairment procedures are performed at least once a year to assess whether the carrying value is still appropriate.

2) Goodwill

Impairment procedures are performed at least once a year to assess whether the carrying value is still appropriate. 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 senior management which covers a period of up to seven years. This relatively long period for the business plan is derived from the long-term contractual base for the satellite business.

Discount rates in 2012 are between 6.40% and 7.40% (2011: 7.20% and 7.40%) 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 1%, which can be supported by reference to the trading performance of the companies concerned over a longer period.

Definite life intangible assets

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 the Luxembourg frequencies in the orbital positions of the geostationary arc from 45° West to 50° East for the period of January 1, 2001 to December 31, 2021. Given the finite nature of this agreement, these usage rights – valued at EUR 550.0 million on acquisition – are being amortised on a straight-line basis over the 21-year term of the agreement.

Impairment testing of goodwill and intangibles with indefinite lives

The cash-generating units (CGUs) for impairment testing of goodwill and intangible assets relating to SES WORLD SKIES operation and SES ASTRA AB are currently the smallest identifiable group of satellite assets that are largely independent of the cash flows from other groups of satellites. In identifying these CGUs the group takes into account fleet utilisation considerations, particularly the ability of individual satellites to provide back-up services to other satellites in the light of their available frequency spectrum and geographical footprint. For SES Platform Services the company's operations as a whole are treated as a CGU.

The calculations of value in use are most sensitive to:

- movements in the underlying business plan assumptions for the satellites concerned;
- changes in discount rates; and

– the growth rate assumptions used to extrapolate cash flows beyond the business plan period.

- **Movements in the underlying business plan assumptions:**

  Business plans are drawn up annually and generally provides an assessment of the expected developments for a seven-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 business these will particularly take account of the following factors:

  - the expected developments in transponder fill rates, including the impact of the launch of new capacity;
  - new products and services to be launched during the business plan period;
  - any changes in the expected capital expenditure cycle – due to technical degradation of a satellite or through the identified need for additional capacities; and
  - any changes in satellite procurement, or launch, cost assumptions.

- **Changes in discount rates:**

  Discount rates reflect management's estimate of the risks specific to each unit. Management uses a weighted average cost of capital as the discount rate for each entity. This reflects the market interest rates on ten-year bonds in the market concerned, the capital structure of the group, and other factors, as necessary, applying specifically to the CGU concerned.

- **Growth rate assumptions used to extrapolate cash flows beyond the business planning period:**

  - Rates 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 company assesses the impact of changes in the discount rates and growth assumptions on the valuation surplus, or deficit as the case may be. Both discount rates and terminal values are simulated up to 1% below and above the CGU specific rate used in the base valuation. In this way a matrix of valuations is generated which reveals the 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 all three 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 forseeable at the valuation date which would result in the carrying value of intangible assets materially exceeding their recoverable amount.

Note 16 – Investment in associates

1) O3b Networks

On November 16, 2009, SES made an initial investment of USD 75 million to acquire 25% of O3b Networks Limited, a company establishing a new Medium Earth Orbit satellite-based backbone for telecommunications operators and internet service providers in emerging markets. In addition to its cash investment, SES agreed to provide in-kind services, including technical and commercial services, to O3b Networks in the pre-service commercialisation period in return for additional shares.

On November 29, 2010, SES announced its participation in a further financing round. This 'full funding' round raised a total of USD 1.2 billion from a group of investors and banks, securing the financing required to take O3b Networks through to its service launch in the first half of 2013. SES' participation on the full financing round comprised the subscription for additional shares to be fully paid based on current estimates by 2013. In addition SES committed to provide two tranches of loans in a total amount of USD 66 million to O3b Networks in the precommercialisation period, if required, at fixed rates. In return for making these commitments SES received additional shares in the company.

On October 31, 2011, O3b Networks announced to have raised an additional USD 139 million to accelerate the procurement of four additional satellites. SES participated in this financing for an amount of USD 34.7 million in the form of O3b Networks equity. For this investment, SES received additional shares to be fully paid based on current estimates by 2013.

On October 2, 2012, SES participated to an additional funding of an amount of USD 10 million in exchange of additional fully paid shares in the company.

At December 31, 2012, after the full financing agreement and reflecting the additional shares arising under those agreements, SES has an equity interest of 46.88% of the O3b Networks group of companies, compared to 38.79%, including in-kind service shares, at the end of 2011.

The carrying value of the O3b Networks investment has risen from EUR 150.4 million in 2011 to EUR 154.5 million in 2012, including a fair value of EUR 30.0 million placed on the contingent funding described above.

The share of assets, liabilities, income and expenses of O3b Networks Limited as at December 31, 2012 and 2011 and for the years then ended, which are included in the consolidated financial statements, are as follows:

In millions of euros	**2012**	2011
Non-current assets	315.5	178.9
Current assets	34.4	71.1
Non-current liabilities	179.2	102.9
Current liabilities	5.7	5.6
Revenue	–	–
Operating expenses	(9.2)	(4.8)
Depreciation and amortisation	(0.2)	–
Finance expense, net	(0.6)	(0.1)
Income tax	(0.1)	(0.1)
Net loss	(10.1)	(5.0)

2) ND SatCom

On February 28, 2011 the group sold 75.1% of its interest in ND SatCom to Astrium Services GmbH, a wholly-owned subsidiary of EADS. The group retains a minority shareholding of 24.9% which is accounted for using the equity method and disclosed as part of the line 'Share of associates' result'.

The share of assets, liabilities, income and expenses of ND SatCom as at December 31, 2012 and 2011 and the income and expenses for the respectively twelve month and ten month periods then ended, are as follows:

In millions of euros	**2012**	2011
Non-current assets	7.3	4.2
Current assets	14.6	24.3
Non-current liabilities	8.3	18.4
Current liabilities	18.0	12.6
Revenue	14.3	11.4
Operating expenses	(17.2)	(17.5)
Depreciation and amortisation	(0.8)	(3.2)
Finance expense, net	(0.6)	(0.9)
Income tax	–	0.8
Share of associate	0.3	0.1
Net loss	(4.0)	(9.3)
Net loss attributed to associate	(1.9)	(3.4)

The investment in the group's interest in its 24.9% shareholding in ND SatCom was initially recorded at EUR 3.4 million. The share of losses taken for the ten-month period from March to December 2011 resulted in the group's interest being reduced to zero as at December 31, 2011.

The remaining 2011 EUR 5.9 million and 2012 EUR 4.0 million share of losses have not been provided for as at December 31 ,2011 and 2012, except for an amount of EUR 1.9 million recorded as a liability as at December 31, 2012.

On December 31, 2012 like on December 31, 2011, the group held no other significant investments in associates.

Note 17 – Other financial assets

In millions of euros	**2012**	2011
Receivable from ND SatCom	**10.3**	27.0
Amounts receivable from associates	–	8.4
Sundry financial assets	**13.5**	12.6
Total other financial assets	**23.8**	48.0

The amount receivable from ND SatCom is the non-current portion of a financing loan in the amount of EUR 27.0 million as at December 31, 2012 arising in the framework of the sale of the group's controlling interest in ND SatCom in February 2011. The amounts receivable from associates after one year are stated net of a value adjustment of EUR 8.7 million recorded in 2012 (see Note 8). Sundry financial assets relate mainly to a loan made to QuetzSat S. de R. L. de C.V., a Mexican company in which the group has a participating interest.

Note 18 – Trade and other receivables

In millions of euros	**2012**	2011
Net trade debtors	**185.7**	135.3
Unbilled accrued revenue	**115.9**	128.5
Other receivables	**111.1**	119.0
Total trade and other receivables	**412.7**	382.8

Unbilled accrued revenue represents revenue for use of satellite capacity under long-term contracts but not billed. Billing will occur based on the terms of the contracts. An amount of EUR 0.9 million was recognised to income in 2012 concerning movement on debtor provisions (2011: EUR 6.0 million) was recognised to income. This amount is disclosed in 'Other operating charges'. Trade debtors and other receivables at December 31, 2011 included EUR 45.3 million of amounts becoming due and payable after more than one year which have been reclassified to 'Other non-current financial assets' to conform with current year presentation . As at December 31, 2012, trade receivables with a nominal amount of EUR 19.0 million (2011: EUR 18.8 million) were impaired and fully provided for. Movements in the provision for the impairment of receivables were as follows:

In millions of euros	**2012**	2011
As at January 1	**18.8**	20.7
Net charge to income for the year	**0.9**	6.0
Utilised	**(0.6)**	(7.8)
Impact of currency translation	**(0.1)**	(0.1)
As at December 31	**19.0**	18.8

Note 19 – Financial instruments

Fair values

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.

In millions of euros	Carried at amortised cost Carrying amount	Fair value	Carried at fair value Carrying amount	Total Balance Sheet
As at December 31, 2012				
Financial assets				
Non-current financial assets:				
Loans and receivables	23.8	23.8	–	23.8
Total other financial assets	23.8	23.8	–	23.8
Current financial assets:				
Trade and other receivables	412.7	412.7	–	412.7
Valuation of financial derivatives	–	–	4.3	4.3
Cash and cash equivalents	–	–	240.0	240.0
Total current financial assets	412.7	412.7	244.3	657.0
Financial liabilities				
Interest-bearing loans and borrowings:				
At floating rates:				
Syndicated loan 2015*	–	–	–	–
Commercial papers	466.9	466.9	–	466.9
COFACE	374.4	374.4	–	374.4
At fixed rates:				
Euro Private Placement 2016 (EUR 150 million) issued under EMTN	149.2	169.4	–	149.2
Euro Private Placement 2027 (EUR 140 million) issued under EMTN	139.3	150.8	–	139.3
Eurobond 2021 (EUR 650 million)	644.1	763.2	–	644.1
Eurobond 2020 (EUR 650 million)	644.8	755.9	–	644.8
Eurobond 2014 (EUR 650 million)	647.8	687.0	–	647.8
Eurobond 2013 (EUR 500 million)	500.0	515.0	–	500.0
German Bond 2032 (EUR 50 million), non-listed	49.8	79.7	–	49.8
Series A (USD 400 million)	43.3	45.4	–	43.3
Series B (USD 513 million)	231.5	258.3	–	231.5
Series C (USD 87 million)	65.9	76.7	–	65.9
Series D (GBP 28 million)	5.0	5.1	–	5.0
European Investment Bank (EUR 200 million)	166.7	179.6	–	166.7
US Ex-Im	99.0	108.4	–	99.0
Total interest-bearing loans and borrowings:	4,227.7	4,635.8	–	4,227.7
Of which: Non-current	3,068.0	3,447.6	–	3,068.0
Of which: Current	1,159.7	1,188.2	–	1,159.7
Forward currency contracts	–	–	0.2	0.2
Cross currency swaps	–	–	40.2	40.2
Total valuation of financial derivatives	–	–	40.4	40.4
Of which: Non-current	–	–	–	–
Of which: Current	–	–	40.4	40.4
Trade and other payables	410.7	410.7	–	410.7

** As at December 31, 2012 no amount has been draw down under this facility. As a consequence. the remaining balance of loan origination cost of the Syndicated loan 2015 has been disclosed under prepaid expenses for an amount of EUR 11.5 million*

In millions of euros	Carried at amortised cost Carrying amount	Carried at amortised cost Fair value	Carried at fair value Carrying amount	Total Balance Sheet
As at December 31, 2011				
Financial assets				
Non-current financial assets:				
Loans and receivables	39.6	39.6	–	39.6
Valuation of financial derivatives	–	–	3.3	3.3
Other	8.4	8.4	–	8.4
Total other financial assets	48.0	48.0	3.3	51.3
Current financial assets:				
Trade and other receivables	428.1	428.1	–	428.1
Cash and cash equivalents	–	–	218.0	218.0
Total current financial assets	428.1	428.1	218.0	646.1
Financial liabilities				
Interest-bearing loans and borrowings:				
At floating rates:				
Syndicated loan 2015	195.8	195.8	–	195.8
Commercial papers	60.0	60.0	–	60.0
Uncommitted loans	185.5	185.5	–	185.5
COFACE	210.8	210.8	–	210.8
At fixed rates:				
Euro Private Placement 2016 (EUR 150 million) issued under EMTN	149.0	162.7	–	149.0
Eurobond 2021 (EUR 650 million)	643.8	672.1	–	643.8
Eurobond 2020 (EUR 650 million)	644.0	675.8	–	644.0
Eurobond 2014 (EUR 650 million)	646.4	693.0	–	646.4
Eurobond 2013 (EUR 500 million)	500.0	522.5	–	500.0
German Bond 2012 (EUR 100 million), non-listed	99.9	103.4	–	99.9
German Bond 2012 (EUR 100 million), non-listed	99.9	103.6	–	99.9
Series A (USD 400 million)	86.5	93.2	–	86.5
Series B (USD 513 million)	317.2	350.1	–	317.2
Series C (USD 87 million)	67.2	79.1	–	67.2
Series D (GBP 28 million)	9.5	10.1	–	9.5
European Investment Bank (EUR 200 million)	200.0	200.0	–	200.0
US Ex-Im	81.1	81.1	–	81.1
Total interest-bearing loans and borrowings:	4,196.6	4,398.8	–	4,196.6
Of which: Non-current	3,579.8	3,764.0	–	3,579.8
Of which: Current	616.8	634.8	–	616.8
Interest rate swaps	–	–	5.2	5.2
Forward currency contracts	–	–	5.7	5.7
Cross currency swaps	–	–	47.3	47.3
Total valuation of financial derivatives	–	–	58.2	58.2
Of which: Non-current	–	–	1.3	1.3
Of which: Current	–	–	56.9	56.9
Trade and other payables	444.5	444.5	–	444.5

Set out below is an analysis of financial derivatives valuation by category of hedging/trading activities and derivatives.

		December 31, 2012		December 31, 2011
In millions of euros	**Fair value asset**	**Fair value liability**	Fair value asset	Fair value liability
Derivatives held for trading:	4.3	–	3.3	(0.9)
Currency forwards, futures and swaps	4.3	–	3.3	(0.9)
Cash flow hedges:	–	0.2	–	11.8
Currency forwards, futures and swaps	–	0.2	–	6.6
Interest rate swaps	–	–	–	5.2
Net investment hedges:	–	40.2	–	47.3
Cross currency swaps	–	40.2	–	47.3
Total valuation of financial derivatives	4.3	40.4	3.3	58.2
Of which: Non-current	–	–	3.3	1.3
Of which: Current	4.3	40.4	–	56.9

Fair value 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;
2) Other techniques for which all inputs which have a significant effect on the recorded fair value are observable either directly or indirectly;
3) Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Most of the financial instruments valued at fair value held by the group as at December 31, 2012 and December 31, 2011 fall under the level 2 category.

The fair value of the borrowings has been calculated by discounting the expected future cash flows at prevailing interest rates except for the listed Eurobonds for which the quoted market price 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. The fair value of the interest rate swap contracts is determined by reference to market values for similar instruments.

All interest-bearing loans and borrowings are at amortised cost.

Note 20 – Financial risk management objectives and policies

The group's financial instruments, other than derivatives, comprise a syndicated loan, Eurobonds, EUR Private Placement, German Bonds, European Investment Bank loan, U.S.-dollar borrowings under a Private Placement issue, euro-denominated commercial papers, drawings under COFACE and US Ex-Im (Export-Import Bank of the United States) for specified satellites under construction, uncommitted loans with banks, cash and short-term deposits. The main purpose of these financial instruments is to raise cash to finance the group's day-to-day operations as well as the acquisition of satellites. 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 finance 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 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 to cover repayment obligations as they fall due.

The group operates a centralised treasury function which manages 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 credit lines, the commercial paper programmes, EMTN Programme, and COFACE (EUR 3,631.8 million as at December 31, 2012, EUR 3,167.4 million as at December 2011, more details in Note 24).

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 loans and borrowings as at December 31, 2012. The interest assumption for all floating debts is based on the interest rate of the last drawing.

In millions of euros	Within 1 year	Between 1 and 5 years	After 5 years	Total
Maturity profile:				
As at December 31, 2012	**1,326.1**	**1,777.5**	**2,024.8**	**5,128.4**
As at December 31, 2011	805.2	2,584.9	1,789.2	5,179.3

Foreign currency risk

The group's consolidated statement of financial position can be impacted by movements in the U.S. dollar/euro exchange rate as the group has significant operations whose functional currency is the U.S. dollar, and liabilities denominated in U.S. dollar. To mitigate this exposure the group could enter into forward foreign exchange contracts or similar derivatives to hedge the exposure on financial debt or on the net assets. Currently SES holds cross currency swaps to hedge the net assets which amount to EUR 500 million and mature in 2013. This synthetic debt leads to a liability of USD 735.0 million (2011: liability of USD 739.1 million) and an asset of EUR 517.7million (2011: asset of EUR 521.9 million) including interest.

The group also has a corresponding exposure in the Income Statement. Approximately 46.4% (2011: 43.6%) of the group's sales and 42.4% (2011: 46.9%) of the group's operating expenses are denominated in U.S. dollars. The group does not enter into any hedging derivatives to cover this currency exposure.

The group uses predominately forward currency contracts to eliminate or reduce the currency exposure on single deals, such as satellite procurements, tailoring the maturities to each milestone payment. The foreign currency risk might be in EUR or USD. 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 maximize effectiveness.

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

   At December 31, 2012 and 2011, the group held forward exchange contracts designated as hedges of future contracted commitments to suppliers relating to satellite procurements.

   The cash flow hedges were assessed to be highly effective and a net unrealised loss of EUR 0.1 million (2011: unrealised loss of EUR 6.0 million) net of deferred tax of EUR 0.1 million (2011: EUR 0.6 million) relating to the hedging instruments is included in equity. During the year 2012, EUR (0.3) million (2011: EUR 2.7 million) was removed from equity and included in the initial carrying value of the acquired satellites. As at December 31, 2012 the fair value of the contracts amounted to a liability of EUR 0.2 million (2011: a liability of EUR 6.6 million).

The USD portfolio was not hedged in 2011 and 2012 as all U.S. dollar procurements are currently located in entities which have the U.S. dollar as their functional currency.

Set out below are the periods when the cash flows in EUR for the capital expenditure programme are expected to occur.

In millions of euros	Within 1 year	Between 1 and 5 years	After 5 years	Total
As at December 31, 2012:				
Cash outflows for procurement	54.5	–	–	54.5
Amount covered by cash flow hedges	52.7	–	–	52.7
As at December 31, 2011:				
Cash outflows for procurement	80.8	16.7	–	97.5
Amount covered by cash flow hedges	77.6	16.7	–	94.3

2) **Hedge of investment in foreign operations**

At December 31, 2012 and 2011, certain USD group borrowings were designated as a hedge of the net investments in SES Americom, SES Holdings (NL) BV, SES Satellite Leasing and SES Re International (Bermuda) to hedge the group's exposure to foreign exchange risk on these investments.

At December 31, 2012 and 2011, five cross currency swaps and additional group borrowings were designated as a hedge of the net investments in SES Americom, SES Holdings (NL) BV, SES Satellite Leasing and SES Re International (Bermuda). As at December 31, 2012, the net investment hedges were assessed to be highly effective and an unrealised loss of EUR 28.2 million net of deferred tax of EUR 12.0 million (2011: EUR 33.4 million and EUR 13.9 million respectively) relating to the hedging instruments is included in equity.

	December 31, 2012	December 31, 2011
USD statement of financial position exposure: *		
SES Americom	3,101.9	3,306.0
SES Holdings (NL) BV	1,206.2	3,040.2
SES Satellite Leasing	1,336.9	1,226.0
SES Re International (Bermuda)	110.7	45.9
Total	**5,755.7**	**7,618.1**
Hedged with:		
Foreign exchange forward contracts	–	–
Cross currency swaps	713.2	713.2
Private Placement	451.9	611.6
External borrowings	134.3	467.9
Total	1,299.4	1,792.7
Hedged proportion	23%	24%

The following table demonstrates the sensitivity to a reasonably possible change in the U.S. dollar exchange rate on the nominal amount of the group's U.S. dollar net investment, with all other variables held constant.

December 31, 2012	Amount in USD million	Amount in euro at closing rate of 1.3194 EUR million	Amount in euro at rate of 1.60 EUR million	Amount in euro at rate of 1.04 EUR million
USD statement of financial position exposure:				
SES Americom	3,101.9	2,351.0	1,938.7	2,982.6
SES Holdings (NL) BV	1,206.2	914.2	753.9	1,159.8
SES Satellite Leasing	1,336.9	1,013.3	835.6	1,285.5
SES Re International (Bermuda)	110.7	83.9	69.2	106.4
Total	**5,755.7**	**4,362.4**	**3,597.4**	**5,534.3**
Hedged with:				
Cross currency swaps	713.2	540.5	445.8	685.8
Private Placement	451.9	342.5	282.4	434.5
External borrowings	134.3	101.8	83.9	129.1
Total	**1,299.4**	**984.8**	**812.1**	**1,249.4**
Hedged proportion	**23%**			
Absolute difference without hedging			**(765.0)**	**1,171.9**
Absolute difference with hedging			**(592.3)**	**907.3**

3) Cash flow hedges in relation to U.S. dollar denominated borrowings

At December 31, 2012 and 2011 no cash flow hedges for U.S. dollar denominated borrowings were outstanding. The U.S. dollar borrowings were used as natural hedge for the net investment portfolio.

In millions of U.S. dollars	Within 1 year	Between 1 and 5 years	After 5 years	Total
As at December 31, 2012:				
USD debt exposure:				
External borrowings	17.9	71.6	44.8	134.3
Private Placement	159.7	292.2	–	451.9
Total	177.6	363.8	44.8	586.2
Hedged with:				
Foreign exchange forward contracts	–	–	–	–
Hedged proportion				0%
As at December 31, 2011:				
USD debt exposure:				
External borrowings	252.7	170.8	44.4	467.9
Private Placement	159.7	451.9	–	611.6
Total	412.4	622.7	44.4	1,079.5
Hedged with:				
Foreign exchange forward contracts	–	–	–	–
Hedged proportion				0%

Interest rate risk

The group's exposure to risk of changes in market interest rates relates primarily to the group's floating rate borrowings. The group carefully monitors and adjusts the mix between fixed and floating rate debt from time to time following market conditions. Interest rate swaps may be used to manage the interest rate risk. The terms of the hedge derivatives are negotiated to match the terms of the hedged item to maximise hedge effectiveness.

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
Excluding the impact of interest rate swaps:			
Borrowings at December 31, 2012	3,405.9	851.1	4,257.0
Borrowings at December 31, 2011	3,563.8	679.8	4,243.6
Including the impact of interest rate swaps:			
Borrowings at December 31, 2012	3,405.9	851.1	4,257.0
Borrowings at December 31, 2011	3,749.3	494.3	4,243.6

During the year 2012 the group repaid the fixed EUR 200 million German bond issue, another amortisation tranche of EUR 33.3 million of the European Investment Bank funding, two amortisation tranches of the US Ex-Im facility of USD 17.9 million and three tranches of the U.S. Private Placement – USD 159.7 million and GBP 4.0 million (2011: USD 159.7 million and GBP 4.0 million), which all represented fixed rate obligations. In May 2012 the group issued a fixed EUR 140.0 million Private Placement under the company's European Medium-Term Note Programme. Furthermore, in November 2012, SES concluded an agreement to issue fixed EUR 50 million in the German bond (Schuldschein) market.

1) **Fair value hedges**

   The group had no fair value hedges in place, neither in 2011 nor in 2012.

2) **Cash flow hedges in relation to interest commitments**

   The group's four USD interest rate swaps, which were designated as hedges of expected future interest expenses on USD 240.0 million of uncommitted floating rate loans as at December 31, 2011, have expired in August 2012. As at December 31, 2012, EUR nil million net unrealised profit or loss was outstanding, stated net of deferred tax EUR nil million (2011: a net unrealised loss of EUR 3.7 million, stated net of deferred tax of : EUR 1.5 million).

Uncommitted loans (USD drawings) *In millions of U.S. dollars*	Within 1 year	Between 1 and 5 years	After 5 years	Total
As at December 31, 2012:				
Cash outflows for interest payments (floating)	–	–	–	–
Cash inflows from interest rate swap (floating)	–	–	–	–
Cash outflows from interest rate swap (fixed)	–	–	–	–
Total	–	–	–	–
As at December 31, 2011:				
Cash outflows for interest payments (floating)	**(1.0)**	–	–	**(1.0)**
Cash inflows from interest rate swap (floating)	**1.5**	–	–	**1.5**
Cash outflows from interest rate swap (fixed)	**(9.3)**	–	–	**(9.3)**
Total	**(8.8)**	–	–	**(8.8)**

At December 31, 2012 and 2011 the group had no EUR interest rate swaps outstanding.

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 (after excluding those floating-rate borrowings swapped to fixed through interest rate swaps). All other variables are held constant.

The group believes that a reasonably possible development in euro-zone interest rates would be an increase of 75 basis points (2011: 100 basis points) and in the U.S. dollar zone an increase of up to 50 basis points (2011: 75 basis points). The group does not consider a fall below current interest rate levels neither in the euro-zone (2011: 25 basis points) nor in the U.S. dollar zone (2011: no possible decrease).

U.S. dollar interest rates *In millions of U.S. dollars*	Floating rate borrowings	Increase in rates Pre-tax impact	Decrease in rates Pre-tax impact
Borrowings at December 31, 2012	**–**	**–**	**–**
Borrowings at December 31, 2011	120.0	(0.9)	–

Euro interest rates *In millions of euros*	Floating rate borrowings	Increase in rates Pre-tax impact	Decrease in rates Pre-tax impact
Borrowings at December 31, 2012	**851.1**	**(6.4)**	**–**
Borrowings at December 31, 2011	401.5	(4.0)	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. In addition, receivable balances are monitored on an ongoing basis with the result that the group's exposure to bad debts is historically not significant. The carrying value of unprovided net debtors of continuing operations at December 31, 2012 is EUR 185.6 million (2011: EUR 180.6 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 net 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
2012	**136.0**	**17.9**	**20.5**	**11.3**	**185.7**
2011	131.4	18.5	14.0	16.7	180.6

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. 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 analyzed 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).

Satellite in-orbit insurance

It is the group's policy to retain part of the in-orbit insurance risk for the satellite fleet.

Capital management

The group's policy is to attain, and retain, a stable BBB rating with Standard & Poor's and Fitch, and a 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.

Note 21 – Cash and cash equivalents

In millions of euros	**2012**	2011
Cash at bank and in hand	**158.0**	123.6
Short-term deposits	**82.0**	94.4
Total cash and cash equivalents	**240.0**	218.0

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of 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.

Note 22 – Issued capital and reserves

On April 5, 2012, the general meeting of shareholders authorised the Board of Directors to issue, within the authorised share capital, 4,614,870 new class A shares and 2,307,435 new class B shares.

After the share issue, SES has a subscribed capital of EUR 633 million (2011: EUR 624.4 million), represented by 337,600,000 class A shares and 168,800,000 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 January 1, 2012	**332,985,130**	**166,492,565**	**499,477,695**
Shares Issued during the year	4,614,870	2,307,435	6,922,305
As at December 31, 2012	**337,600,000**	**168,800,000**	**506,400,000**

The new class A shares were entirely paid up in cash for an amount of EUR 81.4 million allocated as EUR 5.8 million to share capital and EUR 75.6 million to share premium.

The new class B shares were partly paid up in cash of EUR 5.3 million allocated as EUR 0.9 million to share capital and EUR 4.3 million to share premium. The remainder was paid up by a contribution in kind consisting of 621,788 FDRs. The value of the contribution in kind amounted to EUR 10.9 million allocated as EUR 1.9 million to share capital and EUR 9.0 million to share premium.

Within the framework of SES's share buy-back programme, on June 4, 2012, SES entered into a forward agreement with a financial institution for the repurchase of the above 4,614,870 class A-shares converted into FDRs. The forward agreement is entered into by SES to allow delivery of FDRs upon the exercise of the outstanding stock purchase options issued by SES.

The maturities of the forward agreement were June 25, 2012, July 25, 2012 and December 12, 2012 for the purchase of 600,000 FDRs, 2,000,000 FDRs and 2,014,870 FDRs respectively.

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 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 the company of such intention. The chairman of the board 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 August 10, 1915, as amended, regarding commercial companies, to authorise the Demanding Party to acquire more than 20%, 33% or 50% of the shares. If the Demanding Party is a 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.

SES has, in agreement with the shareholders, purchased Fiduciary Deposit Receipts in respect of 'A' shares for use in connection with executives' and employees' option schemes as well as for cancellation. At the year-end, the company held FDRs in connection with the above schemes as set out below. These FDRs are disclosed as treasury shares in the balance sheet and are carried at their historic cost to the group.

	2012	2011
FDRs held as at December 31	4,089,040	1,725,058
Carrying value of FDRs held (in millions of euros)	68.7	25.9

In accordance with Luxembourg legal requirements, a minimum of 5% of the yearly net profit (statutory) is transferred to a legal reserve from which a distribution is restricted. This requirement is satisfied when the reserve reaches 10% of the issued share capital. As at December 31, 2012 an amount of EUR 62.4 million (2011: EUR 62.4 million) is included within other reserves. Other reserves include a further undistributable amount of EUR 365.3 million (2011: EUR 381.8 million) linked to local tax legislation in Luxembourg (Net worth tax).

Note 23 – Share-based payment plans

The group has four share-based payment plans, the details of which are as follows. In the case of schemes 2, 3 and 4 the relevant strike price is defined as the average of the market price of the underlying shares at the time of the grant.

1) **IPO plan**

   The IPO plan is an equity-settled scheme which was open to members of staff working for SES ASTRA S.A. at the time of its IPO on the Luxembourg Stock Exchange in 1998. Employees were granted options to acquire shares at a fixed price of EUR 12.64. In 2005, the exercise period of this plan was extended to June 30, 2013. All such options were vested as at December 31, 2005.

	2012	2011
Outstanding options at the end of the year	288,240	475,250
Weighted average exercise price in euro	12.64	12.64

2) The Stock Appreciation Rights Plan (STAR Plan)

The STAR Plan, initiated in 2000, is an equity-settled scheme available to non-executive staff of controlled group subsidiaries. Under the plan employees are granted rights to receive remuneration payments reflecting the movement of the share price in relation to the strike price. A third of the STAR Plan rights vest each year over a three-year period and the rights have a two-year exercise period once fully vested. In January 2011, the STAR Plan was amended. For all options granted 2011 onwards a third of the STAR Plan rights vest and can be exercised each year. After fully vested, the rights have a four-year exercise period.

	2012	2011
Outstanding options at the end of the year	2,353,319	2,677,604
Weighted average exercise price in euros	17.43	16.10

3) Executive Incentive Compensation Plan (EICP)

The EICP, initiated in 2002, is available to group executives. Under the plan, options are granted with an effective date of January 1. 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.

	2012	2011
Outstanding options at the end of the year	4,960,235	5,518,673
Weighted average exercise price in euros	16.38	15.48

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

The LTI programme, initiated in 2005, is also a programme for executives and senior executives of the group. Under the scheme, until end of 2008, restricted shares were allocated to executives on July 1 and these vest on the third anniversary of the grant. Senior executives also had the possibility to be allocated performance shares whose granting was dependent on the achievement of defined performance criteria. Where these criteria were met, the shares vested on the third anniversary of the original grant. Since January 1, 2009, both executives and senior executives are granted restricted and performance shares. Since 2011 the LTI vest on June 1.

	2012	2011
Restricted and performance shares granted at the end of the year	1,113,320	1,200,075
Weighted average fair value in euros	15.18	13.68

The fair value of equity-settled share options granted is estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the average value of inputs to the model used for the years ended December 31, 2012, and December 31, 2011.

2012	**EICP**	**STARs**	**LTI**
Dividend yield (%)	**6.95%**	**6.95%**	**6.09%**
Expected volatility (%)	**36.78%**	**36.78%**	**41.37%**
Risk-free interest rate (%)	**1.16%**	**1.16%**	**0.54%**
Expected life of options (years)	**9.67**	**7**	**3**
Share price at inception (EUR)	**18.71**	**18.71**	**18.71**

2011	EICP	STARs	LTI
Dividend yield (%)	6.31%	6.31%	5.68%
Expected volatility (%)	37.53%	37.53%	42.69%
Risk-free interest rate (%)	2.77%	2.77%	2.20%
Expected life of options (years)	9.67	7	3
Share price at inception (EUR)	17.88	17.88	17.88

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 services received, and a liability to pay for those services, are recognised over the expected vesting period. Until the liability is settled it is remeasured at each reporting date with changes in fair value recognised in the income statement. The total charge for the period for share-based compensation payments amounted to EUR 12.0 million (2011: EUR 11.9 million).

Note 24 – Interest-bearing loans and borrowings

As at December 31, 2012 and 2011, the group's interest-bearing loans and borrowings were:

			Carried at amortised cost	
In millions of euros	Effective interest rate	Maturity	**Amounts outstanding 2012**	Amounts outstanding 2011
Non-current				
U.S. Private Placement				
Series A (USD 400 million)	5.29%	September 2013	–	42.2
Series B (USD 513 million)	5.83%	September 2015	**153.7**	237.9
Series C (USD 87 million)	5.93%	September 2015	**65.9**	67.2
Series D (GBP 28 million)	5.63%	September 2013	–	4.7
Euro Private Placement 2016 (EUR 150 million issued under EMTN)	5.05%	August 2016	**149.2**	149.0
Euro Private Placement 2027 (EUR 140 million issued under EMTN)	4.00%	May 2027	**139.3**	–
Eurobond 2021 (EUR 650 million)	4.75%	March 2021	**644.1**	643.8
Eurobond 2020 (EUR 650 million)	4.625%	March 2020	**644.8**	644.0
Eurobond 2014 (EUR 650 million)	4.875%	July 2014	**647.8**	646.4
Eurobond 2013 (EUR 500 million)	4.375%	October 2013	–	500.0
European Investment Bank (EUR 200 million)	3.618%	May 2017	**133.4**	166.7
German bond (EUR 50 million), non-listed	4.00%	November 2032	**49.8**	–
Syndicated loan 2015	EURIBOR/USLIBOR + 0.95%	April 2015	–	195.8
COFACE	EURIBOR + 1.7%	2022	**354.6**	210.8
US Ex-Im	3.11%	June 2020	**85.4**	71.3
Total non-current			**3,068.0**	3,579.8
Current				
U.S. Private Placement				
Series A (USD 400 million)	5.29%	September 2013	**43.3**	44.3
Series B (USD 513 million)	5.83%	September 2013	**77.8**	79.3
Series D (GBP 28 million)	5.63%	September 2013	**5.0**	4.8
European Investment Bank (EUR 200 million)	3.618%	May 2013	**33.3**	33.3
German bond (EUR 100 million), non-listed	5.75%	November 2013	–	99.9
German bond (EUR 100 million), non-listed	6.00%	November 2013	–	99.9
Eurobond 2013 (EUR 500 million)	4.375%	October 2013	**500.0**	–
Commercial paper	0.23%	June 2013	**466.9**	60.0
Uncommitted loans	1.576%	February 2012	–	185.5
COFACE	EURIBOR + 1.7%	2013	**19.8**	–
US Ex-Im	3.11%	June 2013	**13.6**	9.8
Total current			**1,159.7**	616.8

- **U.S. Private Placement**

  On September 30, 2003, the group issued in the U.S. Private Placement market four series of unsecured notes amounting to USD 1,000.0 million and GBP 28.0 million. These notes comprised:

  1) Series A USD 400.0 million of 5.29% Senior Notes due September 2013, amortising as of September 2007.
  2) Series B USD 513.0 million of 5.83% Senior Notes due September 2015, amortising as of September 2011.
  3) Series C USD 87.0 million of 5.93% Senior Notes due September 2015.
  4) Series D GBP 28.0 million of 5.63% Senior Notes due September 2013, amortising as of September 2007.

On these four series, the group pays interest semi-annually. SES is committed under the U.S. Private Placement to maintaining covenants requiring certain financial ratios to be upheld within agreed limits in order to provide sufficient security to the lenders. Of these, the covenant which management monitors the most actively is the requirement to maintain the net debt/EBITDA ratio at a level of 3.5 or below.

- **European Medium-Term Note Programme (EMTN)**

  On December 6, 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 November 15, 2012 this programme has been extended for one further year. As of December 31, 2012, SES has issued EUR 2,740.0 million (2011: EUR 2,600.0 million) under the EMTN Programme with maturities ranging from 2013 to 2027.

- **EUR 150.0 million Private Placement (2016)**

  On July 13, 2009, SES issued a EUR 150.0 million Private Placement under the company's European Medium-Term Note Programme with Deutsche Bank. The Private Placement has a 7-year maturity, beginning August 5, 2009, and bears interest at a fixed rate of 5.05%.

- **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 May 31, 2012, and bears interes at a fixed rate of 4.00%.

- **EUR 650.0 million Eurobond (2021)**

  On March 11, 2011 (pricing March 2, 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 650.0 million Eurobond (2020)**

  On March 9, 2010 (pricing March 1, 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 (2014)**

  On July 9, 2009 (pricing June 30, 2009), SES issued a EUR 650.0 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 4.875%.

- **EUR 500.0 million Eurobond (2013)**

  On October 20, 2006, SES issued a EUR 500.0 million bond under the company's European Medium-Term Note Programme. The bond has a 7-year maturity and bears interest at a fixed rate of 4.375%.

- **EUR 200.0 million European Investment Bank funding**

  On April 21, 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 3.618%, is repayable in six annual installments between May 2012 and May 2017.

- **German bond issue of EUR 200.0 million repayment**

  On May 21, 2008, the group concluded an agreement to issue EUR 200 million in two equal tranches in the German bond ('Schuldschein') market. The agreement for the first tranche was signed on May 30, 2008 with the funds being drawn down in June 2008, and bearing interest at fixed rate of 5.75%. The agreement for the second tranche was signed on July 14, 2008 with the funds being drawn down in July 2008 and bearing interest at fixed rate of 6.0%. Both German bonds mature in November 2012.

- **German bond issue of EUR 50.0 million issue**

  On October 29, 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 4.0% and matures on November 12, 2032.

- **Syndicated loan 2015**

  In April 2009, SES signed a syndicated loan facility maturing in 2012 with a consortium of 24 banks. On September 2010, the syndicated loan has been amended and restated. The amended facility, maturing April 2015, is for EUR 1,200.0 million and can be drawn in EUR and USD. The interest rate is based on EURIBOR or U.S. LIBOR, depending on the drawing currency, plus a margin based on the rating of the company. The current rating of the company is BBB/Baa2 (Standard & Poor's and Moody's) leading to a margin of 0.95%.

- **EUR 522.9 million COFACE facility**

  On December 16, 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 April 23, 2010. Each loan will be repaid in 17 equal semi-annual installments starting six months after the earlier of the in-orbit date of the satellite being financed by such loan and April 1, 2014 and the estimated final maturity of the facility will be by the end of 2022. The facility bears interest at a floating rate of six month EURIBOR plus a margin of 1.7%.

- **USD 158 million US Ex-Im facility**

  In April 2011, SES signed a financing agreement with Ex-Im Bank (Export-Import Bank of the United States) over USD 158 million for the 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 which will be repaid in 17 equal semi-annual installments starting on June 22, 2012. The loan has a final maturity date of June 22, 2020 and bears interest at a fixed rate of 3.11%.

- **French Commercial paper programme**

  On October 25, 2005, SES put in place a EUR 500.0 million 'Programme de Titres de Créances Négociables' in the French market where the company issued 'Billets de Trésorerie' (commercial paper) in accordance with articles L.213-1 to L213-4 of the French Monetary and Financial Code and decree n°92.137 of February 13, 1992 and all subsequent regulations. The maximum outstanding amount of 'Billet de Trésorerie' issuable under the programme is EUR 500.0 million or its counter value at the date of issue in any other authorised currency. On May 9, 2012, this programme was extended for one further year. As of December 31, 2012 borrowings of EUR 40.0 million (2010: EUR 60.0 million) were outstanding under this programme. The average rate of the outstanding commercial paper amounts to 0.13% (2011: 1.06%) for the drawdown period.

- **European Commercial paper programme**

  In July 2012, SES signed the documentation for the inception of a joint EUR 1 billion 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. As of December 31, 2012 borrowings of EUR 427.0 million (2011: nil) were outstanding of which EUR 267.0 issued in the name of SES Global Americas Holding GP and EUR 160.0 million in the name of SES S.A. The average rate of the outstanding commercial papers was 0.24% for the drawdown period.

Note 25 – Provisions and deferred income

In millions of euros	Provisions	Deferred income	Total
As at January 1, 2012	**72.2**	**199.5**	**271.7**
Increase in provisions	2.0	–	2.0
Decrease in provisions	(8.3)	–	(8.3)
Movement on deferred income	–	93.7	93.7
Impact of currency translation	(0.7)	(7.8)	(8.5)
As at December 31, 2012	**65.2**	**285.4**	**350.6**

In millions of euros	Provisions	Deferred income	Total
As at January 1, 2011	**81.6**	**216.4**	**298.0**
Increase in provisions	4.6	–	4.6
Decrease in provisions	(15.6)	–	(15.6)
Movement on deferred income	–	89.3	89.3
Impact of currency translation	1.6	3.3	4.9
As at December 31, 2011	**72.2**	**309.0**	**381.2**

Provisions relate primarily to liabilities arising for withholding taxes, for post-retirement benefit schemes and other items arising in the normal course of business. In U.S. operations, certain employees benefit from a post-retirement health benefits programme which is externally insured. As at December 31, 2012, accrued premiums of EUR 11.6 million (2011: EUR 10.9 million) are included in this position. Contributions made in 2012 to group pension schemes totalled EUR 7.0 million (2011: EUR 7.6 million), which are recorded in the income statement under 'staff costs'. EUR 109.5 million at December 31, 2011 has been reclassified from 'Deferred income' to 'Provision and deferred income' to conform with current year presentation.

Note 26 – Trade and other payables

In millions of euros	**2012**	2011
Trade creditors	**86.1**	126.3
Payments received in advance	**17.2**	5.7
Interest on loans	**81.7**	86.7
Personnel-related liabilities	**22.4**	30.2
Tax liabilities other than for income tax	**25.5**	8.4
Other liabilities	**177.8**	187.2
Total	**410.7**	444.5

In the framework of receivables securitisation transaction completed in June 2010, the group received a net cash amount of EUR 50.6 million from a financial institution as advance settlement of future receivables arising between 2011 and 2013 under contracts with a specific customer. A corresponding liability of EUR 18.2 million (2011: EUR 36.2 million), representing SES' 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 December 31, 2012 under 'Other long-term liabilities', for EUR nil million (2011: EUR 18.2 million), and 'Trade and other payables' for EUR 18.2 million (2011: EUR 18.0 million.

In the securitisation transaction completed In June 2012, the group received a net cash amount of EUR 59.5 million from a financial institution as advance settlement of future receivables arising between 2013 and 2014 under contracts with a specific customer. A corresponding liability of EUR 62.7 million, representing SES' 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 December 31, 2012 under 'Other long-term liabilities', for EUR 42.5 million, and 'Trade and other payables' for EUR 20.2 million.

Note 27 – Commitments and contingencies

Capital commitments

The group had outstanding commitments in respect of contracted capital expenditure totalling EUR 244.4 million at December 31, 2012 (2011: EUR 670.8 million). These commitments largely reflect the purchase and launch of future satellites for the expansion and replacement of the group satellite system, together with the necessary expansion of the associated ground station and control facilities. In the case of termination by the group of these contracts, contractual penalty provisions apply.

Operating lease commitments

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

In millions of euros	**2012**	2011
Within one year	**11.0**	11.2
After one year but not more than five years	**26.0**	28.6
More than five years	**28.1**	22.5
Total	**65.1**	62.3

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 December 31 is as follows:

In millions of euros	**2012**	2011
Within one year	**29.3**	42.3
After one year but not more than five years	**4.3**	22.0
After more than five years	**2.0**	2.1
Total	**35.6**	66.4

Other commitments

Under the O3b Networks Limited full financing agreement, SES entered in 2010 into commitments to provide, if needed in the pre-commercialisation phase, additional shareholder loans to O3b Networks totalling USD 66 million. See Note 16.

Litigation

During 2011, a dispute between SES and the manufacturer of one of its satellites regarding an outstanding incentive payment has been settled. Under the final arbitration agreement SES agreed to pay a total of around EUR 11.7 million to the satellite manufacturer to settle outstanding satellite in orbit incentive payments and interest charges, out of which EUR 9.6 million have been added to the acquisition cost of the related satellite and EUR 2.1 million have been expensed as interest charges.

In October 2012, Eutelsat commenced arbitral proceedings against SES in relation to the 28.5ºE orbital position. SES has been granted rights to use German Ku-band orbital frequencies at the 28.5ºE orbital position effective from October 4, 2013 onwards pursuant to a 2005 agreement with German media service provider, Media Broadcast ("MB"). MB holds a license for these frequencies issued by the Bundesnetzagentur, the German regulator, on the basis of German filings that have priority under the rules of the ITU.

In the arbitral proceedings against SES, Eutelsat is seeking, inter alia, a declaration that SES cannot use such frequency bands either from 28.5 East or nearby orbital positions without breaching a 1999 intersystem coordination agreement between Eutelsat and SES.

SES strongly disagrees with Eutelsat's position and will vigorously defend its right to use these frequencies from October 4, 2013 on the basis, among other things, that Eutelsat's rights to use these frequencies will expire on October 3, 2013 and the filings pursuant to which MB's license for these frequencies was issued by the Bundesnetzagentur have priority under the rules of the ITU.

There were no other significant litigation claims against the group as of December 31, 2012.

Guarantees

On December 31, 2012 the group had outstanding bank guarantees for an amount of EUR 2.6 million (2011: EUR 2.7 million) with respect to performance and warranty guarantees for services of satellite operations.

Restrictions on use of cash

At the year-end, there were no restricted cash balances (2011: nil).

Note 28 – 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, which are described in more detail in Note 22.

The total payments to directors for attendance at board and committee meetings in 2012 amounted to EUR 1.4 million (2011: EUR 1.3 million). These payments are computed on a fixed and variable basis, the variable part being based upon attendance at board and committee meetings.

There were no other significant transactions with related parties.

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

In millions of euros	**2012**	2011
Remuneration including bonuses	**4.4**	4.3
Pension benefits	**0.6**	0.5
Share-based payments	**2.0**	2.8
Other benefits	**0.0**	0.1
Total	**7.0**	7.7

Total share-based payment instruments allocated to key management as at December 31, 2012 were 1,687,249 (2011: 1,512,603).

Note 29 – Consolidated subsidiaries, joint ventures and affiliates

The consolidated financial statements include the financial statements of the material subsidiaries, joint ventures and associates listed below:

	Effective interest (%) 2012	Effective interest (%) 2011	Method of consolidation 2012
Held directly by SES:			
SES ASTRA S.A., Luxembourg	**100.00**	100.00	Full
SES GLOBAL-Americas Inc., U.S.A.	**100.00**	100.00	Full
SES GLOBAL Americas Holdings General Partnership, U.S.A.	**100.00**	100.00	Full
SES GLOBAL-Americas Finance Inc., U.S.A. [2]	–	100.00	Full
SES GLOBAL Africa S.A., Luxembourg	**100.00**	100.00	Full
SES Participations S.A., Luxembourg	**100.00**	100.00	Full
SES Finance S.à r.l., Switzerland	**100.00**	100.00	Full
SES Holdings (Netherlands) B.V., Netherlands	**100.00**	100.00	Full
SES ASTRA Services Europe S.A., Luxembourg	**100.00**	100.00	Full
SES Latin America S.A., Luxembourg	**100.00**	100.00	Full
SES Belgium S.p.r.l, Belgium	**100.00**	100.00	Full
SES Insurance International (Luxembourg) SA[1]	**100.00**	–	Full
SES Insurance International Re (Luxembourg) SA[1]	**100.00**	–	Full
Held through SES Participations S.A., Luxembourg:			
Ciel Satellite Holdings Inc., Canada	**100.00**	100.00	Full
Ciel Satellite Limited Partnership, Canada	**70.00**	70.00	Full
Northern Americas Satellite Ventures, Inc., Canada	**100.00**	100.00	Full
Held through SES ASTRA Services Europe S.A., Luxembourg:			
Glocom (Communications and Images) Limited (Isle of Man)	**75.00**	75.00	Full
SES ASTRA TechCom S.A., Luxembourg	**100.00**	100.00	Full
SES ASTRA TechCom Belgium S.A., Belgium	**100.00**	100.00	Full
Astralis S.A., Luxembourg	**51.00**	51.00	Full
SES Broadband Services S.A., Luxembourg	**100.00**	100.00	Full
SES Digital Distribution Services AG, Switzerland	**100.00**	100.00	Full
SES Digital Distribution Services S.à r.l., Luxembourg	**100.00**	100.00	Full
Redu Operations Services S.A., Belgium	**48.00**	48.00	Equity
Redu Space Services S.A., Belgium	**52.00**	52.00	Full
HD Plus GmbH, Germany	**100.00**	100.00	Full
SES ASTRA Real Estate (Betzdorf) S.A., Luxembourg	**100.00**	100.00	Full
SES Capital Belgium S.A., Belgium	**100.00**	100.00	Full
ND SatCom GmbH, Germany	**24.90**	24.90	Equity
SES Platform Services GmbH, Germany	**100.00**	100.00	Full
SES Digital Distribution Services GmbH, Germany	**100.00**	100.00	Full
Virtual Planet Group GmbH, Germany	**90.00**	90.00	Full

	Effective interest (%) 2012	Effective interest (%) 2011	Method of consolidation 2012
Held through SES ASTRA S.A.:			
ASTRA Deutschland GmbH, Germany	**100.00**	100.00	Full
ASTRA (U.K.) Ltd, United Kingdom	**100.00**	100.00	Full
ASTRA Iberica S.A., Spain	**100.00**	100.00	Full
ASTRA France S.A., France	**100.00**	100.00	Full
ASTRA (GB) Limited, United Kingdom	**100.00**	100.00	Full
ASTRA Benelux B.V., The Netherlands	**100.00**	100.00	Full
SES ASTRA CEE Sp. z o.o, Poland	**100.00**	100.00	Full
SES ASTRA Italia S.r.l.	**100.00**	100.00	Full
SES ENGINEERING (Luxembourg) S.à r.l., Luxembourg	**100.00**	100.00	Full
New Skies Investments S.à r.l, Luxembourg	**100.00**	100.00	Full
SES ASTRA AB, Sweden	**100.00**	100.00	Full
Sirius Satellite Services SIA, Latvia	**100.00**	100.00	Full
SES SIRIUS Ukraine, Ukraine	**100.00**	100.00	Full
SES ASTRA 1KR S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 1L S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 1M S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 3B S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 5B S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 1N S.à r.l., Luxembourg	**100.00**	100.00	Full
Solaris Mobile Limited, Ireland	**50.00**	50.00	Equity
SES ASTRA 2E S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 2F S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 2G S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA (Romania) S.à r.l.	**100.00**	100.00	Full
Held through SES Finance S.à r.l.:			
SES Re International (Bermuda) Ltd, Bermuda	**100.00**	100.00	Full
SES Satellite Leasing Ltd, Isle of Man	**100.00**	100.00	Full
Al Maisan Satellite Communications (YahSat) LLC, UAE	**35.00**	35.00	Full
SES Satellites (Bermuda) Ltd, Bermuda	**100.00**	100.00	Full
Held through SES GLOBAL Africa S.A.:			
SES ASTRA Africa (Proprietary) Ltd, South Africa	**100.00**	100.00	Full
ODM (Proprietary) Ltd, South Africa	**20.00**	20.00	Equity
SES Satellites Ghana Ltd[1]	**100.00**	–	Full
Held through SES GLOBAL-Americas Inc.:			
SES AMERICOM, Inc., U.S.A.	**100.00**	100.00	Full
SES AMERICOM PAC, Inc., U.S.A.	**100.00**	100.00	Full
SES AMERICOM International Holdings, Inc., U.S.A.	**100.00**	100.00	Full
SES AMERICOM (Brazil) Holdings, LLC, U.S.A.	**100.00**	100.00	Full
SES AMERICOM do Brasil Servicos de Telecomunicacoes, Ltda, Brazil	**100.00**	100.00	Full
AMERICOM Government Services, Inc., U.S.A.	**100.00**	100.00	Full
Sistemas Satelitales de Mexico S. de R.L. de C.V., Mexico	**49.00**	49.00	Equity

	Effective interest (%) 2012	Effective interest (%) 2011	Method of consolidation 2012
Socios Aguila S.de R.L de C.V., Mexico	**49.00**	49.00	Equity
Columbia Communications Corporation, U.S.A.	**100.00**	100.00	Full
Columbia/WIGUSA Communications, Inc., U.S.A. [3]	–	100.00	Full
SES Satellites International, Inc., U.S.A.	**100.00**	100.00	Full
SES Satellites (Gibraltar) Ltd, Gibraltar	**100.00**	100.00	Full
SES AMERICOM Colorado, Inc., U.S.A.	**100.00**	100.00	Full
AMC-1 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-2 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-3 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-5 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-6 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-8 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-9 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-10 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-11 Holdings LLC, U.S.A.	**100.00**	100.00	Full
SES AMERICOM (Asia 1A) LLC, U.S.A.	**100.00**	100.00	Full
AMERICOM Asia Pacific LLC, U.S.A.	**100.00**	100.00	Full
AMC-12 Holdings LLC, U.S.A.	**100.00**	100.00	Full
SES AMERICOM California, Inc., U.S.A.	**100.00**	100.00	Full
AMC-4 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-7 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-15 Holdings LLC, U.S.A.	**100.00**	100.00	Full
AMC-16 Holdings LLC, U.S.A.	**100.00**	100.00	Full
SES-1 Holdings, LLC, U.S.A.	**100.00**	100.00	Full
Starsys Global Positioning Inc., U.S.A. [2]	–	80.00	Full
QuetzSat Directo, S. de R.L. de C.V., Mexico	**49.00**	49.00	Equity
Safe Sat of New York Inc., U.S.A. [2]	–	100.00	Full
SES ENGINEERING (U.S.) Inc., U.S.A.	**100.00**	100.00	Full
AOS Inc., U.S.A.	**100.00**	100.00	Full
SES-2 Holdings LLC, U.S.A.	**100.00**	100.0	Full
SES-3 Holdings LLC, U.S.A.	**100.00**	100.0	Full
Held through SES Latin America S.A.:			
QuetzSat S. de R.L. de C.V., Mexico	**49.00**	49.00	Equity
Satellites Globales S. de R.L. de C.V., Mexico	**49.00**	49.00	Equity
SES Satelites Directo Ltda, Brazil	**100.00**	100.00	Full
SES DTH do Brasil Ltda, Brazil	**100.00**	100.00	Full
SES GLOBAL South America Holding S.L., Spain	**100.00**	100.00	Full
Held through SES Holdings (Netherlands) B.V.:			
New Skies Investments Holding B.V., The Netherlands[3]	–	100.00	Full
New Skies Holding B.V., The Netherlands[3]	–	100.00	Full
New Skies Satellites B.V., The Netherlands[3]	–	100.00	Full
New Skies Satellites, Inc., U.S.A.	**100.00**	100.00	Full
New Skies Satellites de Mexico S.A. de C.V., Mexico[2]	–	49.00	Equity

	Effective interest (%) 2012	Effective interest (%) 2011	Method of Consolidation 2012
New Skies Satellites Mar B.V., The Netherlands	**100.00**	100.00	Full
New Skies Satellites Ltda, Brazil	**100.00**	100.00	Full
New Skies Networks, Inc., U.S.A.	**100.00**	100.00	Full
New Skies Networks (U.K.) Ltd, U.K.	**100.00**	100.00	Full
SES ENGINEERING (Netherlands) B.V., The Netherlands	**100.00**	100.00	Full
New Skies Asset Holdings, Inc., U.S.A.	**100.00**	100.00	Full
SES NEW SKIES Marketing B.V., The Netherlands	**100.00**	100.00	Full
New Skies Satellites India B.V., The Netherlands	**100.00**	100.00	Full
New Skies Satellites Argentina B.V., The Netherlands	**100.00**	100.00	Full
New Skies Networks Australia B.V., The Netherlands	**100.00**	100.00	Full
New Skies Networks Australia Pty Ltd, Australia[3]	–	100.00	Full
New Skies Satellites Australia Pty Ltd, Australia	**100.00**	100.00	Full
New Skies Satellites Licensee B.V., The Netherlands	**100.00**	100.00	Full
SES NEW SKIES Singapore B.V., The Netherlands[3]	–	100.00	Full
NSS Latin America Holdings S.A., Luxembourg	**100.00**	100.00	Full
SES Asia S.A., Luxembourg	**100.00**	100.00	Full
SES Finance Services AG, Switzerland	**100.00**	100.00	Full
O3b Networks Ltd, Jersey Island[4]	**46.88**	38.79	Equity
SES World Skies Singapore Pty Ltd, Singapore	**100.00**	100.00	Full

1 Entity created in 2012.

2 Entity dissolved in 2012.

3 Entity merged in 2012.

4 See Note 16

SES
Château de Betzdorf
L-6815 Betzdorf

R.C.S. Luxembourg B 81267

Annual accounts as at 31 December 2012, and Independent auditor's report

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Independent auditor's report

To the Shareholders of
SES
Château de Betzdorf
L-6815 Betzdorf

Report on the annual accounts

Following our appointment by the Annual General Meeting of the Shareholders dated 5 April 2012, we have audited the accompanying annual accounts of SES, which comprise the balance sheet as at 31 December 2012 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts and for such internal control as the Board of Directors determines is necessary to enable the preparation and presentation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the "réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgment of the "réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the "réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the annual accounts 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

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

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of SES as at 31 December 2012, and of the results of its operations for the period then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Report on other legal and regulatory requirements

The management report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

ERNST & YOUNG
Société Anonyme
Cabinet de révision agréé

Thierry BERTRAND

Luxembourg, 21 February 2013

Annual Accounts Helpdesk :

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RCSL Nr. : B81267	Matricule : 2001 2206 314
	eCDF entry date :

BALANCE SHEET

Financial year from 01 01/01/2012 **to** 02 31/12/2012 *(in* 03 EUR *)*

SES

Château de Betzdorf
L-6815 Betzdorf

ASSETS

		Financial year		Previous financial year
A. Subscribed capital unpaid	101		102	
I. Subscribed capital not called	103		104	
II. Subscribed capital called but not paid	105		106	
B. Formation expenses	107		108	
C. Fixed assets	109	9.175.364.168,50	110	9.141.499.118,05
I. Intangible assets	111		112	0,00
1. Costs of research and development	113		114	
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	115		116	0,00
a) acquired for valuable consideration and need not be shown under C.I.3	117		118	0,00
b) created by the undertaking itself	119		120	
3. Goodwill, to the extent that it was acquired for valuable consideration	121		122	
4. Payments on account and intangible fixed assets under development	123		124	
II. Tangible assets	125		126	111.786,46
1. Land and buildings	127		128	
2. Plant and machinery	129		130	32.020,44
3. Other fixtures and fittings, tools and equipment	131		132	79.766,02
4. Payments on account and tangible assets in course of construction	133		134	
III. Financial assets	135	9.175.364.168,50	136	9.141.387.331,59
1. Shares in affiliated undertakings	137	8.344.365.982,34	138	8.329.420.423,96
2. Loans to affiliated undertakings	139	751.964.156,43	140	763.302.075,02
3. Shares in undertakings with which the company is linked by virtue of participating interests	141		142	0,00
4. Loans to undertakings with which the company is linked by virtue of participating interests	143	10.300.000,00	144	26.960.000,00
5. Investments held as fixed assets	145		146	
6. Loans and claims held as fixed assets	147	0,00	148	0,00
7. Own shares or own corporate units	149	68.734.029,73	150	21.704.832,61

RCSL Nr. : B81267	Matricule : 2001 2206 314

		Financial year		Previous financial year
D. Current assets	151	2.481.385.959,95	152	1.718.465.971,28
I. Stocks	153		154	
1. Raw materials and consumables	155		156	
2. Work and contracts in progress	157		158	
3. Finished goods and goods for resale	159		160	
4. Payments on account	161		162	
II. Debtors	163	2.408.248.913,49	164	1.650.377.077,58
1. Trade debtors	165	0,00	166	
a) becoming due and payable after less than one year	167	0,00	168	
b) becoming due and payable after more than one year	169		170	
2. Amounts owed by affiliated undertakings	171	2.284.895.088,00	172	1.560.491.445,00
a) becoming due and payable after less than one year	173	2.284.895.088,00	174	1.560.491.445,00
b) becoming due and payable after more than one year	175		176	
3. Amounts owed by undertakings with which the company is linked by virtue of participating interests	177	17.486.987,00	178	5.371.173,00
a) becoming due and payable after less than one year	179	17.486.987,00	180	5.371.173,00
b) becoming due and payable after more than one year	181		182	
4. Other debtors	183	105.866.838,49	184	84.514.459,58
a) becoming due and payable after less than one year	185	105.866.838,49	186	84.514.459,58
b) becoming due and payable after more than one year	187		188	
III. Investments	189	0,00	190	0,00
1. Shares in affiliated undertakings and in undertakings with which the company is linked by virtue of participating interests	191	0,00	192	0,00
2. Own shares or own corporate units	193		194	
3. Other investments	195		196	
IV. Cash at bank and in hand	197	73.137.046,46	198	68.088.893,70
E. Prepayments	199	39.964.163,90	200	47.475.773,33
TOTAL (ASSETS)	201	11.696.714.292,35	202	10.907.440.862,66

RCSL Nr.: B81267	Matricule : 2001 2206 314

LIABILITIES

		Financial year		Previous financial year
A. Capital and reserves	301	2.259.891.671,41	302	2.118.046.334,19
I. Subscribed capital	303	633.000.000,00	304	624.347.118,75
II. Share premium and similar premiums	305	835.338.177,09	306	746.275.800,96
III. Revaluation reserves	307		308	
IV. Reserves	309	395.727.653,58	310	496.933.133,56
1. Legal reserve	311	62.434.711,62	312	62.434.711,62
2. Reserve for own shares	313		314	
3. Reserves provided for by the articles of association	315		316	
4. Other reserves	317	333.292.941,96	318	434.498.421,94
V. Profit or loss brought forward	319	0,00	320	0,00
VI. Result for the financial year	321	395.825.840,74	322	250.490.280,92
VII. Interim dividends	323		324	
VIII. Investment subsidies	325		326	
IX. Immunised appreciation	327		328	
B. Subordinated creditors	329		330	
C. Provisions	331		332	
1. Provisions for pensions and similar obligations	333		334	
2. Provisions for taxation	335		336	
3. Other provisions	337		338	
D. Non subordinated debts	339	9.436.822.620,94	340	8.789.394.528,47
1. Debenture loans	341	3.655.708.076,00	342	3.403.329.193,75
a) Convertible loans	343		344	
i) becoming due and payable after less than one year	345		346	
ii) becoming due and payable after more than one year	347		348	
b) Non convertible loans	349	3.655.708.076,00	350	3.403.329.193,75
i) becoming due and payable after less than one year	351	1.111.621.118,00	352	404.621.118,00
ii) becoming due and payable after more than one year	353	2.544.086.958,00	354	2.998.708.075,75
2. Amounts owed to credit institutions	355	652.577.036,00	356	899.700.138,21
a) becoming due and payable after less than one year	357	66.735.168,00	358	228.625.117,07
b) becoming due and payable after more than one year	359	585.841.868,00	360	671.075.021,14
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	361		362	
a) becoming due and payable after less than one year	363		364	
b) becoming due and payable after more than one year	365		366	
4. Trade creditors	367	535.402,30	368	414.969,54
a) becoming due and payable after less than one year	369	535.402,30	370	414.969,54
b) becoming due and payable after more than one year	371		372	

RCSL Nr.: B81267	Matricule: 2001 2206 314

		Financial year		Previous financial year
5. Bills of exchange payable	373		374	0,00
a) becoming due and payable after less than one year	375		376	
b) becoming due and payable after more than one year	377		378	0,00
6. Amounts owed to affiliated undertakings	379	5.025.976.427,00	380	4.393.195.521,29
a) becoming due and payable after less than one year	381	4.703.860.314,00	382	4.111.102.623,85
b) becoming due and payable after more than one year	383	322.116.113,00	384	282.092.897,44
7. Amounts owed to undertakings with which the company is linked by virtue of participating interests	385	0,00	386	0,00
a) becoming due and payable after less than one year	387	0,00	388	0,00
b) becoming due and payable after more than one year	389	0,00	390	
8. Tax and social security	391	522.761,64	392	501.801,44
a) Tax	393	205.924,43	394	178.818,00
b) Social security	395	316.837,21	396	322.983,44
9. Other creditors	397	101.502.918,00	398	92.252.904,24
a) becoming due and payable after less than one year	399	101.502.918,00	400	92.252.904,24
b) becoming due and payable after more than one year	401		402	
E. Deferred income	403		404	
TOTAL (LIABILITIES)	405	11.696.714.292,35	406	10.907.440.862,66

Annual Accounts Helpdesk :

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RCSL Nr. : B81267	Matricule : 2001 2206 314
	eCDF entry date :

PROFIT AND LOSS ACCOUNT

Financial year from 01 01/01/2012 **to** 02 31/12/2012 *(in* 03 EUR *)*

SES

Château de Betzdorf
L-6815 Betzdorf

A. CHARGES

		Financial year		Previous financial year
1. Raw materials and consumables	601	0,00	602	0,00
2. Other external charges	603	12.282.816,06	604	11.948.290,99
3. Staff costs	605	14.584.965,00	606	14.922.762,00
a) Wages and salaries	607	14.041.563,00	608	14.165.962,00
b) Social security costs	609	543.402,00	610	756.800,00
c) Social security costs relating to pensions	611	0,00	612	0,00
d) Other social security costs	613		614	
4. Value adjustments	615	111.756,75	616	2.352.315,17
a) on formation expenses and on tangible and intangible fixed assets	617	111.756,75	618	2.352.315,17
b) on elements of current assets	619		620	
5. Other operating charges	621	3.422.956,53	622	3.050.310,00
6. Value adjustments and fair value adjustments on financial fixed assets	623	2.416.251,00	624	1.563.774,00
7. Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities	625	0,00	626	0,00
8. Interest payable and similar charges	627	294.035.806,00	628	316.731.015,52
a) concerning affiliated undertakings	629	87.725.430,00	630	73.544.056,96
b) other interest payable and similar charges	631	206.310.376,00	632	243.186.958,56
9. Extraordinary charges	633	0,00	634	0,00
10. Tax on profit or loss	635	-63.330.744,48	636	-91.262.742,12
11. Other taxes not included in the previous caption	637		638	
12. Profit for the financial year	639	395.825.840,74	640	250.490.280,92
TOTAL CHARGES	641	659.349.647,60	642	509.796.006,48

RCSL Nr. : B81267	Matricule : 2001 2206 314

B. INCOME

		Financial year		Previous financial year
1. Net turnover	701	0,00	702	0,00
2. Change in inventories of finished goods and of work and contracts in progress	703		704	
3. Fixed assets under development	705		706	
4. Reversal of value adjustments	707		708	
a) on formation expenses and on tangible and intangible fixed assets	709		710	
b) on elements of current assets	711		712	
5. Other operating income	713	5.105.958,60	714	4.696.863,48
6. Income from financial fixed assets	715	580.322.619,00	716	467.554.001,00
a) derived from affiliated undertakings	717	567.120.289,00	718	450.000.000,00
b) other income from participating interests	719	13.202.330,00	720	17.554.001,00
7. Income from financial current assets	721		722	
a) derived from affiliated undertakings	723		724	
b) other income	725		726	
8. Other interests and other financial income	727	73.921.070,00	728	37.545.142,00
a) derived from affiliated undertakings	729	36.448.401,00	730	36.899.142,00
b) other interest receivable and similar income	731	37.472.669,00	732	646.000,00
9. Extraordinary income	733	0,00	734	0,00
10. Loss for the financial year	735	0,00	736	0,00
TOTAL INCOME	737	659.349.647,60	738	509.796.006,48

SES
Société Anonyme

Statement of changes in shareholders' equity
As at 31 December 2012

	Subscribed capital EUR million	Share premium EUR million	Legal reserve EUR million	Other reserves EUR million	Result for the year EUR million	Total EUR million
Balance, beginning of the year	624.4	746.3	62.4	434.5	250,5	2,118.1
Allocation of result	---	---	---	250.5	(250,5)	---
Distribution of dividends	---	---	---	(351.7)	---	(351.7)
Increase in capital	8.6	89.1	---	---	---	97.7
Profit for the financial year	---	---	---	---	395.8	395.8
Balance, end of the year	633.0	835.4	62.4	333.3	395.8	2,259.9

The accompanying notes form an integral part of the annual accounts.

Notes to the annual accounts
December 31, 2012

Note 1 - General

SES S.A. (previously SES Global S.A.) was incorporated on March 16, 2001 as a limited liability company (Société Anonyme) under the law of the Grand Duchy of Luxembourg for an unlimited period of time.

The purpose of SES (the "Company") is to take generally any interest whatsoever in electronic media and to be active, more particularly, in the communications area via satellites and to invest, directly or indirectly, in other companies that are actively involved in the satellite communication industry.

The accounting period of the Company is from January 1 to December 31.

The Company has a 99.94% interest in a partnership, SES Global Americas Holdings GP, whose accounts are integrated in those of the Company to the level of its share of the partnership.

Note 2 - Significant accounting policies

In accordance with Luxembourg legal and regulatory requirements, consolidated accounts are prepared.

The annual accounts are prepared in accordance with the Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Formation expenses

The costs of formation of the Company and the costs related to the increases in issued share capital are capitalised and amortised over a period of up to five years.

Intangible assets

Development costs:

Development expenditure incurred on an individual project is carried forward when its future recoverability can be regarded as assured. Any expenditure carried forward is amortised over the period of expected future sales from the related project.

Note 2 - Significant accounting policies - continued

Payments on account:

Amounts payable in respect of development costs are included in the balance sheet when incurred. When the project is complete, the expenditure is transferred to assets in use and amortisation commences.

Tangible assets

Other fixtures, fittings, tools and equipment:

All such items are depreciated evenly over the estimated useful lives, which are ten years or less.

Tangible assets in course of construction:

Amounts payable in respect of the purchase of future assets are included in the balance sheet when billed. The expenditure is transferred to assets in use and depreciation of the asset commences when it is put into service.

Financial assets

Financial assets are carried in the balance sheet at cost of purchase. If this valuation would appear to be excessive and reduction to be permanent, such assets would be written down to their realisable value.

Loan origination costs

Loan origination costs are capitalised and included in prepaid expenses. These costs are amortised over remaining estimated loan periods based on the Company's financing strategy.

Dividends

Dividends are declared after the accounts for the year have been approved. Accordingly dividends payable are recorded in the subsequent year's accounts. Dividends receivable from affiliated undertakings are recorded as income in the year in which they are declared by the subsidiary.

Convertible profit participating loan

Returns on convertible profit participating loans ("PPL") issued by the Company are calculated based on the cumulative profits of the PPL recipient over the life of the loan. The Company's entitlement to the return is therefore only certain at the date of maturity of the loan. The return is therefore recorded as income on final maturity of the PPL.

Note 2 - Significant accounting policies - continued

Translation of foreign currencies

The Company maintains its accounting records in Euro (EUR) and the annual accounts are expressed in that currency.

The costs of tangible and intangible assets are translated at the historical rate. Long term financial liabilities, which are hedged by financial derivatives, are translated at historical rate. Long term intercompany balances are translated at the balance sheet exchange rate unless this would give rise to an unrealised foreign exchange gain in which case the historical exchange rate is used.

Current assets and current liabilities denominated in foreign currencies are translated into Euro at the balance sheet exchange rate.

Income and charges expressed in other currencies are recorded on the basis of the exchange rates prevailing on the transaction dates.

The resultant exchange gains and losses arising from the application of the above principles are reflected in the profit and loss account.

Financial derivatives

The Company enters into financial derivatives for hedging purposes. All financial derivatives are maintained off balance sheet. Gains and losses realised on the settlement of such derivatives are taken to the profit and loss account at the same time as the hedged asset/liability impacts the profit and loss account.

Premiums paid/received on financial derivatives are taken to the profit and loss account over the term of the financial derivative.

Net turnover

All amounts received from customers under contracts for rental of satellite transponder capacity are recognised, at the fair value of the consideration received or receivable, over the duration of the respective contracts on a straight-line basis. Payments received in advance are deferred and included in the balance sheet as deferred income. Payments of receivables in arrears are accrued and included in trade debtors.

Comparative figures

Certain reclassifications have been made to prior year figures in order to conform with the implementation of the Luxembourg standard chart of accounts. These reclassifications did not impact the result for the prior year.

Note 3 - Intangible assets

	2012 EUR million	2011 EUR million
Cost at beginning of year	---	0.1
Additions	---	---
Write-off	---	0.1
Cost at end of year	---	---
Accumulated amortisation at beginning of year	---	---
Write-off	---	---
Accumulated amortisation at end of year	---	---
Net book value at beginning of year	---	0.1
Net book value at end of year	---	---

Note 4 - Tangible assets

The development of tangible assets during the financial years 2012 and 2011 is as follows:

	Other fixtures and fittings, tools and equipment EUR million	**Total 2012 EUR Million**	Total 2011 EUR million
Cost at beginning of year	3.1	**3.1**	5.1
Accumulated depreciation at beginning of year	(3.0)	**(3.0)**	(2.7)
Net book value at beginning of year	0.1	**0.1**	2.4
Movements of the year			
Additions	---	**---**	0.1
Retirements	(3.1)	(3.1)	(2.1)
Depreciation	(0.1)	**(0.1)**	(2.4)
Depreciation on retirements	3.1	**3.1**	2.1
Cost at end of year	---	**---**	3.1
Accumulated depreciation at end of year	---	**---**	(3.0)
Net book value at end of year	---	**---**	0.1

Note 5 - Shares in affiliated undertakings

	2012 EUR million	2011 EUR million
Cost at beginning of year	8,334.1	8,258.6
Additions	15.0	75.5
Cost at end of year	8,349.1	8,334.1
Value adjustments at beginning of year	(4.7)	(4.7)
Value adjustment of the year	---	---
Value adjustments at end of year	(4.7)	(4.7)
Net book value at end of year	8,344.4	8,329.4

As at December 31, 2012, the Company holds the following investments:

	Participation	Net Book Value EUR million
SES Astra S.A., Betzdorf, Luxembourg	100%	1,046.8
SES Global – Americas, Inc., Princeton, United States	99.94%	3,854.8
Astra Broadband Services S.A., Betzdorf, Luxembourg	0.01%	---
SES Astra A.B., Stockholm, Sweden	32.34%	50.1
SES Participations S.A., Betzdorf, Luxembourg	100%	206.8
SES Global Africa S.A., Betzdorf, Luxembourg	100%	406.6
SES Finance S.à r.l., Switzerland	100%	1,502.2
SES Holdings (Netherlands) BV, Netherlands	100%	1,113.3
SES Astra Services Europe S.A., Betzdorf, Luxembourg	100%	148.8
SES Astra TechCom Belgium S.A.,Belgium	1%	---
SES Latin America S.A., Bedzdorf, Luxembourg	100%	---
SES Belgium Sprl, Belgium	99%	---
SES Insurance International (Luxembourg) S.A,, Luxembourg	100%	11,2
SES Insurance International Re (Luxembourg) S.A., Luxembourg	100%	3,8
		8.344,4

Note 5 - Shares in affiliated undertakings - continued

In May 2012, SES incorporated two new entities, SES Insurance International (Luxembourg) S.A and SES Insurance International Re (Luxembourg) S.A., for respective amounts of USD 14.7 million (EUR 11.2 million) and USD 5.0 million (EUR 3.8 million)

Art. 65 paragraph (1) 2° of the law of December 19, 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings (the "law") requires the disclosure of the amount of capital and reserves and profit and loss for the last financial year of each affiliated undertaking. In conformity with Art.67 (3) of the law these details have been omitted as the Company prepares consolidated accounts and these consolidated accounts and the related consolidated management report and auditors' report thereon have been lodged with the Luxembourg Trade Registry.

Note 6 - Loans to affiliated undertakings

Loans to affiliated undertakings of EUR 752.0 million (2011: EUR 763.3 million) consist of Convertible Profit Participating Loans with SES Finance S.à r.l..

On February 1, 2007 SES granted a Convertible Profit Participating Loan amounting to USD 807.4 million (2012: EUR 612.0 million; 2011: EUR 623.3 million). A further loan of EUR 140.0 million was granted on November 28, 2008.

Note 7 - Loans to undertakings with which the company is linked by virtue of participating interests

In the framework of the sale of 74.9%% of the SES group's 100% in February 2011, SES granted a loan to ND Satcom of EUR 31.0 million. The loan bears interest at market rate and is repayable in six installments between April 2012 and April 2017.

As at December 31, 2012 the loan to ND Satcom amounts to EUR 27.8 million (2011: 32.3 million), including EUR 27.0 million of nominal (2011: 31.0 million).

The short term portion of the loan amounts to EUR 16.7 million (2011: EUR 4.0 million) and the accrued interest as at December 31, 2012 amounts to EUR 0.8 million (2011: EUR 1.3 million).

Note 8 - Own shares

	2012 EUR million	2011 EUR million
Cost at beginning of year	22.1	52.6
Value adjustments at beginning of year	(0.4)	(0.4)
Net book value at beginning of year	21.7	52.2
Movements of the year		
Purchase of FDRs / own shares	86.8	---
FDRs received following the capital increase	11.0	---
Used in connection with employee option scheme	(48.4)	(30.5)
Value adjustments	(2.4)	---
Cost at end of year	71.5	22.1
Value adjustments at end of year	(2.8)	(0.4)
Net book value at end of year	68.7	21.7

Own Fiduciary Deposit Receipts:

All Fiduciary Deposit Receipts ("FDRs") in respect of Class A shares owned by the Company are for use in connection with the Senior Executives, Executives and Employees option schemes operated by the group. These shares are valued at the lower of cost and market value.

As at December 31, 2012, the Company owned 4,089,040 FDRs (2011: 1,725,058).

Note 9 - Amounts owed by affiliated undertakings

Amounts owed by affiliated undertakings of EUR 2,284.9 million (2011: EUR 1,560.5 million) consist of current accounts.

As at December 31, 2012 and 2011 current accounts represent short-term advances bearing interest at market rates and consist principally of amounts owed by SES Astra 1Kr S.à r.l., SES Astra 1L S.à r.l., SES Astra 2F S.à r.l., SES Astra 1M S.à r.l., SES Astra 5B S.à r.l., SES Finance S.à r.l., SES Astra S.A., SES Participations S.A., SES Astra 3B S.à r.l. and SES Astra 2E S.à r.l..

Note 10 - Subscribed capital

As at December 31, 2011 the issued and fully paid share capital amounted to EUR 624.4 million, represented by 499,477,695 shares with no par value (332,985,130 Class A ordinary shares and 166,492,565 Class B ordinary shares).

On April 5, 2012, the general meeting of shareholders authorised the Board of Directors to issue, within the authorised share capital, 4,614,870 new class A shares and 2,307,435 new class B shares.

The new class A shares were entirely paid up in cash for an amount of EUR 81.4 million allocated as EUR 5.8 million to share capital and EUR 75.6 million to share premium.
The new class B shares were partly paid up in cash of EUR 5.3 million allocated as EUR 0.9 million to share capital and EUR 4.3 million to share premium. The remainder was paid up by a contribution in kind consisting of 621,788 FDRs. The value of the contribution in kind amounted to EUR 10.9 million allocated as EUR 1.9 million to share capital and EUR 9.0 million to share premium.

Within the framework of SES's share buy-back programme, on June 4, 2012, SES entered into a forward agreement with a financial institution for the repurchase of the above 4,614,870 class A-shares converted into FDRs. The forward agreement is entered into by SES to allow delivery of FDRs upon the exercise of the outstanding stock purchase options issued by SES.
The maturities of the forward agreement was June 25, 2012, July 25, 2012 and December 12, 2012 for the purchase of 600,000 FDRs, 2,000,000 FDRs and 2,014,870 FDRs respectively

As a result, at December 31, 2012 the issued and fully paid share capital amounted to EUR 633.0 million, represented by 506,400,000 shares with no par value (337,600,000 Class A ordinary shares and 168,800,000 Class B ordinary shares).

Note 11 - Legal reserve

In accordance with Luxembourg legal requirements, a minimum of 5% of the yearly net profit is transferred to a legal reserve from which distribution is restricted. This requirement is satisfied when the reserve reaches 10% of the issued share capital.

Note 12 - Other reserves

Prior to January 1, 2002, in accordance with Article 174 bis of Luxembourg fiscal law, the Company was entitled to credit the net worth tax due for the year against the corporate income tax charge for the year. From 2002 onwards, in accordance with paragraph 8a of the 16 October 1934 law as amended, the Company is entitled to reduce the net worth tax due for the year by an amount which cannot exceed the corporate income tax due for the year. In order to avail of the above the Company must set up a restricted reserve equal to five times the amount of the net worth tax credited. This reserve has to be maintained for a period of five years following the year in which it was created. In case of distribution of the restricted reserve, the tax credit falls due during the year in which it was distributed.

During previous years and until 2008, the SES Group had decided to maintain the restricted reserve for the Luxembourg fiscal integration group (the "tax group") under "other reserves" in the accounts of SES Astra S.A.. Between 2008 and 2012, the restricted reserves were to be maintained in the accounts of SES S.A.. As from 2012, the restricted reserves are once again to be maintained in the accounts of SES Astra S.A..

As at December 31, 2012, the restricted portion of "other reserves" in the books of SES S.A. is as follows:

	Reduction in net worth tax EUR million	**Restricted reserve EUR million**
2008	**18.2**	**90.8**
2009	**12.7**	**63.4**
2010	**14.1**	**70.7**
2011	**12.4**	**61.8**

Upon approval of SES Astra S.A. annual accounts for the year ended December 31, 2012, an amount of EUR 60.8 million will be allocated to restricted reserves in the books of SES Astra S.A., corresponding to five times the amount of the 2012 net worth tax.

Note 13 - Non convertible loans

U.S. Private Placement
On September 30, 2003, SES, through SES GLOBAL-Americas Holdings GP, issued in the U.S. Private Placement market four series of unsecured notes amounting to USD 1,000.0 million and GBP 28.0 million. These notes comprised:

1. Series A USD 400.0 million of 5.29% Senior Notes due September 2013, amortising as of September 2007.
2. Series B USD 513.0 million of 5.83% Senior Notes due September 2015, amortising as of September 2011.
3. Series C USD 87.0 million of 5.93% Senior Notes due September 2015.
4. Series D GBP 28.0 million of 5.63% Senior Notes due September 2013, amortising as of September 2007.

Note 13 - Non convertible loans- continued

On these four series, SES pays interest semi-annually. SES is committed under the U.S. Private Placement to maintaining covenants requiring certain financial ratios to be upheld within agreed limits in order to provide sufficient security to the lenders. These financial ratios are based on the consolidated financial statements of SES S.A..

European Medium-Term Note Programme (EMTN)
On December 6, 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 November 15, 2012 this programme has been extended for one further year. As of December 31, 2012, SES has issued 2,740.0 million (2011: EUR 2,600.0 million) under the EMTN Programme with maturities ranging from 2013 – 2027.

– 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 May 31, 2012, and bears interest at a fixed rate of 4.00%.

– EUR 650.0 million Eurobond (2021)
On March 11, 2011 (pricing March 2, 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 650.0 million Eurobond (2020)
On March 9, 2010 (pricing March 1, 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 150.0 million Private Placement (2016)
On July 13, 2009, SES issued a EUR 150.0 million Private Placement under the company's European Medium-Term Note Programme with Deutsche Bank. The Private Placement has a 7-year maturity, beginning August 5, 2009, and bears interest at a fixed rate of 5.05%.

– EUR 650.0 million Eurobond (2014)
On July 9, 2009 (pricing June 30, 2009), SES issued a EUR 650.0 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 4.875%.

– EUR 500.0 million Eurobond (2013)
On October 20, 2006, SES issued a EUR 500.0 million bond under the company's European Medium-Term Note Programme. The bond has a 7-year maturity and bears interest at a fixed rate of 4.375%.

Note 13 - Non convertible loans- continued

German Bond issue of EUR 200.0 million repayment
On May 21, 2008, the group concluded an agreement to issue EUR 200 million in two equal tranches in the German Bond ('Schuldschein') market. The agreement for the first tranche was signed on May 30, 2008 with the funds being drawn down in June 2008, and bearing interest at fixed rate of 5.75%. The agreement for the second tranche was signed on July 14, 2008 with the funds being drawn down in July 2008 and bearing interest at fixed rate of 6.0%. Both German bonds matured in November 2012.

German Bond issue of EUR 50.0 million issue
On October 29, 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 4.0% and matures on November 12, 2032.

Commercial paper programme
On October 25, 2005, SES put in place a EUR 500.0 million 'Programme de Titres de Créances Négociables' in the French market where the company issued 'Billets de Trésorerie' (commercial papers) in accordance with articles L.213-1 to L.213-4 of the French Monetary and Financial Code and decree n°92.137 of February 13, 1992 and all subsequent regulations. The maximum outstanding amount of 'Billets de Trésorerie' issuable under the programme is EUR 500.0 million or its counter value at the date of issue in any other authorised currency. On May 9, 2012, this programme was extended for one further year. As at December 31, 2012 borrowings of EUR 40.0 million (2011: EUR 60.0 million) were outstanding under this programme. The average rate of the outstanding commercial paper amounts to 0.13% (2011: 1.06%) for the drawdown period.

European Commercial paper programme
In July 2012, SES signed the documentation for the inception of a joint EUR 1 billion 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. As at December 31, 2012 borrowings of EUR 427.0 million (2011: nil) were outstanding of which EUR 267.0 issued in the name of SES Global Americas Holding GP and EUR 160.0 million in the name of SES S.A. The average rate of the outstanding commercial papers was 0.24% for the drawdown period.

The maturity profile of notes, bonds and commercial papers is as follows as at December 31, 2012 and 2011:

	2012 **EUR million**	2011 EUR million
Within one year	**1,111.6**	404.6
Between one to two years	**814.9**	644.6
Between two to five years	**239.2**	1,054.1
After five years	**1,490.0**	1,300.0
Total after one year	**2,544.1**	2,998.7

Note 14 - Amounts owed to credit institutions

As at December 31, 2012 and 2011, the amount owed to credit institutions was as follows:

	2012	2011
	EUR million	EUR million
Becoming due and payable after more than one year	**585.8**	671.0
European Investment Bank	**133.3**	166.7
COFACE facility	**364.3**	221.5
US Ex-Im	**88.2**	73.5
Syndicated revolving credit facility	---	209.3
Becoming due and payable after less than one year	**66.7**	228.6
European Investment Bank	**33.3**	33.3
COFACE facility	**19.8**	---
US Ex-Im	**13.6**	9.8
Committed and uncommitted loan facilities	---	185.5

EUR 200.0 million European Investment Bank funding
On April 21, 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 3.618%, is repayable in six annual instalments between May 2012 and May 2017.

Syndicated loan 2015
In April 2009, SES signed a syndicated loan facility maturing in 2012 with a consortium of 24 banks. On September 2010, the syndicated loan has been amended and restated. The amended facility, maturing April 2015, is for EUR 1,200.0 million and can be drawn in EUR and USD. The interest rate is based on EURIBOR or U.S. LIBOR, depending on the drawing currency, plus a margin based on the rating of the company. The current rating of the company is BBB/Baa2 (S&P/Moody's) leading to a margin of 0.95%.

EUR 522.9 million COFACE facility
On December 16, 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 April 23, 2010. Each loan will be repaid in 17 equal semi-annual instalments starting six months after the earlier of the in-orbit date of the satellite being financed by such loan and April 1, 2014 and the estimated final maturity of the facility will be by the end of 2022. The facility bears interest at a floating rate of six month EURIBOR plus a margin of 1.7%.

USD 158 million US Ex-Im facility
In April 2011, SES signed a financing agreement with Ex-Im Bank (Export-Import Bank of the United States) over USD 158 million for the investment in one geostationary satellite (Quetzsat). On May 19, 2011, SES drew the first tranche of USD 107.8 million. The loan will be repaid in 17 equal semi-annual instalments starting (i) the earlier of six month after the in-orbit acceptance date of the satellite and (ii) June 20, 2012. The final maturity will be eight years after the initial repayment date. The facility bears interest at a fixed rate of 3.11%.

Note 14 - Amounts owed to credit institutions - continued

Committed and uncommitted loan facilities
As at December 31, 2012, the company had no drawn down under uncommitted loan facilities (2011: USD 240.0 million).

The maturity profile of the amounts drawn is as follows as at December 31, 2012 and 2011:

	2012 **EUR million**	2011 EUR million
Between one and two years	**86.6**	56.8
Between two and five years	**276.3**	414.2
After five years	**222.9**	200.0
Total	**585.8**	671.0

Note 15 - Amounts owed to affiliated undertakings

Amounts owed to affiliated undertakings of EUR 5,026.0 million (2011: EUR 4,393.2million) include the following:

	2012 **EUR million**	**2010** **EUR million**
Long-term loans (maturity after 5 years)	322.1	282.1
Short-term loans	1,293.2	993.6
Notes	2,016.9	1,998.7
Current accounts	1,393.8	1,118.8
	5,026.0	4,393.2

Short term loans bear interest at market rates and are repayable upon demand.

As at December 31, 2012 long-term loans represented seven loans bearing interest at a rate of 4.12% with a maturity of April 2021, two loans bearing interest at a rate of one month USD LIBOR plus a margin of 0.50% with a maturity of November 2020 and eight loans bearing interest at a rate of 2.98% with a maturity of May 2022.

As at December 31, 2011 long-term loans represented nine loans bearing interest at a rate of 4.12% with a maturity of April 2021 and six loans bearing interest at a rate of one month USD LIBOR plus a margin of 0.50% or 0.54% with a maturity of November 2020.

Note 15 - Amounts owed to affiliated undertakings - continued

As at December 31, 2012 the notes are interest free and are repayable upon demand or at latest on the second anniversary of the note, which may be extended for successive periods of two years each at the exception of:

- one note which bears interest at a rate of 4.6% per annum and is repayable upon demand or at latest on the second anniversary of the note, which may be extended for successive periods of two years
- four notes which bears interest at a rate of Swiss safe harbor interest rate plus a margin of 0.5% and are repayable upon presentation or at the latest on January 31, 2019
- one interest free note repayable upon presentation or at the latest on May 19, 2021.

As at December 31, 2011 the notes are interest free and are repayable upon demand or at latest on the second anniversary of the note, which may be extended for successive periods of two years each at the exception of:

- one note which bears interest at a rate of 4.6% per annum and is repayable upon demand or at latest on the second anniversary of the note, which may be extended for successive periods of two years
- four notes which bears interest at a rate of Swiss safe harbor interest rate plus a margin of 0.5% and are repayable upon presentation or at the latest on January 31, 2019
- one interest free note repayable upon presentation or at the latest on May 19, 2021.

As at December 31, 2012 and 2011 current accounts represent short-term advances bearing interest at market rates and include a short term advance owed to SES Astra S.A. of EUR 338.7 million (2011: EUR 368.1 million).

Note 16 – Tax on profit or loss

Taxes in the profit and loss account have been provided in accordance with the relevant laws.

The balance sheet position takes into consideration the taxable result of the Luxembourg subsidiaries (SES Astra S.A., SES Asia S.A., Astra Broadband Services S.A., SES Participations S.A., SES Global Africa S.A., NSS Latin America Holdings S.A., SES Astra 3B S.à r.l., SES Astra 1KR S.à r.l., SES Astra 1L S.à r.l., SES Astra 1M S.à r.l., SES Astra TechCom S.A., SES Engineering S.à r.l., SES Astra 1N S.à r.l., SES Astra 5BS.à r.l., SES Astra 2E S.à r.l., SES Astra 2F S.à r.l., SES Astra 2G S.à r.l. and SES Digital Distribution Services S.à r.l.), which are part of the Luxembourg fiscal unity, in accordance with Art 164 bis LIR.

Note 17 - Staff costs

As at December 31, 2012, the number of full time equivalent employees was 55 (2011: 57) and the average number of employees in the workforce for 2012 was 58 (2010: 58). Staff costs can be analysed as follows:

	2012 EUR million	**2011 EUR million**
Wages and salaries	14.0	14.2
Social security costs	0.5	0.7
	14.5	14.9

Note 18 - Audit fees

Art. 65 paragraph (1) 16° of the law of December 19, 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings (the "law") requires the disclosure of the independent auditor fees. In conformity with the law these details have been omitted as the Company prepares consolidated accounts in which this information is disclosed and these consolidated accounts and the related consolidated management report and auditors' report thereon have been lodged with the Luxembourg Trade Registry.

Note 19 - Other interest payable and similar charges

Other interest payable and similar charges include the following:

	2012 EUR million	**2011 EUR million**
Interest charges	189.5	190.5
Foreign exchange losses, net	---	34.2
Other financial charges	16.8	18.5
	206.3	243.2

Foreign exchange losses, net, mainly consist of losses realised on the close out of certain derivative instruments during the year 2011.

Note 20 - Other operating income

Other operating income mainly consist of group recharge revenues amounting to EUR 5.1 million (2011: EUR 4.7 million) arising from advisory support services rendered to various affiliates.

Note 21 - Income from financial fixed assets derived from affiliated undertakings

Income from participating interests derived from affiliated undertakings consists of the following:

	2012 EUR million	**2011 EUR million**
Dividends received from affiliated undertakings	567.1	450.0
	567.1	450.0

Note 22 - Other interest receivable and similar income

Other interest receivable and similar income include the following:

	2012 EUR million	**2012 EUR million**
Interest income	0.2	0.6
Foreign exchange gain, net	37.3	---
	37.5	0.6

Foreign exchange gains, net, mainly consist of gains realised on the close out of certain derivative instruments during the year 2012.

Note 23 - Board of Directors' remuneration

At the Annual General Meeting held on April 5, 2012, payments to directors for attendance at Board and Committee meetings were approved. These payments are computed on a fixed and variable basis, the variable payments being based upon attendance at Board and Committee meetings. Total payments arising in 2012 were EUR 1.4 million (2011: EUR 1.3 million).

Note 24 - Off balance sheet items

External interest rate swaps
As at December 31, 2012 and December 31, 2011, the company had no EUR interest rate swaps outstanding.

As at December 31, 2012 the company had no USD interest rate swaps outstanding. As at December 31, 2011 the company held four USD interest rate swaps which were designated as hedges of expected future interest expenses on USD 240.0 million of uncommitted credit lines which are floating rate debt.

As at December 31, 2011, the net fair value of these contracts was EUR (8.2) million.

Note 24 - Off balance sheet items - continued

External cross currency swaps
As at December 31, 2012 and 2011, the company held five cross currency swaps with a total amount of EUR 500 million which were designated as hedge of the net investments in SES WORLD SKIES, SES Satellite Leasing and SES Re International (Bermuda) to hedge the group's exposure to foreign exchange risk on these investments.

As at December 31, 2012, the fair value of these contracts was EUR (40.2) million (2011: EUR (47.0) million).

Forward foreign exchange contracts
As at December 31, 2012 and 2011, the company had several outstanding foreign exchange contracts.

As at December 31, 2012:

Each of the following contracts is mirrored by an internal forward foreign exchange contract with a group entity.

Currency sold	Currency bought	Average weighted maturity	Average FX rate	Note	Net Fair Value
EUR 31.7 million	USD 44.9 million	February 2013	EUR/USD 1.4184	1	EUR 3.0 million
USD 24.8 million	EUR 18.2 million	February 2013	EUR/USD 1.3385	2	EUR (0.6) million
USD 39.5 million	EUR 30.0 million	March 2013	EUR/USD 1.3175	3	EUR 0.1 million

The company also has the following outstanding foreign exchange contracts which are not mirrored by internal contracts:

Currency sold	Currency bought	Average weighted maturity	Average FX rate	Fair Value
USD 101.5 million	EUR 79.2 million	January 2013	EUR/USD 1.2818	EUR 2.3 million
EUR 35.9 million	SEK 310.0 million	January 2013	EUR/SEK 8.6405	EUR 0.2 million
EUR 30.9 million	USD 40.0 million	January 2013	EUR/USD 1.2956	EUR (0.6) million

As at December 31, 2011:

Each of the following contracts is mirrored by an internal forward foreign exchange contract with a group entity.

Currency sold	Currency bought	Average weighted maturity	Average FX rate	Note	Net Fair Value
USD 18.5 million	EUR 13.5 million	April 2012	EUR/USD 1.3696	3	---
USD 60.7 million	EUR 44.9 million	July 2012	EUR/USD 1.3513	2	EUR (1.9) million
EUR 41.5 million	USD 58.7 million	December 2012	EUR/USD 1.4146	1	EUR 3.7 million
USD 50.9 million	EUR 35.9 million	December 2012	EUR/USD 1.4173	3	EUR 0.1 million
SEK 64.0 million	USD 9.2 million	January 2012	USD/SEK 6.9430	3	---
EUR 0.5 million	SEK 4.3 million	January 2012	EUR/SEK 9.0048	4	---
USD 1.0 million	SEK 6.8 million	January 2012	USD/SEK 6.9095	4	---

Note 24 - Off balance sheet items - continued

The company also has the following outstanding foreign exchange contracts which are not mirrored by internal contracts:

Currency sold	Currency bought	Average weighted maturity	Average FX rate	Fair Value
EUR 11.0 million	SEK 98.8 million	January 2012	EUR/SEK 9.008	EUR 0.1 million
EUR 0.3 million	GBP 0.2 million	March 2012	EUR/GBP0.8592	---

The company also has the following outstanding foreign exchange contracts which are not mirrored by internal contracts:

Currency sold	Currency bought	Average weighted maturity	Average FX rate	Fair value
SEK 5.0 million	EUR 0.6 million	January 2011	EUR/SEK 8.9868	---
EUR 5.7 million	GBP 4.9 million	September 2011	EUR/GBP 0.8541	---

1. These foreign exchange contracts exactly mirror the internal forward foreign exchange contracts entered into with SES Asia S.A..
2. These foreign exchange contracts exactly mirror the internal forward foreign exchange contracts entered into with SES Holdings (Netherlands) BV .
3. These foreign exchange contracts exactly mirror the internal forward foreign exchange contracts entered into with SES Satellite Leasing.
4. These foreign exchange contracts exactly mirror the internal forward foreign exchange contracts entered into with SES ASTRA AB.

Inter-company financial instruments
The company arranged several inter-company foreign exchange contracts in order to hedge the U.S. Private Placement as well as certain other USD-denominated facilities. The average terms of these inter-company contracts are as follows:

	Currency sold	Currency bought	Average weighted maturity	Exchange rate
As at Dec 31, 2012	EUR 388.3 million	USD 458.4 million	September 2013	EUR/USD 1.1806
As at Dec 31, 2011	EUR 620.5 million	USD 744.6 million	October 2013	EUR/USD 1.2000

As at December 31, 2012, the fair value of these contract was EUR (40.9) million (2011: EUR (37.3) million).

As at December 31, 2011, the company has also entered into the following additional inter-company foreign exchange contracts which are mirrored by internal forward foreign exchange contract with another inter-company group entity:

Currency sold	Currency bought	Average weighted maturity	Average exchange rate
USD 58.5 million	EUR 42.6 million	June 2012	EUR/USD 1.3734

As at December 31, 2011, the net fair value of the contract was EUR 0.

Note 24 - Off balance sheet items - continued

Guarantees
On September 10, 2012 SES signed a guarantee facility agreement with Deutsche Bank AG, making available to SES a revolving guarantee facility in the amount of EUR 5.0 million for an undefined period. Guarantees under this facility shall be trade related only.

On December 31, 2012, the company had outstanding bank guarantees for an amount of EUR 2.5 million (2011: EUR 2.7 million) with respect to performance and warranty guarantees for services of satellite operations.

Corporate guarantees
In 2012 and 2011, SES has given several corporate guarantees to satellite providers for the provision of communications spacecraft and related equipment contracted by fully-owned subsidiaries of the group.

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Jeudi 4 avril 2013 à 10 heures 30

Projet de résolution se rapportant au point 7 de l'ordre du jour

Le Conseil d'administration propose à l'Assemblée d'approuver les comptes annuels et les comptes consolidés comme indiqués sous le point 6 de l'ordre du jour "Rapport du réviseur d'entreprises".

* * *

Draft resolution related to point 7 of the agenda

The Board of Directors proposes to the Meeting to approve the annual accounts and the consolidated annual accounts as shown under agenda item 6 "Presentation of the audit report".

Assemblée Générale Annuelle de SES
Jeudi 4 avril 2013 à 10 heures 30

Projet de résolution se rapportant au point 8 de l'ordre du jour

Le Conseil d'administration propose à l'Assemblée d'approuver l'affectation du résultat net de l'exercice 2012 conformément aux indications figurant dans le tableau ci-joint, intitulé "Allocation of 2012 Profits", points 1 à 5.

* * *

Draft resolution related to point 8 of the agenda

The Board of Directors proposes to the Meeting to approve the allocation of the 2012 profits according to the indications of the enclosed table entitled "Allocation of 2012 Profits", items 1 to 5.

* * *

Assemblée Générale Annuelle de SES
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Annual General Meeting - April 4, 2013
Allocation of 2012 Profits

				EUR
1	2012 statutory net income of SES S.A. (unconsolidated) available for dividend			395,825,840.75
2	Statutory transfer to Legal Reserve [1]			-736,364.36
	Available for distribution after transfer from Legal Reserve			395,089,476.39
3	Payment of a dividend under Article 31:	Shares	Dividend	
	Ordinary A shares	337,600,000	0.970	-327,472,000.00
	Ordinary B shares	168,800,000	0.388	-65,494,400.00
	Total			-392,966,400.00
4	Transfer to "Other Reserves"			-2,123,076.38
5	Undistributed 2012 profits			0.00

[1] In accordance with Luxembourg legal requirements, a minimum of 5% of the yearly net profit is transferred to a legal reserve from which distribution is restricted. This requirement is satisfied when the reserve reaches 10% of the issued share capital.

Situation des comptes de reserves / situation of the reserve accounts

		EUR
A	**Movement on "Other Reserves" *('Free Reserves')***	
	Other Reserves' before proposed transfer	333,356,404.96
	(1) Transfer from statutory net income to 'Other reserves'	2,123,076.38
	(2) Transfer from 'Other Reserves' to 'Result brought forward'	-63,463.00
	Other Reserves' after proposed transfers	335,416,018.35

Shareholders are specifically asked to note and confirm that, in accordance §8a of the Vermögensteuergesetz ("VStG"), an amount of - nil - (2011: EUR 61.8 million) representing the 2012 Net Worth Tax reserve, has been transferred to a non-distributable reserve within "Other reserves"

B	**Movement on 'Result brought forward'**	
	Result Brought Forward' before proposed transfer	-63,463.00
	Transfer from 'Other Reserves' to 'Result brought forward'	63,463.00
	Result Brought Forward' after proposed transfer	0.00
C	**Movement on 'Legal Reserve'**	
	Legal Reserves' before proposed transfer	62,434,711.62
	Transfer from statutory net income to 'Legal reserves'	736,364.36
	Legal Reserves' after proposed transfer (being 10% of Subscribed Capital)	63,171,075.98

Note: Subscribed Capital of SES S.A. is EUR 631,710,759.75

2012 Consolidated net income available for the shareholders of SES S.A. **648,838,783.36**

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Projet de résolution se rapportant au point 9 de l'ordre du jour

Le Conseil d'administration propose d'approuver la situation des comptes de réserves conformément aux indications figurant dans le tableau intitulé "Allocation of 2012 Profits", points A à C comme indiqué sous le point 8 de l'ordre du jour.

* * *

Draft resolution related to point 9 of the agenda

The Board proposes to the Meeting to approve the situation of the reserve accounts according to the indications on the table entitled "Allocation of 2012 Profits", items A to C as shown under agenda item 8.

Assemblée Générale Annuelle de SES
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Projet de résolution se rapportant au point 10 de l'ordre du jour

Conformément à l'article 27 des statuts, le Conseil d'administration propose à l'Assemblée de donner décharge aux administrateurs.

* * *

Draft resolution related to point 10 of the agenda

According to article 27 of the Articles of Incorporation, the Board of Directors proposes to the Meeting to give discharge to the members of the Board.

Assemblée Générale Annuelle de SES
Jeudi 4 avril 2013 à 10 heures 30

Projet de résolution se rapportant au point 11 de l'ordre du jour

Conformément à l'article 27 des statuts, le Conseil d'administration propose à l'Assemblée de donner décharge au réviseur d'entreprises.

* * *

Draft resolution related to point 11 of the agenda

According to article 27 of the Articles of Incorporation, the Board of Directors proposes to the Meeting to give discharge to the auditor.

Assemblée Générale Annuelle de SES
Jeudi 4 avril 2013 à 10 heures 30

Projet de résolution se rapportant au point 12 de l'ordre du jour

Election statutaire du réviseur d'entreprises pour l'année 2013 et fixation de sa rémunération.

Le Conseil propose d'élire PricewaterhouseCoopers comme réviseur d'entreprises pour l'année 2013.

Le Comité d'Audit a approuvé le budget des frais et honoraires pour le réviseur d'entreprises.

* * *

Draft resolution related to point 12 of the agenda

Appointment of the auditor for the year 2013 and determination of its remuneration.

The Board proposes to appoint PricewaterhouseCoopers as external auditors for the year 2013.

The Audit Committee has approved the budget for the external auditor's fees.

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Projet de résolution se rapportant au point 13 de l'ordre du jour

Résolution permettant à la Société l'acquisition de ses propres FDRs et/ou actions A et B

L'assemblée générale des actionnaires autorise le Conseil d'administration, avec faculté de délégation au Comité Exécutif, à acquérir un nombre maximal de 5.000.000 actions de la catégorie A, et/ou un maximum de 2.500.000 actions de la catégorie B émises par la Société en respectant les conditions fixées par la loi du 10 août 1915, telle que modifiée, concernant les sociétés commerciales ("LSC") relatives au rachat d'actions propres par une société anonyme ou à en faire acquérir par d'autres sociétés du groupe telles que visées par l'article 49bis LSC. L'autorisation de rachat d'actions de la catégorie A couvre également le rachat de FDRs émis par la BCEE sur base d'actions de la catégorie A de la Société.

Les actions de la catégorie A et/ou les *FDRs* pourront être acquis soit par des achats en bourse, soit en bloc, soit de gré à gré au prix du marché en vigueur à ce moment là ou à un prix inférieur. Les actions de la catégorie B pourront être acquises de gré à gré à un prix équivalent à 40% du prix du marché en vigueur des FDRs.

Les *FDRs* acquis par la Société pourront ou ne pourront pas être ultérieurement convertis en actions de la catégorie A et pourront être conservés ou cédés ou annulés ou utilisés à toutes autres fins utiles que le Conseil d'administration estime recommandables pour la Société. Les actions de la catégorie A acquises par la Société pourront ou ne pourront pas être ultérieurement converties en *FDRs* et pourront être conservées ou cédées ou annulées ou utilisées à toutes autres fins utiles que le Conseil d'administration estime recommandables pour la Société. Les actions acquises de la catégorie B pourront être annulées, conservées, cédées ou utilisées à toutes autres fins utiles que le Conseil d'administration estime recommandables pour la Société. Toute annulation d'actions est sujette à une résolution des actionnaires de la Société dans une réunion de l'Assemblée Générale Extraordinaire à convoquer par le Conseil d'administration.

L'autorisation est valable (a) pour une période de dix-huit mois à compter de la date de la présente résolution ou (b) jusqu'à la date de son renouvellement ou de son extension par l'assemblée générale des actionnaires si la date d'expiration de cette période est postérieure.

La Société respectera les restrictions prévues par la LSC concernant le rachat d'actions propres.

La contre-valeur d'acquisition des actions de la catégorie A, et/ou des *FDRs* ne pourra pas être inférieure à 15 EUR ni supérieure à 30 EUR par action de la catégorie A, et/ou par *FDR*. La contre-valeur d'acquisition des actions de la catégorie B ne pourra pas être inférieure à 6 EUR ni supérieure à 12 EUR par action de la catégorie B.

La Société pourra décider d’acquérir uniquement des titres d’une ou de deux des catégories d’actions, mais devra respecter le principe de l’égalité de traitement des actionnaires à l’intérieur de chacune de ces catégories d’actions.

Tous pouvoirs sont conférés au Conseil d'administration, avec faculté de délégation au Comité Exécutif, en vue d'assurer l'exécution de la présente autorisation.

* * *

Draft resolution related to point 13 of the agenda

Resolution on Company acquiring FDRs and/or own A- and B-shares

The General Meeting of Shareholders authorizes the Board of Directors, with full power of delegation to the Executive Committee, to purchase a maximum of 5,000,000 A-, and/or a maximum of 2,500,000 B-shares issued by the Company in accordance with the conditions set forth by the law of August 10, 1915, as amended, on commercial companies (the “Companies’ Act”) regarding the repurchase of own shares by a *société anonyme*, or to have them purchased by other companies of the Group according to the definition of article 49bis of the Companies’ Act. The A-shares and/or the FDRs shall be purchased either on the stock-exchange, or by block trade or by mutual agreement at the then current market price or lower. The B-shares shall be purchased by mutual agreement for a price equivalent to 40% of the then current market price of FDRs. The authorization to repurchase A-shares also covers the repurchase of FDRs issued by BCEE with respect to A-shares of the Company.

The FDRs repurchased by the Company may or may not be converted into A-shares and, as the case may be, be kept or sold or cancelled or used for such legitimate purposes as the Board deems advisable. The A-shares repurchased by the Company may or may not be converted into FDRs and, as the case may be, be kept or sold or cancelled or used for such legitimate purposes as the Board deems advisable. The B-shares repurchased by the Company shall be subsequently cancelled, kept, sold or used for such legitimate purposes as the Board deems advisable. Any cancellation of shares shall be subject to approval by the shareholders of the Company taken in an Extraordinary General Meeting of Shareholders to be convened by the Board.

The authorization is valid for the longer of (a) a period of eighteen months from the date of this resolution or (b) the duration of such further period beyond those eighteen months for which it is renewed or extended by the General Meeting of Shareholders.

The Company shall respect the restrictions imposed by the Companies’ Act regarding the repurchase of own shares.

The purchase price of the A-shares and/or FDRs shall not be lower than EUR 15 or higher than EUR 30 per FDR or A-share. The purchase price of the B-shares shall not be lower than EUR 6 or higher than EUR 12 per B-share.

The Company may decide to purchase only shares of one or two of the existing categories, but will need to conform with the principle of equal treatment of shareholders within each category of these shares.

All powers are granted to the Board of Directors, with full power of delegation to the Executive Committee, to execute the present authorization.

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Election de six administrateurs pour trois ans
Projet de résolution se rapportant au point 14 de l'ordre du jour

Le Conseil d'Administration propose à l'Assemblée d'élire les administrateurs suivants pour trois ans :

Election of six Directors for a three year term:
Draft resolution related to point 14 of the agenda

The Board of Directors proposes to the Meeting that the following candidates should be elected as directors for a three year term:

Liste de candidats représentant les actionnaires de la catégorie A

List of candidates representing shareholders of category A

Mr. Romain Bausch, President and CEO, Château de Betzdorf, L-6815 Betzdorf

Mr. Jacques Espinasse, Administrateur, Résidence Ascot, Avenue Louise n° 541, 1050 Bruxelles,

Mme. Tsega Gebreyes, Managing Partner Satya Capital, 3rd Floor, 35 Portman Square, London, W1H 6LR

Mr. François Tesch, Administrateur-Délégué, Luxempart, 12, rue Léon Laval L-3372 Leudelange

Liste de candidats représentant les actionnaires de la catégorie B

List of candidates representing shareholders of category B

Mr. Marc Colas, Administrateur Général au Ministère d'Etat, 4, rue de la Congrégation, L-1352 Luxembourg

Mr. Jean-Claude Finck, Directeur Général, Banque et Caisse d'Epargne de l'Etat, 1, Place de Metz, L – 2954 Luxembourg

Assemblée Générale Annuelle de SES
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Short biographies of the Board candidates

Romain Bausch

Born July 3, 1953, Mr Bausch has been President and Chief Executive Officer of SES since 1995, following a career in the Luxembourg civil service (Ministry of Finance). Before joining SES as its chief executive, Mr Bausch occupied key positions in the banking, media and telecommunications sectors and spent a five-year term as a Director and Vice Chairman of SES. Mr Bausch is also Chairman of the Board of Directors of SES ASTRA, Vice Chairman of the Board of Directors of O3b Networks and member of the Board of Solaris Mobile Ltd. Mr Bausch also serves as a Director of Fedil – Business Federation Luxembourg and is a member of the Boards of Directors of Aperam, BIP Investment Partners and Compagnie Financière La Luxembourgeoise. He graduated with a degree in economics (specialisation in business administration) from the University of Nancy. He holds an honorary doctorate from the Sacred Heart University in Luxembourg.

Mr Bausch is a Luxembourg national. He would not be an independent director, because of his employment relationship with SES.

Jacques Espinasse

Born May 12, 1943. Mr Espinasse has been appointed a director of SES by the annual general meeting of May 6, 2005. In May 2007, after five years of duty, he retired as a member of the Management Board and Chief Financial Officer of Vivendi. Mr Espinasse is the former Chief Operations Officer of TPS. He is a member of the Supervisory Boards of LBPAM, Axa Belgium, Axa Holdings Belgium, Axa Bank Europe and Hammerson Plc and holds a BBA and an MBA from the University of Michigan. Mr Espinasse is a member of the Audit and Risk Committee and the Remuneration Committee of SES.

Mr Espinasse is a French national. He is an independent director.

Tsega Gebreyes

Born December 14, 1969 Mrs Tsega Gebreyes is the Founding Director of Satya Capital Limited. She served as Chief Business Development and Strategy Officer of Celtel International BV and Senior Advisor to Zain. She was also Founding Partner of the New Africa Opportunity Fund, LLP (re-named Zeypher Opportunity Fund LLP) and has worked with Mc Kinsey and Citicorp. Mrs Gebreyes is a director of Hygeia Nigeria Limited and Satya Capital Limited. She has a double major in Economics and International Studies from Rhodes College and holds an MBA from Harvard Business School.

Mrs Gebreyes is an Ethiopian national. She would be an independent director.

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François Tesch

Born on January 16, 1951. Mr Tesch became a director on April 15, 1999. He is Chief Executive Officer of Foyer S.A. and Luxempart S.A.. He graduated in Economics from the University of Aix-en-Provence and holds an MBA from INSEAD (Institut Européen d'Administration des Affaires). Mr Tesch is also a Board Member of Atenor Group S.A., Pescanova S.A. and Vice Chairman of the Board of SES and a member of its Nomination Committee.

Mr Tesch is a Luxembourg national. He is not an independent director because he has been a director for more than 12 years.

Marc Colas

Born May 13, 1955, Mr Colas became a director on February 21, 2013. He has been the general secretary of the Council of Ministers of the Luxembourg Government since 2004 and he is Administrateur Général in the Presidency of the Government, in the Prime Minister's Office. Prior to that, he has held several positions in the Luxembourg civil service, in the Ministry of Finance, the Ministry for the Civil Service and Administrative Reform, the Interior Ministry and since 2004 in the Presidency of the Government, in the Prime Minister's Office. From 2001-2006, Mr Colas was a member of the Audit Committee of the European Investment Bank. He is also a member of the Board of Oeuvre Nationale de Secours Grand-Duchesse Charlotte. Mr Colas graduated with a degree in law from the University of Strasbourg and holds a double Master of Business Administration (Finance and Marketing) from the Richard T. Farmer School of Business from the University of Oxford (Ohio).

Mr Colas is a Luxembourg national. He is not an independent director because he represents an important shareholder.

Jean-Claude Finck

Born January 22, 1956. Mr Finck became a director on May 31, 2001. Mr Finck is Chief Executive Officer of Banque et Caisse d'Epargne de l'Etat, a member of the Boards of Directors of Bourse de Luxembourg S.A., Luxair S.A., Cargolux S.A., La Luxembourgeoise S.A., La Luxembourgeoise Vie S.A., Paul Wurth S.A. and La Banque Postale Asset Management. Mr Finck graduated with a degree in economics from the University of Aix/Marseille. Mr Finck is a member of the Audit and Risk Committee of SES.

Mr Finck is a Luxembourg national. He is not an independent director because he represents an important shareholder.

Assemblée Générale Annuelle de SES
Jeudi 4 avril 2013 à 10 heures 30

Rémunération des membres du Conseil d'administration
Projet de résolution se rapportant au point 15
- inchangé par rapport à l'année dernière

Le Conseil d'Administration propose de fixer la rémunération des membres du Conseil comme suit:

Pour chaque assistance à une séance du Conseil d'Administration ou d'un des comités que le Conseil instituera, les administrateurs recevront une indemnité de 1.600 EUR. Cette indemnité est la même pour les Vice-Présidents et le Président.

Un administrateur qui participera par téléphone à une séance du Conseil d'Administration ou d'un comité que le Conseil instituera touchera une indemnité de 800 EUR pour cette séance.

Chaque membre du Conseil d'Administration aura droit à une indemnité fixe de 40.000 EUR par an, indépendamment du nombre de présences aux séances. Cette indemnité est de 48.000 EUR par an pour les Vice-Présidents et de 100.000 EUR par an pour le Président.

Un administrateur, autre que le Président du Conseil d'Administration, qui sera Président d'un comité instauré par le Conseil touchera une indemnité supplémentaire de 8.000 EUR par an.

Tous les montants contenus dans la présente résolution s'entendent net de retenue à la source luxembourgeoise sur la rémunération des administrateurs.

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Remuneration of the Board of Directors:
Draft resolution related to point 15 of the agenda
– unchanged compared to last year

The Board of Directors proposes to the Meeting to determine the remuneration of the Directors as follows:

For the attendance at a meeting of the Board of Directors or of a committee set up by the Board, the Directors shall receive a remuneration of 1,600 EUR. This remuneration is the same for the Vice-Chairmen and the Chairman.

A Director participating by telephone at a meeting of the Board or of a committee set up by the Board, shall receive a remuneration of 800 EUR for that meeting.

Each Director shall receive a remuneration of 40,000 EUR per year, regardless of the number of attendances at meetings. The Vice-Chairmen shall receive 48,000 EUR per year and the Chairman of the Board shall receive 100,000 EUR per year.

A Director, other than the Chairman of the Board of Directors, chairing one of the committees set up by the Board shall receive an additional remuneration of 8,000 EUR per year.

All the amounts contained in the present resolution will be net of any Luxembourgish withholding tax on directors fees.