SES, Société Anonyme
Interim results for the six months ended 30 June 2016

Contents:

Highlights

Strong business foundations excluding non-comparables in H1 2015

- Revenue of EUR 956.8 million, down 4.2% as reported (-4.8% at constant FX[1])
- EBITDA of EUR 699.8 million, down 5.4% as reported (-5.8% at constant FX[1] and same scope[2])
- EBITDA margin 73.1% (H1 2015: 74.1%) and 73.5% at same scope[2]
- Net profit attributable to shareholders of EUR 227.3 million (H1 2015: EUR 275.4 million)
- Net operating cash flow of EUR 566.8 million (H1 2015: EUR 784.4 million)
- Substantial contract backlog of EUR 7.3 billion (H1 2015: EUR 7.4 billion)

Executing on SES's differentiated strategy to deliver return to top-line growth

- Growing Video with HD penetration at 32.7%, 16 UHD channels and International channels +11.1% (YOY)
- Securing the largest ever capacity commitments in aeronautical connectivity with Gogo and Panasonic
- Winning new U.S. Government business and renewals and expanding global government customers
- Reshaping Enterprise business with benefit of focus on managed services and tier one customers
- Accelerating top line growth as of Q3 2016 and expanding global capabilities with O3b Networks and MX1
- EUR 1.65 billion secured to fund move to 100% ownership of O3b and accelerate important synergies
- Generating EUR 750 million of annualised incremental revenue from GEO/MEO investments by 2021

Karim Michel Sabbagh, President and CEO, commented:

"SES's first half results were in line with management's expectations, while the appeal of SES's differentiated and holistic solutions to major customers has continued to deliver substantial contract backlog and validates SES's capability-driven strategy.

SES is well positioned with strong foundations to generate sustainable and long-term growth. SES is globalising the business and developing the strongest, most scalable and flexible solutions across the four market verticals. SES has continued to build market-leading positions in global video and aeronautical connectivity. In Government, SES is delivering robust performance with the benefit of new contracts and renewals with the U.S. Government, as well as expanding with new global government customers.

In Enterprise, SES is growing the proportion of revenue from tier one global/regional customers and the provision of value-add managed services and network platforms. Although changing market dynamics result in short-term headwinds for the balance of SES's Enterprise business, these will be more than offset in the medium to longer term, as SES continues to scale up and complement its global network and capabilities with additional products and solutions. This global network will seamlessly combine our GEO and MEO systems.

O3b expands SES's global reach and satellite-enabled solutions, augments SES's differentiated capabilities in data-centric verticals and enhances SES's growth profile, including Enterprise. The transaction to move to 100% exceeds SES's investment hurdle rates and accelerates over EUR 100 million of synergies by 2021. The completion of the equity raising and hybrid bond issue will allow SES to execute this important transaction, while retaining SES's investment grade credit status (BBB/Baa2) and commitment to a progressive dividend policy."

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[1] "Constant FX" refers to the restatement of comparative figures to neutralise currency variations and thus facilitate comparison

[2] "Same scope" excludes transaction-related costs associated with the acquisition of RR Media and the remaining shares of O3b Networks

Market verticals

SES's fully protected contract backlog remains robust at EUR 7.3 billion as at 30 June 2016 (30 June 2015: EUR 7.4 billion), benefiting from new business and renewals across SES's four market verticals.

Video: 70% of group revenue (H1 2015: 66%)

- Reported revenue grew by 0.8% (+0.3% at constant FX) to EUR 665.7 million
- HDTV channels up 12.1% (YOY) to 2,442 channels, improving HD penetration from 30.4% to 32.7%
- Expanding commercial Ultra HD channels with 16 now broadcasting across Europe and North America
- Growing TV channels in emerging markets by 11.1% (YOY) to over 2,850 TV channels.

Revenue comparison for the period was affected by the contribution of periodic revenue in Q2 2015. Excluding this contribution, Video revenue growth (at constant FX) increases from 0.3% to 1.1% compared with the prior period. This reflects the growth in European video services and additional revenues captured from the development of new neighbourhoods in emerging markets.

SES has continued to benefit from the transition from Standard Definition (SD) to High Definition (HD) TV channel formats. Of the 7,463 total TV channels broadcast by SES's global fleet (30 June 2015: 7,164), 32.7% are broadcast in HD (30 June 2015: 30.4%). This represents a growth in HDTV channels of 12.1% (YOY) to 2,442 HDTV channels. At 30 June 2016, 60% of SES's total TV channels are broadcast in MPEG-4 (30 June 2015: 54%).

SES is also growing its commercial Ultra HD (UHD) portfolio. At 30 June 2016, SES now broadcasts 16 commercial UHD TV channels (30 June 2015: none), including all regional variations. In January 2016, SES and Vivicast Media unveiled UHD-1 for audiences of North American cable operators and telcos. Then, in May 2016, SES announced an agreement for the world's first Ultra HD sports channel, Viasat Ultra HD. The new channel is to be launched in Scandinavia in August 2016, and broadcasts a range of sporting events, including selected live Champions League matches.

The expansion of SES's global video business in fast-growing emerging markets was also an important growth driver. In Africa, SES and K-NET signed a multi-year renewal to continue to support the roll-out of Direct to Home (DTH) and digital terrestrial television (DTT) services in Ghana. Since 2014, SES's technical reach in Ghana has grown by 18% to two million TV households and SES now distributes video content to over 90% of all TV homes in the country.

On 1 June 2016, SES-9 was brought into commercial service increasing capacity over key markets in Asia-Pacific. The satellite, co-located with SES-7 at around 108.2 degrees East, enables SES to further expand technical reach and channel count for this important video neighbourhood, which already delivers more than 600 TV channels to over 22 million households.

In May 2016, SES announced a multi-year, multi-transponder agreement with the Philippines' largest cable TV operator, Sky Cable, for capacity on SES-9 for DTH broadcasting. The contracted capacity allows Sky Cable to complement existing cable offerings with the deployment of a nationwide DTH service, which will be available across more than 250 cities and municipalities.

SES Platform Services (SES PS) continued to win new business and renewals. This included the renewal of a multi-year contract with Tele 5 to provide video distribution services. In addition, FOX Network Group (FNG) Germany contracted SES PS to deliver content management and playout services for its four Pay-TV channels – Fox, Nat Geo People, National Geographic Channel and Nat Geo Wild. Both Tele 5 and FNG Germany are using SES PS's FLUID Media Asset Management product to deliver content management and delivery services to both linear and non-linear (video on demand) platforms.

In July 2016, SES completed the merger of RR Media with SES PS. The combination of these two successful and complementary businesses will create a world-leading media solutions provider. The new company, MX1, enhances and expands SES's capabilities to deliver and monetise a range of video services across both linear and non-linear platforms. MX1 will provide a global network and cloud-based technologies to deliver a full suite of innovative digital video and media end-to-end solutions. The new combined company already distributes over 1,000 TV channels, manages the playout of 440 TV channels and delivers syndicated content to more than 120 video on demand platforms around the world.

Enterprise: 12% of group revenue (H1 2015: 15%)

- Reported revenue of EUR 117.5 million was 19.0% lower (-20.0% at constant FX)
- Growing proportion of 'tier one' customers, including agreements with Facebook and Telkom
- Repositioning Enterprise business with addition of new global solutions, such as O3b.

The revenue comparison was impacted by the prior year contribution from capacity contracted by ARSAT, in advance of the planned migration to its own satellite, and the 2015 capacity renewals with EchoStar on AMC-15 and AMC-16. Excluding these items, Enterprise revenue was 16.3% lower (at constant FX) reflecting the impact of the stronger U.S. Dollar on small and medium-sized capacity resellers beginning in the second half of 2015.

75% of SES's Enterprise revenue is comprised of major global and regional service providers, telcos and mobile operators, as well as applications requiring wide beam satellite coverage. These include corporate networks, Enterprise Broadband and transaction processing (such as for petrol stations and ATMs), which SES complements with the provision of managed services and network platforms to deliver additional value-added solutions.

In April 2016, SES secured an agreement to support Facebook's Express Wi-Fi programme in Sub-Saharan Africa. SES provides a highly tailored service, including satellite capacity, data centre solutions and implementation services. The solution uses SES's Enterprise+ Broadband services, launched in February 2016, which provides a simple, affordable and flexible connectivity platform for service providers.

In May 2016, SES and Gilat Satellite Networks Ltd. launched SES Enterprise+ Hybrid Broadband in Asia. The combination of SES-9 capacity with Gilat's hybrid terminal enables customers to deliver cost effective broadband connectivity to underserved areas. The solution also allows mobile network operators to reduce network congestion and improve data rates.

Additionally, SES established a new strategic partnership with Indonesia's largest telecommunications services company, PT Telekomunikasi Indonesia, to deliver connectivity services using SES-9.

SES is repositioning its Enterprise business and developing new products and solutions, in the context of the changing market dynamics in this vertical. While there may be some further headwinds in the short term, these initiatives will enhance SES's ability to deliver optimal solutions for customers over the medium to long term.

The consolidation of O3b Networks' unique Medium Earth Orbit (MEO) satellite constellation, which has been operating since September 2014, represents an important component of SES's differentiated network and capabilities, particularly for applications where low latency is an increasingly essential customer requirement.

Mobility: 5% of group revenue (H1 2015: 3%)

- Reported revenue increased 52.4% to EUR 44.5 million (+49.8% at constant FX)
- Largest ever capacity contracts for aeronautical connectivity secured with Gogo and Panasonic
- Expanding products and solutions in maritime with SES Maritime+ and O3b Maritime.

Growth in revenue reflected the important benefit from the commercialisation of capacity across SES's existing global fleet for in-flight connectivity. In H1 2016, SES also signed two further significant long-term pre-commitments for future SES satellites, which contributed to SES's future contract backlog.

In February 2016, SES signed important agreements with Gogo and Panasonic to provide capacity for in-flight connectivity and entertainment services using the high-powered HTS spot beams and wide beam capacity on SES-14 and SES-15. This capacity will enable SES's customers to provide a quality, home-equivalent passenger experience.

Panasonic Avionics signed a long-term contract for its highest bandwidth commitment to date, while Gogo has signed one of the largest satellite capacity deals ever struck in the aero market to meet growing demand for high-speed in-flight connectivity on travel routes over the Americas.

In combination with the pre-commitment agreed with Global Eagle Entertainment (GEE) in 2015, SES's global mobility solution (SES-12, SES-14 and SES-15) has already secured a high level of pre-commitment, well in advance of launch during 2017.

In April 2016, SES secured further agreements with GEE to provide multiple wide-beam transponders. The additional capacity allows GEE to meet fast-growing demand across India, Central Asia, the Middle East and North America. GEE is now contracting capacity on 12 SES satellites, having more than doubled their requirements in the last 12 months.

In Maritime, SES launched the Maritime+ service to provide competitive connectivity solutions, based on SES Techcom Services' Astra Connect. Maritime+ will provide connectivity services to the maritime and inland shipping sector. In July 2016, SES secured an important multi-year agreement with a leading provider of global communications solutions to the maritime and land sectors, who will become the first partner for SES's Maritime+ service.

In addition, SeaVsat selected SES's Enterprise+ Broadband service and contracted additional SES capacity to deliver broadband connectivity and voice over IP services for its worldwide maritime customers. The new solution enables SeaVsat to provide secure and reliable communications for offshore operations and enhanced crew welfare communication services.

Government: 12% of group revenue (H1 2015: 13%)

- Reported revenue down 14.6% (-15.2% at constant FX) to EUR 112.9 million
- SES GS winning new business and renewals, including both SES and O3b capacity and solutions
- Growing global government business, including new contracts in Canada and Denmark.

Reported revenue was lower than the prior year period, which had benefitted from the accelerated revenue contribution associated with the construction phase of the Wide Area Augmentation Systems (WAAS) and Global-Scale Observations of the Limb and Disk (GOLD) hosted payloads. Excluding these two U.S. Government-funded payloads, Government revenue was 8.9% lower (at constant FX).

In April 2016, SES Government Solutions (SES GS) was the sole winner of two U.S. Government TROJAN follow-on contracts, which will support the U.S. Army Intelligence and Security Command (INSCOM). The TROJAN Network will utilise SES's data solutions to deliver a customised, global end-to-end network, complete with multi-band service. Both contracts were secured as Blanket Purchase Agreements with five-year performance periods.

In addition, SES GS and O3b Networks completed the first O3b managed services installation for the U.S. National Oceanic and Atmospheric Administration (NOAA). The service provides an uninterrupted, high-speed data connection between NOAA's National Weather Service Office in American Samoa and the primary Pacific National Weather Service Office in Hawaii. As a result, NOAA is able to rapidly transfer large weather files and critically important information, such as tropical weather alerts and cyclone warning information, to a large part of the Pacific region and the U.S. mainland.

SES now supports a total of 57 global government customers and has continued to expand its global government business. In January 2016, SES secured a new contract with the Kativik Regional Government, in Canada, to provide satellite services across the northern Quebec region. The contract, which began on 30 June 2016, includes 12 transponders on SES-2 to deliver critical C-band communications capabilities. The service will triple the bandwidth currently available across the region.

In addition, SES Techcom Services was contracted to provision and maintain two Wideband Global Satcom (WGS) system stations for the Danish Defence Acquisition and Logistics Organisation. The new anchor stations provide flexible, high-capacity communications capabilities for defence operations and link Denmark's armed forces with the U.S. military's global satellite communications program.

O3b Networks

O3b has continued to deliver strong growth during 2016. In June 2016, O3b announced an increase in capacity take-up of 34% this year, with throughput now exceeding 10 Gigabits per second (Gbps). This growth in capacity is the direct result of consistent customer upgrades to expand services with O3b. In Asia-Pacific, Digicel Pacific has increased capacity by seven times across its markets, and Palau National Communications Corporation has been able to offer high-performance connectivity as a result of O3b's satellite services.

In the first six months of 2016, O3b revenue has doubled compared with the prior period. For FY 2016, O3b revenue is expected to more than double to over USD 100 million. This is supported by the development of O3b's contract backlog, which has increased to USD 360 million at 30 June 2016.

On 1 July 2016, SES exercised its call option over the remaining O3b shares. This allows SES to increase its fully diluted shareholding in O3b from 49.1% to 100%. As SES has received all regulatory approvals for taking control of O3b, the acquisition of the remaining O3b shares is expected to close on 1 August 2016. Consequently, SES will fully consolidate O3b from that date.

At closing, on 1 August 2016, SES will pay USD 722 million for the remaining shares using proceeds from the company's recent equity raising. On completion, SES will consolidate USD 1.2 billion of O3b net debt and will refinance a significant proportion of the debt facilities using the proceeds secured by the recent hybrid bond issuance, as well as the remaining proceeds from the equity raising. This will significantly reduce O3b average cost of debt of 9.5%, noting that SES's current average cost of financing is below 4%.

The consolidation of O3b's unique and global high throughput, low latency solution expands SES's global reach and satellite-enabled solutions, augments SES's differentiated capabilities in data-centric verticals and enhances SES's foundations for sustainable growth.

The transaction is expected to generate a return (pre-synergies) in excess of SES's hurdle rate for infrastructure investments. In addition, SES expects to generate EUR 53 million of annual commercial, operational, product development and financial synergies in 2017, increasing to EUR 106 million annually by 2021.

Utilisation and satellite health

As at 30 June 2016, the SES fleet had 1,550 available transponders (30 June 2015: 1,518 available transponders). The movement in available capacity includes the entry in commercial service of SES-9 (+53 incremental transponders) on 1 June 2016. This was partly offset by the ARSAT migration (-16 transponders) and reduction in available capacity on NSS-6 (-5 transponders) as a result of power degradation.

For NSS-6, no existing commercial traffic was impacted and the satellite will be replaced by SES-12 (expected to be launched end-2017). There were no other events affecting commercially available capacity on the SES fleet in the period.

The number of utilised transponders grew by 10 (net) transponders, compared with Q1 2016, to 1,081 utilised transponders at 30 June 2016 (30 June 2015: 1,101 utilised transponders). Consequently, the group's satellite utilisation rate was 69.7% at 30 June 2016 (30 June 2015: 72.5%). This included the impact of SES-9's entry into commercial service on 1 June 2016. Average revenue per utilised transponder remained unchanged across the market segments and the discrete national markets served.

Future capacity

Satellite	Region	Application	Launch Date
SES-10	Latin America	Video, Enterprise	Q4 2016
SES-11	North America	Video	Q4 2016
SES-12[1]	Asia-Pacific	Video, Enterprise, Mobility, Government	H2 2017
SES-14[1]	Latin America	Video, Enterprise, Mobility	H2 2017
SES-15[1]	North America	Enterprise, Mobility, Government	H1 2017
SES-16/GovSat-1[2]	Europe/MENA	Government	H1 2017

[1] *SES-12, SES-14 and SES-15 to be positioned using electric orbit raising, entry into service typically four to six months after launch*

[2] *Procured by LuxGovSat*

These six projects will add a total of 127 incremental (36 MHz equivalent) transponders. Additionally, SES-12, SES-14 and SES-15 will carry a total of 36 GHz of HTS capacity, which will have the revenue generation potential of around 250 (36 MHz) wide beam transponder equivalents.

Financing activities

During the period, SES raised EUR 1.65 billion (gross) from the issuance of new shares and the company's inaugural hybrid bond offering.

In May 2016, SES raised total gross proceeds of EUR 909 million from the issuance of 39.86 million new Fiduciary Depositary Receipts (FDRs) and 19.93 million new Class B shares. The Class B shares have 40% of the economic rights of Class A shares or FDRs. As a result, the total number of shares increased from 515.40 million to 575.19 million, and the total number of economic shares increased from 412.32 million to 460.15 million.

This was followed, in June 2016, by the issuance of a EUR 750 million hybrid bond at a coupon of 4.625%. The hybrid bond is a non-dilutive instrument and receives 50% equity treatment from each of Moody's and S&P. It is classified as equity under International Financial Reporting Standards (IFRS).

The proceeds from the equity raising and the hybrid bond will be used to acquire the remaining shares in O3b Networks (for USD 722 million). The proceeds will also be used to repay and refinance O3b's most expensive debt facilities and accelerate an important synergy arising from the full consolidation of O3b.

Together these transactions are fully consistent with SES's commitment to maintaining its investment grade credit rating (BBB/ Baa2) in the context of the acquisition of a 100% interest in O3b.

Financial guidance

All of the financial guidance that was presented on 26 February 2016 is unchanged. Outlined below is the guidance for revenue and EBITDA.

SES's FY 2016 revenue is expected to be between EUR 2,010 million and EUR 2,050 million. The group's EBITDA margin is expected to be between 73.5% and 74.0%. The financial guidance assumes an average EUR/USD exchange rate of 1.10, as well as nominal satellite health and launch schedule.

SES is continuing to benefit from the execution of the group's differentiated strategy of providing scalable and global end-to-end capabilities, products and solutions. SES's unique global offering is supporting growth in Video and Mobility, while Government revenue remains robust. However, the impact of short-term headwinds in Enterprise is likely to partly offset growth in the second half of 2016.

In addition, the acquisition of RR Media (completed on 6 July 2016) and consolidation of O3b Networks (to be completed on 1 August 2016) are expected to contribute around EUR 70 million and around EUR 45 million (based on an average EUR/USD exchange rate of 1.10) to overall group revenue for FY 2016, respectively. This is before the elimination of between EUR 7 million and EUR 10 million of inter-company revenue, as a result of consolidation. In addition, SES expects to expense between EUR 6 million and EUR 8 million of transaction and integration-related costs in FY 2016.

SES is setting the foundations for sustainable growth. The group's recently added and future incremental wide beam and HTS capacity (from SES-9 to SES-16/GovSat-1), when combined with SES's investment in O3b Networks, is expected to represent up to EUR 750 million of potential annualised revenue (equivalent to over 35% of SES's FY 2015 group revenue) at 'steady state' utilisation by 2021.

Financial review by management

Income Statement

Reported revenue declined by 4.2% over the prior period to EUR 956.8 million. At constant FX, revenue was EUR 48.4 million (or 4.8%) lower, of which EUR 35 million was due to the impact of the revenue contribution in H1 2015 from the sale of European transponders, capacity contracted by ARSAT in advance of the planned migration to its own satellite, the AMC-15/AMC-16 capacity renewal and the accelerated revenue associated with the construction phase of the WAAS and GOLD hosted payloads.

In millions of euros	**H1 2016**	H1 2015	Change	Change
As reported:				
Video	**665.7**	660.6	+5.1	+0.8%
Enterprise	**117.5**	145.1	(27.6)	-19.0%
Mobility	**44.5**	29.2	+15.3	+52.4%
Government	**112.9**	132.2	(19.3)	-14.6%
Other[1]	**16.2**	32.0	(15.8)	n/m
Group total	**956.8**	**999.1**	**(42.3)**	**-4.2%**
At constant FX:				
Video	**665.7**	663.4	+2.3	+0.3%
Enterprise	**117.5**	146.9	(29.4)	-20.0%
Mobility	**44.5**	29.7	+14.8	+49.8%
Government	**112.9**	133.2	(20.3)	-15.2%
Other[1]	**16.2**	32.0	(15.8)	n/m
Group total	**956.8**	**1,005.2**	**(48.4)**	**-4.8%**

[1] Includes revenue not directly applicable to a particular vertical, periodic revenue contributions and European transponder sales in 2015

EBITDA was 5.4% lower than the prior period, primarily due to lower revenue. Operating expenses for the period were 0.8% lower than H1 2015, and included EUR 2.9 million of transaction costs associated with the acquisition of RR Media and remaining shares in O3b Networks. The EBITDA margin was 73.1% for the period, and 73.5% excluding transaction-related costs (H1 2015: 74.1%).

In millions of euros	**H1 2016**	H1 2015	Change	Change
Operating expenses (reported)	**(257.0)**	(259.1)	+2.1	+0.8%
Operating expenses (with prior at constant FX)	**(257.0)**	(259.0)	+2.0	+0.8%
EBITDA (reported)	**699.8**	740.0	(40.2)	-5.4%
EBITDA (with prior at constant FX)	**699.8**	746.2	(46.4)	-6.2%

Operating profit was down 7.2% (-7.9% at constant FX) over the prior period. The reduction in depreciation of 3.3%, due to changes in depreciable fleet, was partly offset by an increase of 1.9% in amortisation.

In millions of euros	**H1 2016**	H1 2015	Change	Change
Depreciation	**(251.0)**	(259.6)	+8.6	+3.3%
Amortisation	**(31.2)**	(30.5)	(0.7)	-1.9%
Depreciation and amortisation (reported)	**(282.2)**	(290.1)	+7.9	+2.8%
Depreciation and amortisation (with prior at constant FX)	**(282.2)**	(292.6)	+10.4	+3.6%
Operating profit (reported)	**417.6**	449.9	(32.3)	-7.2%
Operating profit (with prior at constant FX)	**417.6**	453.6	(36.0)	-7.9%

The group's income tax expense of EUR 59.6 million was in line with prior period and represented an effective tax rate of 17.4% (H1 2015: 14.8%).

Profit after tax of EUR 282.4 million included an increase over the prior period in net financing costs due to positive net foreign exchange gains recognised in H1 2015, as a result of the stronger U.S. Dollar. SES's refinancing activities since 2014 resulted in a 4.7% reduction in group net interest expense. Capitalised interest was EUR 7.3 million higher than H1 2015, reflecting SES's investment in replacement and future growth capacity.

The effect of non-cash movements associated with O3b Networks was the principal contributor to SES's share of associates' result being a loss of EUR 54.1 million. The improvement against the prior period includes the combined benefit of growth in O3b revenue and the achievement of EBITDA break-even in May 2016.

Consequently, net profit attributable to SES shareholders was EUR 227.3 million (H1 2015: EUR 275.4 million). Earnings per share of EUR 0.55 (H1 2015: EUR 0.68) included the impact of the increase in the number of shares following the group's equity raising, which was completed in May 2016.

In millions of euro	**H1 2016**	H1 2015	Change	Change
Net interest expense	**(93.8)**	(98.4)	+4.6	+4.7%
Capitalised interest	**16.4**	9.1	+7.3	+80.3%
Net foreign exchange gains	**1.8**	38.5	(36.7)	-95.3%
Net financing costs	**(75.6)**	(50.8)	(24.8)	-48.8%
Profit before tax	**342.0**	**399.1**	**(57.1)**	**-14.3%**
Income tax expense	**(59.6)**	(59.1)	(0.5)	-0.9%
Profit after tax	**282.4**	340.0	(57.6)	-16.9%
Share of associates' result	**(54.1)**	(63.0)	+8.9	+14.2%
Non-controlling interests	**(1.0)**	(1.6)	+0.6	+35.1%
Profit attributable to SES shareholders	**227.3**	275.4	(48.1)	-17.5%

Cash Flow and Financing

Net operating cash flow was lower than the prior period due the impact of timing in working capital and up-front payments related to hosted payloads in H1 2015. **Investing activities** was higher, reflecting the group's investment in future committed satellite programs.

In millions of euros	**H1 2016**	H1 2015	Change	Change
Net operating cash flow	**566.8**	784.4	(217.6)	-27.7%
Investing activities	**(286.8)**	(248.5)	(38.3)	-15.4%
Free cash flow before financing activities	**280.0**	535.9	(255.9)	-47.8%

As at 30 June 2016, group **loans and borrowings** of EUR 4,358.9 million was 4.9% lower than the prior year. Group cash and equivalents includes EUR 1.65 billion of proceeds received from the issuance of 39.9 million new FDRs and 19.9 million new Class B shares, as well as the hybrid bond.

Consequently, the group's **Net Debt to EBITDA ratio** was lower at 1.77 times under IFRS, which treats the hybrid bond as 100% equity. Using rating agency methodology, which treats the hybrid bond as 50%/50% debt and equity, the group's Net Debt to EBITDA ratio was 2.03 times.

In millions of euros	**June 30, 2016**	June 30, 2015	Change	Change
Loans and borrowings	**4,358.9**	4,582.3	(223.4)	-4.9%
Cash and equivalents	**(1,777.7)**	(610.7)	+1,167.0	n/m
Net Debt	**2,581.2**	3,971.6	(1,390.4)	-35.0%
Net Debt / EBITDA (IFRS)	**1.77 times**	2.69 times		
Net Debt / EBITDA (rating agency)	**2.03 times**	2.69 times		

At 30 June 2016, SES's weighted **average interest rate** was 3.78% (excluding loan origination costs and commitment fees), compared with 3.85% a year ago. The group's weighted **average debt maturity** was 8.0 years (30 June 2015: 8.5 years).

Business risks and their mitigation

For the remaining six months of the financial year, SES does not envisage any additional risks compared to the risk assessment performed for year-end 31 December 2015, which are disclosed in full in the Annual Report 2015.

Related party transactions

Refer to Note 10 – Related party transactions

Supplementary information

U.S. dollar exchange rate

	H1 2016 average	**H1 2016 closing**	H1 2015 average	H1 2015 closing
EUR 1 = U.S. dollars	**1.1106**	**1.1102**	1.1272	1.1189

Business segmentation

In millions of euros	Infrastructure	Services	Elimination/ Unallocated[1]	**Group total**
Revenue	809.9	262.3	(115.4)	**956.8**
EBITDA	677.7	42.6	(20.5)	**699.8**
H1 2016 EBITDA margin	83.7%	16.2%		**73.1%**
H1 2015 EBITDA margin (with prior at constant FX)	84.6%	15.2%		**74.2%**

[1] *Revenue elimination refers mainly to "pull-through" capacity provided by Infrastructure to Services; EBITDA impact represents unallocated corporate expenses*

Quarterly development of operating results (as reported)

In millions of euros	Q2 2015	Q3 2015	Q4 2015	Q1 2016	**Q2 2016**
Average U.S. Dollar exchange rate	*1.0981*	*1.1124*	*1.0933*	*1.0898*	***1.1314***
Revenue	521.3	493.5	521.9	481.6	**475.2**
Operating expenses	(137.4)	(127.0)	(134.2)	(125.4)	**(131.6)**
EBITDA	383.9	366.5	387.7	356.2	**343.6**
Depreciation expense	(133.0)	(134.2)	(143.0)	(126.4)	**(124.6)**
Amortisation expense	(16.1)	(15.8)	(16.5)	(15.6)	**(15.6)**
Operating profit	234.8	216.5	228.2	214.2	**203.4**

Quarterly development of operating results (at constant FX)

In millions of euros	Q2 2015	Q3 2015	Q4 2015	Q1 2016	**Q2 2016**
Revenue	514.4	489.8	514.1	473.3	**475.2**
Operating expenses	(135.1)	(126.0)	(131.7)	(123.2)	**(131.6)**
EBITDA	379.3	363.8	382.4	350.1	**343.6**
Depreciation expense	(130.5)	(133.0)	(139.9)	(123.7)	**(124.6)**
Amortisation expense	(15.9)	(15.8)	(16.5)	(15.5)	**(15.6)**
Operating profit	232.9	215.0	226.0	210.9	**203.4**

Responsibility statement

The Board of Directors and the executive management of the company reaffirm their responsibility to ensure the maintenance of proper accounting records disclosing the financial position of the group with reasonable accuracy at any time, and ensuring that an appropriate system of internal controls is in place to ensure that the group's business operations are carried on efficiently and transparently.

In accordance with Article 3 of the law of 11 January 2008 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, we declare that, to the best of our knowledge, the interim condensed consolidated financial statements for the half year ended 30 June 2016, prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted for use 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's report includes a fair review of the development and performance of the business and the position of SES and its subsidiaries included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Romain Bausch
Chairman of the Board of Directors

Karim Michel Sabbagh
President and Chief Executive

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Report on review of the interim condensed consolidated financial information

To the Shareholders of
SES S.A.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of SES S.A., its subsidiaries and associates (the "Group") as of 30 June 2016 and the related interim condensed consolidated income statement, statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes (the "interim condensed consolidated financial information"). The Board of Directors is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 28 July 2016

Gilles Vanderweyen

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Interim condensed consolidated income statement

For the six month period ended June 30

In millions of euros		**2016**	2015
Revenue		**956.8**	999.1
Operating expenses		**(257.0)**	(259.1)
EBITDA [1]		**699.8**	740.0
Depreciation expense		**(251.0)**	(259.6)
Amortisation expense		**(31.2)**	**(30.5)**
Operating profit		**417.6**	**449.9**
Finance income		**6.9**	38.5
Finance costs		**(82.5)**	(89.3)
Net financing costs		**(75.6)**	(50.8)
Profit before tax		**342.0**	399.1
Income tax expense		**(59.6)**	(59.1)
Share of associates' result, net of tax		**(54.1)**	(63.0)
Profit for the period		**228.3**	277.0
Attributable to owners of the parent		**227.3**	275.4
Attributable to non-controlling interests		**1.0**	1.6
Basic earnings per share (in euro)		**2016**	2015
	Note 9		
Class A shares		**0.55**	0.68
Class B shares		**0.22**	0.27
Diluted earnings per share (in euro)		**2016**	2015
	Note 9		
Class A shares		**0.55**	0.68
Class B shares		**0.22**	0.27

[1] Earnings before interest, taxation, depreciation, amortisation and share of associates' result net of tax

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

Interim condensed consolidated statement of comprehensive income

For the six month period ended June 30

In millions of euros	**2016**	2015
Profit for the period	**228.3**	277.0
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of post employment benefit obligation	**(0.1)**	**(0.9)**
Income tax effect	**-**	**0.3**
Remeasurements of post employment benefit obligation, net of tax	**(0.1)**	**(0.6)**
Income tax relating to treasury shares impairment	**17.4**	-
Total items that will not be reclassified to profit or loss	**17.3**	**(0.6)**
Items that may be reclassified subsequently to profit or loss		
Impact of currency translation	**(115.7)**	411.4
Income tax effect	**6.1**	-
Total impact of currency translation, net of tax	**(109.6)**	411.4
Investment hedge	**37.2**	(160.3)
Income tax effect	**(9.9)**	48.1
Total net investment hedge, net of tax	**27.3**	(112.2)
Net movements on cash flow hedges	**(0.8)**	9.0
Income tax effect	-	(1.5)
Total net movements on cash flow hedges, net of tax	**(0.8)**	7.5
Total items that may be reclassified subsequently to profit or loss	**(83.1)**	306.7
Total other comprehensive income for the period, net of tax	**(65.8)**	306.1
Total comprehensive income for the period, net of tax	**162.5**	583.1
Attributable to:		
Owners of the parent	**162.9**	575.0
Non-controlling interests	**(0.4)**	8.1

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

Interim condensed consolidated statement of financial position

In millions of euros	Note	**June 30, 2016**	December 31, 2015
Non-current assets			
Property, plant and equipment		**4,477.6**	4,464.8
Assets in the course of construction		**828.9**	894.3
Intangible assets		**3,513.0**	3,587.4
Financial and other non-current assets		**244.5**	247.8
Total non-current assets		**9,064.0**	9,194.3
Current assets			
Inventories		**17.1**	8.5
Trade and other receivables		**667.3**	782.7
Prepayments		**41.5**	39.0
Derivatives		**0.7**	1.6
Cash and cash equivalents	Note 8	**1,777.7**	639.7
Total current assets		**2,504.3**	1,471.5
Total assets		**11,568.3**	10,665.8
Equity			
Attributable to the owners of the parent		**5,192.6**	3,932.5
Non-controlling interests		**138.2**	128.3
Total equity		**5,330.8**	4,060.8
Non-current liabilities			
Borrowings		**4,105.4**	4,177.9
Provisions		**43.3**	62.7
Deferred income		**346.2**	383.3
Deferred tax liabilities		**635.7**	655.9
Other long-term liabilities		**45.3**	75.9
Total non-current liabilities		**5,175.9**	5,355.7
Current liabilities			
Borrowings		**253.5**	253.8
Provisions		**28.3**	10.8
Deferred income		**396.9**	450.7
Trade and other payables		**362.4**	524.0
Income tax liabilities		**20.5**	10.0
Total current liabilities		**1,061.6**	1,249.3
Total liabilities		**6,237.5**	6,605.0
Total equity and liabilities		**11,568.3**	10,665.8

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

Interim condensed consolidated statement of cash flows

For the six month period ended June 30

In millions of euros	**2016**	2015
Profit before tax	**342.0**	399.1
Taxes paid during the period	**(52.7)**	(25.0)
Adjustment for non-cash items	**329.5**	348.6
Consolidated operating profit adjusted for non-cash items and tax payments and before working capital changes	**618.8**	722.7
Changes in operating assets and liabilities	**(52.0)**	61.7
Net operating cash flow	**566.8**	784.4
Cash flows from investing activities		
Payments for purchases of intangible assets	**(12.2)**	(28.8)
Payments for purchases of tangible assets	**(252.5)**	(219.7)
Proceeds from disposals of tangible assets	**0.1**	-
Investment in associates	**(22.2)**	-
Net cash absorbed by investing activities	**(286.8)**	(248.5)
Free cash flow before financing activities [1]	**280.0**	535.9
Cash flows from financing activities		
Proceeds from borrowings	**124.4**	-
Repayment of borrowings	**(163.8)**	(68.4)
Proceeds from issuance of perpetual bond, net of transaction costs	**733.5**	-
Interest paid	**(108.1)**	(114.7)
Dividends paid to the equity holders of the parent [2]	**(527.5)**	(434.1)
Dividends paid to non-controlling interests	**(3.6)**	(2.8)
Equity contribution by non-controlling interest	**12.5**	39.3
Proceeds from issuance of shares, net of transaction costs[3]	**885.5**	218.7
Payments for acquisition of treasury shares	**(172.1)**	(164.2)
Proceeds from treasury shares sold and exercise of stock options	**63.6**	79.7
Other financing activities	**-**	(6.1)
Total cash flows from financing activities	**844.4**	(452.6)
Free cash flow after financing activities [4]	**1,124.4**	83.3
Net foreign exchange movements	**13.6**	2.9
Net increase / (decrease) in cash	**1,138.0**	86.2
Cash and cash equivalents at beginning of the period	**639.7**	524.5
Cash and cash equivalents at end of the period	**1,777.7**	610.7

1 Free cash flow before financing activities is calculated by adding the net cash flows from operating activities to the total cash flows from investing activities

2 Dividends are presented net of dividends received on treasury shares of EUR 8.6 million (2015: EUR 0.8 million)

3 Issue of shares net of the contribution in kind of EUR 13.6 million (refer to Note 8)

4 Free cash flow after financing activities is calculated by adding the free cash flow before financing activities to the total cash flows from financing activities

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

Interim condensed consolidated statement of changes in shareholders' equity

For the six month period ended June 30, 2016

In millions of euros	Issued capital	Share premium	Treasury shares	Perpetual bond	Other reserves	Retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
	Attributable to owners of the parent										
At January 1, 2016	**644.3**	**814.4**	**(95.1)**	**-**	**2,033.8**	**546.4**	**1.6**	**(12.9)**	**3,932.5**	**128.3**	**4,060.8**
Result of the period	-	-	-	-	-	227.3	-	-	**227.3**	1.0	228.3
Other comprehensive income (loss)	-	-	-	-	17.3	-	(0.8)	(80.9)	**(64.4)**	(1.4)	(65.8)
Total comprehensive income (loss)	**-**	**-**	**-**	**-**	**17.3**	**227.3**	**(0.8)**	**(80.9)**	**162.9**	**(0.4)**	**162.5**
Allocation of 2015 result	-	-	-	-	18.9	(18.9)	-	-	**-**	-	-
Issue of share capital, net of transaction costs	74.7	821.8	-	-	-	-	-	-	**896.5**	-	**896.5**
Issue of perpetual bond, net of transaction costs	-	-	-	750.0	(16.5)	-	-	-	**733.5**	-	**733.5**
Dividends declared/ paid (net of dividends received on treasury shares)	-	-	-	-	-	(527.5)	-	-	**(527.5)**	(3.6)	**(531.1)**
Purchase of treasury shares	-	-	(185.6)	-	112.8	-	-	-	**(72.8)**	-	**(72.8)**
Share-based compensation expense	-	-	-	-	4.3	-	-	-	**4.3**	-	**4.3**
Exercise of share-based compensation	-	-	10.7	-	(26.0)	-	-	-	**(15.3)**	-	**(15.3)**
Sale of treasury shares	-	-	79.3	-	-	-	-	-	**79.3**	-	**79.3**
Equity contribution by non-controlling interest	-	-	-	-	-	-	-	-	**-**	12.5	**12.5**
Other movements	-	-	-	-	(0.8)	-	-	-	**(0.8)**	1.4	**0.6**
At June 30, 2016	**719.0**	**1,636.2**	**(190.7)**	**750.0**	**2,143.8**	**227.3**	**0.8**	**(93.8)**	**5,192.6**	**138.2**	**5,330.8**

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

Interim condensed consolidated statement of changes in shareholders' equity

For the six month period ended June 30, 2015

In millions of euros	Attributable to owners of the parent									
	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, 2015	**633.0**	**593.5**	**(32.8)**	**2,034.4**	**600.8**	**-**	**(424.2)**	**3,404.7**	**84.9**	**3,489.6**
Result of the period	-	-	-	-	275.4	-	-	275.4	1.6	277.0
Other comprehensive income (loss)	-	-	-	(0.6)	-	7.5	292.7	299.6	6.5	306.1
Total comprehensive income (loss)	**-**	**-**	**-**	**(0.6)**	**275.4**	**7.5**	**292.7**	**575.0**	**8.1**	**583.1**
Allocation of 2014 result	-	-	-	123.7	(123.7)	-	-	-	-	-
Dividends paid (net of dividends received on treasury shares)	-	-	-	-	(477.1)	-	-	(477.1)	(2.9)	(480.0)
Issue of share capital	11.3	220.9	-	(112.8)	-	-	-	119.4	-	119.4
Purchase on treasury shares	-	-	(165.0)	-	-	-	-	(165.0)	-	(165.0)
Share-based compensation expense	-	-	-	4.8	-	-	-	4.8	-	4.8
Exercise of share-based compensation	-	-	91.7	(20.6)	-	-	-	71.1	-	71.1
Equity contribution by non-controlling interest	-	-	-	-	-	-	-	-	39.3	39.3
Other movements	-	-	-	5.2	-	-	(1.6)	3.6	-	3.6
At June 30, 2015	**644.3**	**814.4**	**(106.1)**	**2,034.1**	**275.4**	**7.5**	**(133.1)**	**3,536.5**	**129.4**	**3,665.9**

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

Notes to the interim condensed consolidated financial statements

(In millions of euro, unless indicated otherwise)

Note 1 - Corporate information

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

The interim condensed consolidated financial statements of SES S.A. as at and for the six month period ended June 30, 2016 were authorised for issue in accordance with a resolution of the directors on July 28, 2016. These interim condensed consolidated financial statements have been reviewed, not audited.

Note 2 - Basis of preparation and accounting policies

Basis of preparation

The interim condensed consolidated financial statements as at and for the six month period ended June 30, 2016 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements as at and for the year ended December 31, 2015. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group’s annual consolidated financial statements as at and for the year ended December 31, 2015.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are relevant for the Group and effective for annual periods beginning after January 1, 2016, and have not been early adopted in preparing these interim condensed consolidated financial statements:

IFRS 16 Leases

On January 13, 2016, the IASB issued IFRS 16 “Leases” which will replace IAS 17 “Leases”. This new standard specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is twelve months or less or the underlying asset has a low value. This standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted if IFRS 15 has also been applied. IFRS 16 was not yet endorsed by EU. The Group is currently assessing the impact of IFRS 16.

IAS 12 Income Taxes - Amendments

On January 19, 2016, the IASB issued amendments to IAS 12 “Income Taxes”. These amendments clarify how to account for deferred tax assets related to debt instruments measured at fair value and how to recognize deferred tax assets for unrealized losses. These amendments are effective for annual periods beginning on or after January 1, 2017, with early application permitted. The Group is still in process of assessing the impact of adoption of this new standard.

As part of its annual improvement project, the IASB slightly amended various standards. Amendment to IAS 1, Presentation of financial statements on the disclosure initiative clarify that it may be necessary to disaggregate some of the line items specified in IAS 1 paragraphs 54 (statement of financial position) and 82 (profit or loss). Annual improvements 2014 focus on areas where clarification of wording was required for the following standards: IFRS 5, ‘Non-current assets held for sale and discontinued operations’, IFRS 7, ‘Financial instruments: Disclosures’, IAS 19, ‘Employee benefits’, IAS 34, ‘Interim financial reporting’. The effective date of these amendments is January 1, 2016. The Group does not expect any significant impact of these amendments on its consolidated financial statements.

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

Note 3 - Estimates

The preparation of interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2015.

Note 4 - Fair value management of financial instruments

The condensed interim financial statements do not include all fair value management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group’s annual financial statements as at December 31, 2015.

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

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

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

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

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

The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

The Group designated a fair value hedge in respect of the risk of change in foreign exchange rate related to the highly probable forecasted business combinations transactions (acquisitions of O3b and RR Media) and the repayment of O3b existing debt. Hedging item is USD denominated short term cash deposits. Change of the fair value of the deposits will offset translation gain/loss on SES`s future payment related to its highly probable forecasted transactions denominated in foreign currency.

The total hedged forecasted cash payments amount to USD 1,345 million. Change in fair value of the forecasted transactions at June 30, 2016 is EUR 18.3 million resulting in recognition of liability, presented in Trade and other payables in Interim condensed consolidated financial statements.

The following table presents the Group's financial assets and liabilities that are measured at fair value at June 30, 2016.

As at June 30, 2016

Assets *(in millions of euros)*	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivatives used for hedging				
Forward currency exchange contracts	-	0.7	-	0.7
Total	**-**	**0.7**	**-**	**0.7**

Liabilities *(in millions of euros)*	**Level 1**	**Level 2**	**Level 3**	**Total**
Fair value hedge forecasted transactions	-	-	18.3	18.3
Total	**-**	**-**	**18.3**	**18.3**

As at December 31, 2015

Assets *(in millions of euros)*	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivatives used for hedging				
Forward currency exchange contracts	-	1.6	-	1.6
Total	**-**	**1.6**	**-**	**1.6**

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

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

	June 30, 2016		December 31, 2015	
In millions of euros	**Fair value asset**	**Fair value liability**	Fair value asset	Fair value liability
Derivatives used for hedging:	**0.7**	**-**	1.6	-
Forward currency exchange contracts	0.7	-	1.6	-
Fair value hedge forecasted transactions	-	-		-
Total valuation of financial derivatives	**0.7**	**-**	1.6	-
Of which: Non-current	-	-	-	-
Of which: Current	0.7	-	1.6	-

Note 5 - Segmental information

When analysing the performance of the operating segment the comparative prior year figures are recasted using, for all currencies, the exchange rates applying for each month in the current period. These restated prior year figures are noted as being presented at 'constant FX'. The financial results for the six month period ended June 30, 2016 for the SES satellite operations operating segment, and the comparative prior period figures at constant FX are set out below:

	Six month period ended June 30		
In millions of euros	**2016**	Constant FX 2015	2015
Revenue	956.8	1,005.2	999.1
Operating expenses	(257.0)	(259.0)	(259.1)
EBITDA [1]	699.8	746.2	740.0
EBITDA margin (%)	73.1%	74.2%	74.1%
Depreciation and amortisation expense	(282.2)	(292.6)	(290.1)
Operating profit	417.6	453.6	449.9

[1]Earnings before interest, taxation, depreciation, amortisation and share of associates' result net of tax

Note 6 - Investment in associates

As at June 30, 2016, SES had an equity interest in O3b Networks Limited ('O3b') of 42.64% (December 31, 2015: 42.65%). SES also held non-voting warrants in O3b which carry no economic rights, but are convertible at any time in to shares in the associate. On a fully diluted basis the interest in O3b was 49.1% as at June 30, 2016 (December 31, 2015: 49.1%).

The carrying value of the O3b investment decreased from EUR 73.3 million as at December 31, 2015 to EUR 19.9 million as at June 30, 2016 reflecting SES' EUR 54.1 million share of losses recorded in the period, as well as an equity contribution increase in March 2016 of EUR 0.7 million. See Note 11.

Note 7 - Dividends declared and paid during the period

	Six month period ended June 30	
In millions of euros	**2016**[2]	2015[1]
Class A dividend (2015: EUR 1.30, 2014: EUR 1.18)	**398.6**	355.2
Class B dividend (2015: EUR 0.52, 2014: EUR 0.47)	**89.3**	79.7
Total dividends declared and paid during the period	**487.9**	434.9

[1] Net of withholding tax of EUR 44.0 million paid in July 2015
[2] Net of withholding tax of EUR 48.0 million paid in April 2016

Note 8 - Shareholders' equity

Capital increase

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

On May 26, 2016, SES launched an equity increase resulting in EUR 908.8 million shareholder contribution split between EUR 757.3 million (A-shareholders), representing 39,857,600 shares at a price of EUR 19.0, and EUR 151.5 million (B-shareholders), representing 19,928,800 shares at a price of EUR 7.6. B-shareholder contribution mostly comprised cash (EUR 137.9 million) with the Luxembourg state electing to contribute EUR 13.6 million in FDRs.

After the share issue, SES has an issued capital of EUR 719.0 million represented by 383,457,600 class A shares and 191,728,800 class B shares:

	Class A shares	Class B shares	Total
Shares issued at December 31, 2015	343,600,000	171,800,000	515,400,000
Shares issued during the period	39,857,600	19,928,800	59,786,400
Shares issued at June 30, 2016	383,457,600	191,728,800	575,186,400

Transaction costs related to the capital increase amounted to EUR 12.3 million (out of which EUR 9.7 million were paid during the period) and are included as a deduction from share premium.

As at June 30, 2016 the Group held 6,760,810 (December 2015: 3,144,730) FDRs in connection with employee share-based payment plans.

Perpetual bond

On June 10, 2016 SES issued EUR 750,000,000 Deeply Subordinated Fixed Rate Resettable Securities (the “perpetual bond” or “the securities”) at a coupon of 4.625 percent, a price of 99.666 and a yield of 4.7 percent. Transaction costs related to this transaction amounted to EUR 16.5 million and have been deducted from “Other reserves”.

The perpetual bond is guaranteed on a subordinated basis by SES Global Americas Holdings GP. SES intends to use the net proceeds from the offering for the repayment of a portion of the existing indebtedness of O3b, the repayment of certain existing indebtedness of the Group, as well as for general corporate purposes.

SES is entitled to call the securities on January 2, 2022 and on subsequent coupon payment dates. As the Company has no obligation to redeem the Securities and the coupon payment is discretionary, it classified the net proceeds from the issuance of the Securities (EUR 733.5 million net of transaction costs) as equity.

Buy-back of treasury shares

Within the framework of SES’s share buy-back programme, on May 29, 2015, SES entered into a forward agreement with a financial institution for the purchase of 6,000,000 FDRs. The forward agreement was entered into by SES to allow delivery of FDRs to employees upon the exercise of outstanding stock purchase options issued by SES.

The forward agreement set forth the terms and conditions of the purchase of the FDRs, including, in particular, the purchase price of the FDRs to be paid by SES to the financial institution, and the maturities of the forward agreement. As per the forward agreement, SES purchased 2,500,000 FDRs on June 10, 2015. As at December 31, 2015, a liability of EUR 112.8 million was recorded corresponding to the purchase of the 3,500,000 FDRs.

On January 14, 2016 and April 7, 2016, SES purchased the remaining 1,500,000 FDRs and 2,000,000 FDRs respectively, resulting in a settlement of the EUR 112.8 million liability.

Note 9 - Earnings per share

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

For the six month period ended June 30, 2016, the total net profit attributable to each class of shares, and the weighted average number of shares outstanding, are set out in the table below.

	Class A shares	Class B shares	Total
Total net profit attributable to ordinary shareholders (in millions of euros)	188.9	38.4	227.3
Weighted average shares outstanding for the period	345.5	175.7	521.2
Basic and diluted earnings per share for the period (in euro)	0.55	0.22	-

The corresponding computation for the six month period ended June 30, 2015 is as set out below:

	Class A shares	Class B shares	Total
Total net profit attributable to ordinary shareholders (in millions of euros)	229.3	46.1	275.4
Weighted average shares outstanding for the period	337.5	169.3	506.8
Basic earnings per share for the period (in euro)	0.68	0.27	-

The weighted average shares in issue for the period set out above are calculated net of treasury shares held by the Group.

Note 10 - Related party transactions

On January 20, 2016 the Luxembourg Government and SES each equally increased with EUR 12.5 million their equity contribution in the jointly incorporated legal entity LuxGovSat S.A..

No other related party transactions have occurred during the six month period ended June 30, 2016 which have a significant impact on the financial position or results of the Group (see also Note 6) except the capital increase disclosed in Note 8.

Note 11 - Post balance sheet events

Acquisition of O3b Networks Limited ('O3b')

On July 1, 2016, having received all of the necessary regulatory approvals, SES exercised its call option and offered to acquire the remaining shares and warrants of O3b. SES will pay USD 722.3 million to directly increase its fully diluted ownership of O3b from 49.1% to 100%, using proceeds from the company's recent equity raising.

The other shareholders have agreed to accept the SES offer, non-tendering warrant holders will be cashed out, and completion of the transaction is expected in August 2016. SES expects to fully consolidate the financial results of O3b once the transaction closes.

Acquisition of RR Media Inc.

On July 6, 2016 SES completed the acquisition of media solutions company RR Media Inc., a company registered in Israel. SES paid a consideration of USD 13.291 per share to acquire 100% interest in RR Media, representing a total of USD 242.2 million.

Initial accounting for the business combination is incomplete at the time the financial statements are authorised for issue.

SES will consolidate the financial results of RR Media Inc. as at the transaction closing date.

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