SES, Société Anonyme
Interim results for the six month period ended 30 June 2015

Contents:

Highlights

Development of a global business delivering strong growth in revenue and net profit

- Revenue of EUR 999.1 million, up 6.4% (-2.6% at constant FX[1]) over prior year period
- Video, Mobility and Government revenues growing, with reduction in Fixed Data
- EBITDA of EUR 740.0 million, up 6.7% (-2.5% at constant FX)
- EBITDA margin of 74.1% (H1 2014: 74.0% at constant FX)
- Profit after tax up 13.9% to EUR 340.0 million; Net operating cash flow up 45.8% to EUR 784.4 million
- Full Year 2015 growth expectations lowered to around -3% for revenue and around -3.5% for EBITDA at constant FX, mainly due to impact of stronger U.S. Dollar in Fixed Data, and reduced capacity available to serve this vertical. Revenue and EBITDA are expected to grow on a reported basis
- Diversified, global revenue profile with 45% in U.S. Dollars driving reported growth from translation benefit

Focusing on new horizons to build differentiating capabilities and generate future growth

- Growing presence in emerging markets, with International now representing around 30% of revenue
- HD TV channels up 13.9% (YOY) to 2,069; five commercial Ultra HD agreements signed
- Fixed data capacity agreements with Airbus Defence and Space, ITC Global, SkyStream and others
- Major mobility contract with Global Eagle Entertainment serving aeronautical connectivity
- Government business benefiting from two new U.S. Government-funded hosted payload agreements
- Three new satellite procurements with significant pre-commitments, expanding future growth potential

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

Karim Michel Sabbagh, President and CEO, commented:

"SES has continued to make progress across the business in H1 2015 in delivering on our clear strategy of globalisation, verticalisation and dematuring. We have grown revenues in the three verticals of Video, Mobility and Government. We are addressing the reduction in renewals and new business in Fixed Data with new technology and customer solutions.

First, SES has continued to globalise, with International now accounting for 30% of revenue. Our technical reach grew by a further 7% to 312 million TV households, a quarter of the global total, benefiting from the development of our presence in the areas with the strongest future growth potential.

Second, we are building differentiating capabilities in four market verticals where satellite has a clear right-to-win. Our HD TV channels grew by a further 13.9% and SES recently signed Europe's first commercial Ultra HD channel. This was followed by the agreement with Sky Deutschland for additional capacity for UHD broadcasts. This was also complemented by further client agreements for three UHD channels to be launched by the end of this year. SES-14 and SES-15, along with last year's procurement of SES-12, will give SES a global HTS platform that has already attracted a major Next Generation Data customer in Global Eagle Entertainment which, with Gogo and Panasonic, brings to three the number of major service providers in aeronautical connectivity on the overall SES fleet. We also secured two hosted payload agreements for the U.S. Government and further diversified our government sector activities with the LuxGovSat programme.

Third, we are proactively engaged and looking ahead to how SES can bring technological innovation to bear in shaping the future end-user experience and CapEx efficiency. In this context, SES will play a leading role in dematuring our industry and by doing so will deliver truly differentiated satellite-enabled solutions.

While delivering a strong translation benefit to reported results, the stronger U.S. Dollar has impacted pricing, new business and renewals for Fixed Data customers contracting in U.S. Dollars but invoicing in local currencies. Full Year 2015 revenue and EBITDA expectations at constant FX have been adjusted in acknowledgement of this factor, as well as the delayed launch of SES-9 and satellite health degradation, principally impacting Fixed Data services. Looking to the future, SES is continuing to focus on accelerating towards the important new horizons for building sustainable future growth."

Financial performance

Group revenue as reported was EUR 999.1 million, representing an increase of 6.4%, which included the translation benefit of the stronger U.S. Dollar. Revenue was 2.6% lower at constant FX, principally due to the lower level of outright transponder sales under the comprehensive agreement with Eutelsat and the impact of the terms of the AMC-15/AMC-16 capacity renewal agreements with EchoStar up to the launch of SES-11 (due in Q4 2016). Adjusting for these events, group revenue was slightly ahead of H1 2014 (at constant FX) with growth in European services and new infrastructure business being offset by the impact of U.S. Government budget sequestration on existing contract renewals, and the transition of capacity contracted by ARSAT to its own satellite.

Reported EBITDA increased 6.7% to EUR 740.0 million. At constant FX, EBITDA was down 2.5% compared with H1 2014 as lower revenue was offset by a 3.0% reduction in operating expenses to EUR 259.1 million. As a result, reported EBITDA margin improved to 74.1% compared with 73.9% as reported (74.0% at constant FX).

Operating profit of EUR 449.9 million was 2.8% higher (down 4.1% at constant FX). This included a 13.2% increase in depreciation and amortisation expense to EUR 290.1 million, where the impact of the stronger U.S. Dollar more than offset a reduction in depreciation of 2.2% at constant FX.

Net financing costs were 40.3% lower at EUR 50.8 million, including foreign exchange gains of EUR 38.5 million from the positive impact of the stronger U.S. Dollar. The benefit of a EUR 3.7 million (or 3.6%) reduction in net interest expense was offset by lower capitalised interest.

The income tax expense of EUR 59.1 million (H1 2014: EUR 53.7 million) represented an effective tax rate of 14.8% (H1 2014: 15.2%).

Profit after tax of EUR 340.0 million was 13.9% higher than the prior year period. This reflects the combination of reduced operating expenses, depreciation and net financing costs on a constant FX basis. These were further augmented by the translation benefits of the stronger U.S. Dollar on revenue and other profit lines.

SES's share of joint ventures and associates' result was a loss of EUR 63.0 million for the six months ended 30 June 2015. This loss was EUR 55.8 million higher than the prior year period, which principally reflects non-cash movements associated with O3b Networks' commencement of commercial operations.

Net profit attributable to SES's shareholders was EUR 275.4 million (H1 2014: EUR 290.9 million), which represented earnings per share of EUR 0.68 (H1 2014: EUR 0.72).

Net operating cash flow increased 45.8% to EUR 784.4 million.

The Net Debt to EBITDA ratio at 30 June 2015 was 2.69 times (30 June 2014: 2.85 times).

Regional markets

SES's market penetration in video has continued to develop positively. SES's technical reach (confirmed by the annual SES Satellite Monitor which was published in February) grew to 312 million TV households, representing a 7% increase compared with a year ago. International markets grew 14% to 75 million TV households, while SES's market penetration also increased in both Europe and North America.

Since 30 June 2014, the total number of TV channels broadcast over the SES fleet grew by 7.4% to 6,963 channels. High Definition (HD) TV channels increased by 13.9% to 2,069 channels and were a major contributor to the overall growth, particularly in developed markets. As a result, SES's global fleet now carries over 25% of the world's HD TV channels broadcast over satellite – the highest number of any operator.

SES's fully protected contract backlog remains robust at EUR 7.4 billion, representing an average remaining contract life of 8.4 years. The backlog benefited from a number of new contracts and renewals secured across SES's three regional segments and four key market verticals (Video, Fixed Data, Mobility and Government).

Europe

European revenue was EUR 512.4 million (down 0.5% as reported and down 0.3% at constant FX). This included the sale of a further four transponders (compared with eight transponders sold in H1 2014) to Eutelsat as the final part of the comprehensive agreement signed in January 2014. Eutelsat has also contracted a further eight transponders on ASTRA 2G on a long-term basis.

Revenue development in Europe was positive adjusting for the transponder sales to Eutelsat, benefiting from further growth in European services and additional infrastructure revenue. The services businesses are an important differentiator and an increasingly essential part of SES's core infrastructure offering, delivering added value for customers and generating incremental capacity sales ("pull through").

SES's Video business in Europe has continued to develop, with further increases in technical reach (from 151 million to 154 million TV households) and additional growth in HD TV channels. During the period, SES secured a long-term contract to broadcast BBC World News in HD. The free-to-air international news channel is being broadcast from the 19.2 degrees East orbital position.

During the period, SES achieved further important milestones in accelerating the commercial introduction of Ultra High Definition (UHD). In February, SES established a third UHD demonstration channel broadcast via ASTRA 2E at 28.2 degrees East. The channel, for marketing UHD in the U.K. and Ireland, simulcasts Europe's first demonstration UHD channel at 19.2 degrees East, which was introduced in Summer 2014. SES now broadcasts UHD demonstration channels across Europe using three orbital positions (19.2 degrees East, 28.2 degrees East and 5 degrees East). The 19.2 degrees East orbital position was also used for a test broadcast of the Champions League final produced by UEFA in UHD on 6 June 2015.

In May 2015, SES secured a multi-year contract to broadcast Europe's first commercial free-to-air UHD channel. German shopping channel, pearl.tv, will be produced and broadcast in native UHD from September 2015. Enstyle GmbH, the parent company of pearl.tv, will continue to broadcast in Standard Definition (SD) and HD and has also contracted SES Platform Services to manage the technical operations of the UHD broadcast. In July 2015, Sky Deutschland signed an additional capacity agreement for UHD broadcasts. SES also signed client agreements for three additional UHD channels, with the relevant announcements to follow in the coming months.

European revenue also included the full contribution in the period of the second European Geostationary Navigation Overlay Service (EGNOS) payload hosted on the ASTRA 5B satellite and managed by the European Commission. EGNOS supplements Europe's satellite navigation systems, facilitating improved accuracy of positioning determination to within 1.5 metres.

SES has continued to develop its Government business in Europe during 2015, notably with the investment in LuxGovSat, a jointly incorporated entity of SES and the Luxembourg Government. In February 2015, LuxGovSat procured SES-16/GovSat to provide dedicated military frequencies for governmental and institutional requirements over Europe, the Middle East and Africa. The Luxembourg Government has also pre-committed to a significant amount of the satellite's capacity, which will support its NATO obligations.

North America

Revenue from North America increased 16.0% as reported to EUR 194.0 million. Revenue at constant FX was 4.1% lower, principally due to the impact of the capacity renewal agreements with EchoStar for AMC-15/AMC-16 following the expiry of the initial ten-year commitments. EchoStar has renewed the majority of capacity on these satellites, while SES Government Solutions (SES GS) is already commercialising some of the remaining capacity. SES-11, which is due to be launched in Q4 2016, will replace the Ku-band capacity on AMC-15 utilised by EchoStar.

SES is becoming a prominent enabler for the acceleration of UHD in North America. In April, SES, along with various major television and broadcast partners, created a full end-to-end UHD transmission and delivered three days of UHD broadcasts to a cable system. The demonstration, which included a mix of pre-recorded and live content, was the first ever live and linear UHD broadcast to a cable system. Following this success, SES launched a first demonstration UHD channel for North America. The channel is broadcast over SES-3 at 103 degrees West and will allow cable TV operators to prepare and test their networks for UHD trials.

In the half year, SES also concluded a number of capacity agreements for Next Generation Data (NGD) applications. These included an agreement with ITC Global for the use of three satellites to deploy a powerful enterprise network on behalf of a major global oil producer. The new network remotely manages and monitors virtually every phase of the operational ecosystem, from exploration vessels and drilling well sites to pipelines and production.

This was followed (in March 2015) by an agreement with X2nSat, which has doubled the Ku-band capacity that they are using on SES-2. X2nSat is an established provider of Very Small Aperture Terminal (VSAT) networks in North America. The additional capacity powers X2nSat's new generation ST4G™ broadband solution which serves as the primary business continuity platform for a range of industries, from businesses using machine-to-machine and Supervisory Control and Data Acquisition (SCADA) networks through to mission-critical healthcare systems.

In April, SES GS agreed a 14-year contract with Raytheon Integrated Defense Systems to host a payload on board SES-15 on behalf of the U.S. Federal Aviation Administration (FAA). The Wide Area Augmentation Systems (WAAS) hosted payload will enhance the Global Positioning System (GPS) by improving its accuracy, integrity and availability. The contract includes construction of the payload, launch on SES-15 (H1 2017) and 11 years of on-orbit operations.

SES GS also secured a five-year contract with the University of Colorado to host a NASA-funded payload on SES-14 (H2 2017). The Global-Scale Observations of the Limb and Disk (GOLD) mission will, for the first time, allow scientists to analyse the Sun's impact on the Earth's thermosphere and ionosphere from a geostationary orbit.

These two new hosted payload contracts have been an important contributor to SES GS's first half performance. The government business has continued to see lower renewal rates on existing business as a consequence of the U.S. Government budget sequester. U.S. Government spending is expected to remain constrained over the remainder of 2015, while trending towards stabilisation.

International

International revenue increased 13.9% as reported to EUR 292.7 million. On a constant FX basis, this represented a decline of 5.6% compared with H1 2014. Growth from new capacity agreements in video was offset principally by the beginning of the transition of capacity contracted by ARSAT on AMC-6 to its own satellite. The reduction in Fixed Data was due to the impact of the stronger U.S. Dollar on customers that buy capacity in U.S. Dollars but invoice in local currencies. The U.S. Government budget sequester remains a factor in the International segment, where the decline in contract renewals was not offset by new hosted payload programmes, as was the case in the North American segment.

SES has continued to grow its Video business globally. Market reach in the International segment grew by 14% to 75 million TV households. In June 2015, StarTimes contracted additional capacity on SES-5 to provide an enhanced TV viewing experience in Africa – where SES now reaches seven million TV households (up from one million a year ago). StarTimes provides English-language video content to over five million subscribers across 26 African countries and will use the additional capacity to provide additional high-quality content as part of its Direct to Home (DTH) package.

In March 2015, Airbus Defence and Space announced a multi-year capacity agreement with SES to deliver managed satellite communication services for corporate customers in the mining, energy and humanitarian sectors. Airbus Space and Defence will utilise capacity on SES-5, with the potential to take additional Ku-band capacity on ASTRA 2G, ASTRA 4A and NSS-12. In addition, SES will provide teleport services from Luxembourg.

SkyStream renewed capacity on NSS-6 at 95 degrees East and contracted additional capacity on NSS-12 at 57 degrees East for VSAT networks across the Middle East. The expanded capacity will support SkyStream's growing customer base in both the maritime and oil and gas sectors.

SES's commitment to developing its presence in the Mobility vertical was boosted in March 2015, when Global Eagle Entertainment (GEE) contracted Ku-band wide-beam and High Throughput Satellite (HTS) spot-beam capacity aboard SES-12, SES-14 and SES-15. GEE will take advantage of the combined coverage over North and South America, the Atlantic Ocean, Western Europe, the Middle East and Asia-Pacific to deliver in-flight connectivity and services for commercial airlines. The deal represents a significant commitment to the three spacecraft, which are currently under construction and scheduled for launch during 2017. GEE is already using Ku-band capacity on SES's existing satellite fleet.

In March 2015, KVH Industries, a leading global manufacturer of maritime connections solutions, contracted 36 MHz of Ku-band capacity on board SES-4. The capacity will support KVH's expansion of its high speed Internet connectivity and Voice over IP services to private, commercial and government vessels along the eastern coast of North America, as well as in the Caribbean and Gulf of Mexico.

In April 2015, SES GS secured a one-year task order, with four one-year option periods, to provide 288 MHz (equivalent to eight 36 MHz transponder equivalents) of Ku-band capacity to support forces deployed to the U.S. Central Command (USCENTCOM) area of operation.

O3b Networks

O3b Networks, in which SES has a 45% interest, has made a productive start to its first full year of commercial operations. Of around 40 committed clients, 25 are now live on the system and benefiting from O3b's unique 'fibre in the sky' offering. The service provides high-bandwidth and low-latency connectivity using a current constellation of 12 Medium Earth Orbit (MEO) HTS satellites.

During the period, O3b continued to grow and expand its customer base, securing agreements with Bharti Airtel, SpeedCast International Limited, Telesom, Presta Bist and the Papua New Guinea University of Technology. In addition, seven of the first eight clients to sign with O3b have already upgraded their bandwidth requirements. These include Digicel, Royal Caribbean Cruises and Our Telekom.

In June 2015, O3b completed a successful paid trial with the U.S. Navy's Seventh Fleet as part of Trident Warrior 2015. The "Trident Warrior" experiments were designed to showcase a range of high-speed applications, such as 4G/LTE, WiFi, HD video streaming and telemedicine, which would not previously have been possible.

As disclosed by O3b's Management during SES's Investor Day (17 June 2015), these positive developments have contributed to a growth of 48% in O3b's contract backlog since July 2013 to USD 530 million at June 2015.

Fleet development and utilisation

At 30 June 2015, SES's global satellite fleet comprised 53 geostationary satellites. This is complemented at MEO by SES's 45% interest in O3b, whose constellation of 12 HTS satellites provides additional differentiating capabilities to optimally serve next generation data requirements.

Utilisation

Compared with H1 2014, available capacity on SES's global satellite fleet reduced by 12 transponders (or 0.8%) to 1,518 total transponders, reflecting several fleet movements. Following the transfer of NSS-7 into inclined orbit (-74 transponders), the satellite continues to carry traffic in inclined operation, for which capacity pricing is lower than for station-kept operations. Capacity on satellites in inclined orbit is not included in the fleet capacity tables. Other fleet changes included ASTRA 2G's entry into service at 28.2/28.5 degrees East (+18 transponders), repositioning of NSS-806 to develop a new video neighbourhood over Latin America (+40 transponders), and reduction in NSS-6's available capacity due to power degradation (minus six transponders). In addition, fleet optimisation during the period resulted in an increase of ten available transponders.

Growth in utilisation was particularly strong during Q2 2015, during which a further 30 net transponders were contracted and evenly spread across SES's three geographic segments. Compared with H1 2014, utilised transponders reduced by nine net transponders (or 0.8%) to 1,101 transponders, including the impact of NSS-7's transfer to inclined orbit (-28 transponders). Excluding NSS-7, group utilisation grew by 19 net transponders, or 1.8%.

As at 30 June 2015, the group satellite utilisation rate was 72.5% (30 June 2014: 72.5%; 31 March 2015: 71.4%). Average revenue per utilised transponder remained unchanged across the market segments and the discrete national markets served. The recent strength of the U.S. Dollar has had a positive impact in terms of SES's reported revenue, although this creates pricing and volume pressure for certain Fixed Data services and markets, particularly for customers contracting capacity in U.S. Dollars and invoicing in local currencies. SES is continuing to monitor these developments closely in line with the group's overall approach to foreign currency management.

Satellite health

Exposure to in-orbit failures is a risk faced by all satellite operators. SES operates a number of satellites that are susceptible to solar array circuit failures. SES has an effective in-orbit back-up strategy to mitigate these risks and several of these spacecraft are due to be replaced by future satellites which have already been procured.

During the period, a further power degradation was noted on AMC-15, a satellite primarily contracted by EchoStar. This resulted in an impairment charge applied to the depreciation expense in the Full Year 2014 financial results.

Power degradation was also noted on NSS-6, AMC-8 and AMC-10. While the existing communications traffic on these satellites remains unaffected, the nature and extent of these anomalies have resulted in a reduction of five transponders on NSS-6 which cannot now be commercialised. NSS-6 currently operates at 95 degrees East and is due to be replaced by SES-12, which will be launched in H2 2017. The impacts of the power degradation noted on AMC-8 and AMC-10 remain under review. No other reduction in commercial capacity occurred on other fleet assets during the period.

Forthcoming launches

Over the next three years, SES will launch seven new satellites which will increase available capacity by 180 net transponders, or 12% of total available capacity, while capacity in the International segment will grow by 21%. Three of these satellites (SES-12, SES-14 and SES-15) will also carry a total of 36 GHz of HTS capacity.

Satellite	Region	Application	Launch Date
SES-9[1]	Asia-Pacific	Video, Data, Mobility	Q3 2015[2]
SES-10	Latin America	Video, Data	H2 2016[2]
SES-11	North America	Video	H2 2016[2]
SES-12[1]	Asia-Pacific	Video, Data, Mobility	H2 2017
SES-14[1]	Latin America	Video, Data, Mobility	H2 2017
SES-15[1]	North America	Data, Mobility, Government	H1 2017
SES-16/GovSat[3]	Europe/MENA	Government	H1 2017

[1] SES-9, 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] Launch date to be updated following return to flight of SpaceX

[3] Procured by LuxGovSat

Outlook and guidance

Market outlook

HD TV penetration is continuing to drive channel growth and capacity demand in developed markets. Consumer demand for higher quality content and an enhanced viewing experience will also help to accelerate the introduction of Ultra HD as an important catalyst for medium-term growth. The higher bandwidth needed to support higher quality content (especially Ultra HD) will be a favourable demand driver as this market develops, even as more efficient compression technologies are employed to facilitate their introduction.

In developing markets, rapid expansion of TV households combined with growing penetration of HD TV represents a significant growth opportunity over the medium to longer term.

In the future, the Next Generation Data (NGD) environment will be characterised by the proliferation of global data usage and applications across a number of major market verticals. Connectivity – both fixed and mobile – is becoming a universal requirement with users demanding higher speeds and uninterrupted service anytime, anywhere. This is increasingly so for aircraft and maritime vessels where satellite represents the sole practical method of connectivity.

Increased use of more bandwidth-intensive applications by government agencies are a further source of growth. In addition to a growing demand for civilian applications (e.g. schooling and distance learning, civil protection, e-medicine, emergency response and disaster recovery), military demand to develop and operate more sophisticated Unmanned Aerial Vehicles (UAV) supporting Intelligence, Surveillance and Reconnaissance (ISR) missions will also be a strong driver of growth over the long term.

SES is well positioned to capture the growing customer demand for satellite-enabled solutions in the future digital ecosystem. In video, SES's substantial technical reach affords broadcasters direct access to 312 million TV households worldwide. SES's global infrastructure coverage is complemented by Services businesses, such as SES Platform Services, which provide additional value-added products to support customers throughout the video value chain.

SES's global fleet is also an increasingly important facilitator for the growing number of NGD applications. The company is continuing to build on its long-standing relationships with major global organisations, governments and institutions. In the near term, SES will benefit from the added capabilities to provide data customers with more efficient and affordable bandwidth via a global HTS platform (comprising SES-12, SES-14 and SES-15). Investment in O3b delivers a further point of differentiation, allowing SES to offer comprehensive GEO/MEO satellite solutions.

Financial guidance

The business has continued to develop steadily during the first half of 2015, notably benefiting from new infrastructure business, continued growth in European services and new hosted payload agreements.

While SES's global profile delivered a strong translation benefit from the stronger U.S. Dollar to revenue, EBITDA and net profit, the stronger U.S. Dollar has resulted in pricing pressure and a lower level of renewals and new business, principally relating to Fixed Data customers contracting capacity in U.S. Dollars and invoicing in local currencies.

SES's Government business is growing in 2015, including the benefit of the two hosted payload contracts and their front-end revenue recognition, as well as other recent new business gains. These positive developments are being largely offset by the on-going impact of the U.S. Government budget sequester on the level of renewals for existing contracts, which remains challenging.

The group's expectations for full year 2015 revenue and EBITDA progression have also been impacted by the delay in the launch of SES-9 from Q2 2015 as originally expected, as well as a reduction in the number of available transponders for future revenue generation due to satellite health degradation. SES's financial guidance assumes nominal satellite health and launch schedule.

As a result of these factors, full year 2015 revenue is projected to be around 3% lower and EBITDA is projected to be around 3.5% lower than the prior year on a constant FX basis, although growing on a reported basis. SES's expectations for EBITDA margin are unchanged at above 82% for the infrastructure business and between 14% and 18% for the services businesses.

SES's full year 2015 earnings on a constant FX basis will benefit from management of operating expenses, depreciation and net financing costs, as well as a low effective tax rate. On a reported basis, these benefits will be augmented by the positive impact of the stronger U.S. Dollar to overall group revenue, which more than offsets the pricing and volume pressure on certain contracts, principally in the data vertical.

In respect of the three-year CAGR (2014-16), SES anticipates comparable dynamics in 2016, consistent with previous guidance, but from the lower full year 2015 base. A revised launch date for SES-9 is still to be confirmed.

SES is continuing to build for future growth by developing differentiated capabilities, allowing SES to optimally serve a wide range of customer requirements across four attractive and growing market verticals. These capabilities include SES's unique combination of GEO (wide beam and HTS) and MEO HTS (through the investment in O3b Networks), as well as the ability to provide a range of value-added services in addition to satellite-enabled infrastructure solutions.

Financial review by management

Quarterly development of operating results (as reported)

In millions of euro	Q2 2014	Q3 2014	Q4 2014	Q1 2015	**Q2 2015**
Average U.S. Dollar exchange rate	*1.3748*	*1.3408*	*1.2530*	*1.1562*	***1.0981***
Revenue	473.3	467.7	512.5	477.8	**521.3**
Operating expenses	(124.5)	(111.8)	(134.2)	(121.7)	**(137.4)**
EBITDA	348.8	355.9	378.3	356.1	**383.9**
Depreciation expense	(118.3)	(123.7)	(134.9)	(126.6)	**(133.0)**
Amortisation expense	(12.4)	(13.2)	(17.3)	(14.4)	**(16.1)**
Operating profit	218.1	219.0	226.1	215.1	**234.8**

Quarterly development of operating results (at constant FX)

In millions of euro	Q2 2014	Q3 2014	Q4 2014	Q1 2015	**Q2 2015**
Revenue	523.8	514.3	543.6	489.8	**521.3**
Operating expenses	(138.0)	(122.7)	(141.6)	(124.9)	**(137.4)**
EBITDA	385.8	391.6	402.0	364.9	**383.9**
Depreciation expense	(137.2)	(140.3)	(146.9)	(130.8)	**(133.0)**
Amortisation expense	(13.3)	(13.3)	(17.7)	(14.6)	**(16.1)**
Operating profit	235.3	238.0	237.4	219.5	**234.8**

Transponder utilisation at end of period

In 36 MHz-equivalent	Q2 2014	Q3 2014	Q4 2014	Q1 2015	**Q2 2015**
Europe Utilised	289	292	297	293	**305**
Europe Available	362	366	366	366	**374**
Europe %	79.8%	79.8%	81.1%	80.1%	**81.6%**
North America Utilised	267	269	265	254	**263**
North America Available	379	379	379	379	**379**
North America %	70.4%	71.0%	69.9%	67.0%	**69.4%**
International Utilised	554	549	553	524	**533**
International Available	789	789	789	755	**765**
International %	70.2%	69.6%	70.1%	69.4%	**69.7%**
Group Utilised	1,110	1,110	1,115	1,071	**1,101**
Group Available	1,530	1,534	1,534	1,500	**1,518**
Group %	72.5%	72.4%	72.7%	71.4%	**72.5%**

U.S. dollar exchange rate

	H1 2015 average	**H1 2015 closing**		H1 2014 average	H1 2014 closing
EUR 1 = U.S. dollar	**1.1272**	**1.1189**		1.3727	1.3657

Revenue by downlink region

In millions of euro	**Q2 2015**	Q2 2014	Change	Change		**H1 2015**	H1 2014	Change	Change
As reported:									
Europe	**271.4**	260.8	+10.6	+4.1%		**512.4**	514.7	(2.3)	-0.5%
North America	**102.9**	83.2	+19.7	+23.7%		**194.0**	167.2	26.8	+16.0%
International	**147.0**	129.3	+17.7	+13.7%		**292.7**	257.0	35.7	+13.9%
Group total	**521.3**	473.3	+48.0	+10.1%		**999.1**	938.9	+60.2	+6.4%
At constant FX:									
Europe	**271.4**	260.4	+11.0	+4.2%		**512.4**	513.8	(1.4)	-0.3%
North America	**102.9**	103.2	(0.3)	-0.3%		**194.0**	202.3	(8.3)	-4.1%
International	**147.0**	160.2	(13.2)	-8.2%		**292.7**	310.1	(17.4)	-5.6%
Group total	**521.3**	523.8	(2.5)	-0.5%		**999.1**	1,026.2	(27.1)	-2.6%

Group revenue as reported was EUR 999.1 million, representing an increase of 6.4% including the benefit of the stronger U.S. Dollar. Revenue was 2.6% lower at constant FX, principally due to the lower level of outright transponder sales to Eutelsat (as part of the comprehensive agreement signed in January 2014) and the impact of the terms of the AMC-15/AMC-16 capacity renewal agreements with EchoStar for the period prior to the in-service date of SES-11 (due to be launched at the end of 2016). Adjusting for these events, group revenue was slightly ahead of H1 2014 (at constant FX) with growth in European services and new infrastructure business being offset by the impact of U.S. Government budget sequestration on existing contract renewals, and the transition of capacity contracted by ARSAT to its own satellite.

Business segmentation

In millions of euro	Infrastructure	Services	Elimination/ Unallocated[1]	**Group total**
Revenue	850.3	259.1	(110.3)	**999.1**
EBITDA	717.8	39.6	(17.4)	**740.0**
H1 2015 EBITDA margin	84.4%	15.3%		**74.1%**
H1 2014 EBITDA margin (with prior at constant FX)	83.2%	14.9%		**74.0%**

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

EBITDA

In millions of euro	**H1 2015**	H1 2014	Change	Change
Operating expenses (reported)	**(259.1)**	(245.1)	(14.0)	-5.7%
Operating expenses (with prior at constant FX)	**(259.1)**	(267.1)	+8.0	+3.0%
EBITDA (reported)	**740.0**	693.8	+46.2	+6.7%
EBITDA (with prior at constant FX)	**740.0**	759.1	(19.1)	-2.5%

Reported EBITDA increased 6.7% to EUR 740.0 million. At constant FX, EBITDA was down 2.5% compared with H1 2014 as lower revenue was offset by a 3.0% reduction in operating expenses to EUR 259.1 million. As a result, reported EBITDA margin improved to 74.1% compared with 73.9% as reported (74.0% at constant FX).

Operating profit

In millions of euro	**H1 2015**	H1 2014	Change	Change
Depreciation expenses	**(259.6)**	(233.0)	(26.6)	-11.4%
Amortisation expenses	**(30.5)**	(23.3)	(7.2)	-30.9%
Depreciation and amortisation	**(290.1)**	(256.3)	(33.8)	-13.2%
Operating profit (reported)	**449.9**	437.5	+12.4	+2.8%
Operating profit (with prior at constant FX)	**449.9**	469.0	(19.1)	-4.1%

Operating profit of EUR 449.9 million was 2.8% higher (down 4.1% at constant FX). This included a 13.2% increase in depreciation and amortisation expense to EUR 290.1 million, where the impact of the stronger U.S. Dollar more than offset a reduction in depreciation of 2.2% at constant FX.

Net financing costs

In millions of euro	**H1 2015**	H1 2014	Change	Change
Net interest expense	**(98.4)**	(102.1)	+3.7	+3.6%
Capitalised interest	**9.1**	13.4	(4.3)	-31.9%
Net foreign exchange gains	**38.5**	3.5	+35.0	Nm
Net financing costs	**(50.8)**	(85.2)	+34.4	+40.3%

Net financing costs were 40.3% lower at EUR 50.8 million, including foreign exchange gains of EUR 38.5 million from the positive impact of the stronger U.S. Dollar. The benefit of a EUR 3.7 million (or 3.6%) reduction in net interest expense was offset by lower capitalised interest.

Profit attributable to owners of the parent

In millions of euro	**H1 2015**	H1 2014	Change	Change
Profit before tax	**399.1**	352.3	+46.8	+13.3%
Income tax expense	**(59.1)**	(53.7)	(5.4)	-10.0%
Profit after tax	**340.0**	298.6	+41.4	+13.9%
Share of joint ventures and associates' result	**(63.0)**	(7.2)	(55.8)	Nm
Non-controlling interests	**(1.6)**	(0.5)	(1.1)	Nm
Profit attributable to SES shareholders	**275.4**	290.9	(15.5)	-5.4%

The income tax expense of EUR 59.1 million (H1 2014: EUR 53.7 million) represented an effective tax rate of 14.8% (H1 2014: 15.2%).

SES's share of joint ventures and associates' result was a loss of EUR 63.0 million for the six months ended 30 June 2015. This loss was EUR 55.8 million higher than the prior year period, which principally reflects non-cash movements associated with O3b Networks' commencement of commercial operations.

Net profit attributable to SES's shareholders was EUR 275.4 million (H1 2014: EUR 290.9 million), which represented earnings per share of EUR 0.68 (H1 2014: EUR 0.72).

Cash Flow

In millions of euro	**H1 2015**	H1 2014	Change	Change
Net operating cash flow	**784.4**	538.1	+246.3	+45.8%
Investing activities	**(248.5)**	(163.6)	(84.9)	-51.9%
Free cash flow before financing activities	**535.9**	374.5	+161.4	+43.1%

Net operating cash flow was 45.8% higher than the prior period including the benefit of the stronger U.S. Dollar on cash generation, as well as other movements in working capital. Investment in new satellite programmes contributed to the increase in investing activities.

Net Debt

In millions of euro	**H1 2015**	H1 2014	Change	Change
Cash and cash equivalents	**(610.7)**	(1,045.5)	+434.8	+41.6%
Loans and borrowings	**4,582.3**	5,029.4	(447.1)	-8.9%
Net Debt	**3,971.6**	3,983.9	(12.3)	-0.3%
Net Debt / EBITDA	**2.69 times**	2.85 times		

At 30 June 2015, SES's weighted average interest rate was 3.85% (excluding loan origination costs and commitment fees), compared with 3.96% a year ago. The group's average debt maturity has been significantly extended to 8.5 years (30 June 2014: 6.4 years), due to the benefit of recent financing activities.

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 2015, 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 CEO

Report on review of the condensed consolidated interim 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 2015 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 "condensed consolidated interim financial information"). The Board of Directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers, Société coopérative — Luxembourg, 23 July 2015
Represented by

Gilles Vanderweyen

Condensed consolidated interim financial information

Interim condensed consolidated income statement

For the six month period ended June 30

In millions of euros	**2015**	2014
Revenue	**999.1**	938.9
Operating expenses	**(259.1)**	(245.1)
EBITDA [1]	**740.0**	693.8
Depreciation expense	**(259.6)**	(233.0)
Amortisation expense	**(30.5)**	(23.3)
Operating profit	**449.9**	437.5
Finance income	**38.5**	3.5
Finance costs	**(89.3)**	(88.7)
Net financing costs	**(50.8)**	(85.2)
Profit before tax	**399.1**	352.3
Income tax expense	**(59.1)**	(53.7)
Share of joint ventures and associates' result, net of tax	**(63.0)**	(7.2)
Profit for the period	**277.0**	291.4
Attributable to owners of the parent	**275.4**	290.9
Attributable to non-controlling interests	**1.6**	0.5

Basic and diluted earnings per share[2]
For the six month period ended June 30

In euros	Note	**2015**	2014
	Note 8		
A – shares		**0.68**	0.72
B – shares		**0.27**	0.29

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

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

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

Interim condensed consolidated statement of comprehensive income

For the six month period ended June 30

	2015	2014
In millions of euros		
Profit for the period	**277.0**	291.4
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of post employment benefit obligation	**(0.9)**	--
Income tax effect	**0.3**	--
Remeasurements of post employment benefit obligation, net of tax	**(0.6)**	--
Total items that will not be reclassified to profit or loss	**(0.6)**	--
Items that may be reclassified subsequently to profit or loss		
Impact of currency translation	**411.4**	33.7
Net loss on hedge of net investment	**(160.3)**	(13.4)
Income tax effect	**48.1**	3.6
Total net (loss)/gain on hedge of net investment, net of tax	**(112.2)**	(9.8)
Net movements on cash flow hedges	**9.0**	--
Income tax effect	**(1.5)**	--
Total net movements on cash flow hedges, net of tax	**7.5**	--
Total items that may be reclassified subsequently to profit or loss	**306.7**	23.9
Total other comprehensive income for the period, net of tax	**306.1**	23.9
Total comprehensive income for the period, net of tax	**583.1**	315.3
Attributable to:		
Owners of the parent	**575.0**	314.0
Non-controlling interests	**8.1**	1.3

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, 2015**	December 31, 2014
Non-current assets			
Property, plant and equipment		**4,615.3**	4,341.6
Assets in the course of construction		**625.7**	684.8
Intangible assets		**3,514.8**	3,307.3
Financial and other non-current assets		**233.7**	313.0
Total non-current assets		**8,989.5**	8,646.7
Current assets			
Inventories		**8.1**	5.3
Trade and other receivables		**644.6**	691.5
Prepayments		**39.2**	38.8
Income tax receivable		**22.3**	45.3
Cash and cash equivalents	Note 7	**610.7**	524.5
Total current assets		**1,324.9**	**1,305.4**
Total assets		**10,314.4**	9,952.1
Equity			
Attributable to the owners of the parent		**3,536.5**	3,404.7
Non-controlling interests		**129.4**	84.9
Total equity		**3,665.9**	3,489.6
Non-current liabilities			
Loans and borrowings		**4,309.5**	4,227.6
Provisions		**149.8**	140.5
Deferred income		**392.2**	335.1
Deferred tax liabilities		**691.7**	676.5
Other long-term liabilities		**51.5**	23.6
Total non-current liabilities		**5,594.7**	5,403.3
Current liabilities			
Loans and borrowings		**272.8**	258.5
Provisions		**16.0**	43.8
Deferred income		**344.6**	410.6
Trade and other payables		**414.1**	335.3
Income tax liabilities		**6.3**	11.0
Total current liabilities		**1,053.8**	1,059.2
Total liabilities		**6,648.5**	6,462.5
Total equity and liabilities		**10,314.4**	9,952.1

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	**2015**	2014
Profit before tax	**399.1**	352.3
Taxes paid during the period	**(25.0)**	(40.4)
Adjustment for non-cash items	**348.6**	328.3
Operating cash flows before working capital changes	**722.7**	640.2
Changes in operating assets and liabilities	**61.7**	(102.1)
Net cash flows from operating activities	**784.4**	538.1
Cash flows from investing activities		
Purchase, net of disposals, of intangible assets	**(28.8)**	(60.1)
Purchase, net of disposals, of property, plant and equipment	**(219.7)**	(105.5)
Settlement of net investment hedge instruments	**--**	9.2
Investment in equity-accounted investments	**--**	(7.2)
Total cash flows from investing activities	**(248.5)**	(163.6)
Free cash flow before financing activities [1]	**535.9**	374.5
Cash flows from financing activities		
Proceeds from borrowings	**--**	707.7
Repayment of borrowings	**(68.4)**	(46.8)
Interest paid	**(114.7)**	(96.1)
Dividends paid to the equity holders of the parent [2]	**(434.1)**	(433.1)
Dividends paid to non-controlling interests	**(2.8)**	(2.6)
Equity contribution by non-controlling interest	**39.3**	--
Issue of shares[3]	**218.7**	--
Acquisition of treasury shares	**(164.2)**	(70.9)
Net proceeds of treasury shares sold	**79.7**	55.1
Other financing activities	**(6.1)**	--
Total cash flows from financing activities	**(452.6)**	113.3
Free cash flow after financing activities [4]	**83.3**	487.8
Net foreign exchange movements	**2.9**	13.5
Net increase / (decrease) in cash	**86.2**	501.3
Net cash at beginning of the period	**524.5**	544.2
Net cash at end of the period	**610.7**	1,045.5

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 0.8 million (2014: EUR 0.4 million)

3 Issue of shares net of the contribution in kind of EUR 13.5 million (refer to Note 7)

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, 2015

In millions of euros	Issued capital	Share premium	Treasury shares	Other reserves	Retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
	Attributable to owners of the parent									
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)	-	-	-	-	-
Issue of share capital	11.3	220.9	-	(112.8) [1]	-	-	-	119.4	-	119.4
Dividends declared/ paid (net of dividends received on treasury shares)	-	-	-	-	(477.1)	-	-	(477.1)	(2.9)	(480.0)
Purchase of treasury shares	-	-	(165.0)	-	-	-	-	(165.0)	-	(165.0)
Share-based payments	-	-	-	4.8	-	-	-	4.8	-	4.8
Exercise of stock options	-	-	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**

[1] Repurchase obligation for own shares (refer to Note 7)

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, 2014

	Attributable to owners of the parent									
In millions of euros	Issued capital	Share premium	Treasury shares	Other reserves	Retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
At January 1, 2014	**633.0**	**595.9**	**(29.6)**	**1,917.9**	**562.4**	**(1.4)**	**(857.5)**	**2,820.7**	**78.2**	**2,898.9**
Result of the period	--	--	--	--	290.9	--	--	290.9	0.5	291.4
Other comprehensive income (loss)	--	--	--	--	--	--	23.1	23.1	0.8	23.9
Total comprehensive income (loss)	--	--	--	--	**290.9**	--	**23.1**	**314.0**	**1.3**	**315.3**
Allocation of 2013 result	--	--	--	129.3	(129.3)	--	--	--	--	--
Dividends paid (net of dividends received on treasury shares)	--	--	--	--	(433.1)	--	--	(433.1)	(2.6)	(435.7)
Purchase on treasury shares	--	--	(70.9)	--	--	--	--	(70.9)	--	(70.9)
Share-based payments	--	--	--	4.9	--	--	--	4.9	--	4.9
Exercise of stock options	--	--	74.2	(18.2)	--	--	--	56.0		56.0
Other movements	--	(2.4)	2.4	--	--	--	--	--	--	--
At June 30, 2014	**633.0**	**593.5**	**(23.9)**	**2,033.9**	**290.9**	**(1.4)**	**(834.4)**	**2,691.6**	**76.9**	**2,768.5**

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. for the six month period ended June 30, 2015 were authorised for issue in accordance with a resolution of the directors on July 23, 2015. These condensed interim financial statements have been reviewed, not audited.

Note 2 – Basis of preparation and accounting policies

Basis of preparation

The interim condensed consolidated financial statements for the six month period ended June 30, 2015 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 financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2014. 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 followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2014, except for the adoption of new standards and interpretation as of January 1, 2015 as noted below.

IAS 19 Employee benefits (Revised) - Amendments to IAS 19 (Revised)

This amendment clarifies the application of IAS19, 'Employee Benefits' (2011) – referred to as IAS 19 Employee Benefits (revised), to plans that require employees or third parties to contribute towards the cost of benefits. The amendment clarifies that the benefit of employee contributions linked to the length of services is recognised in profit or loss over the employee's working life. Contributions that are not linked to service are reflected in the measurement of the benefit obligation. The amendment does not affect the accounting for voluntary contributions. The adoption of this amendment did not have any impact on the financial position and performance of the Group.

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, 2015, and have not been early adopted in preparing these consolidated financial statements:

IFRS 9 Financial instruments

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in Other Comprehensive Income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. This standard has not yet been endorsed by the European Union. Early adoption is permitted. The Group is yet to assess IFRS 9's full impact.

IFRS 15 Revenue from contracts with customers

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. This standard has not yet been endorsed by the European Union. The Group is currently assessing the impact of IFRS 15.

As part of its annual improvement project, the IASB slightly amended various standards. The improvements 2013 and 2014 focus on areas of inconsistencies in IFRSs or where clarification of wording was required. The effective date of these amendments is July 1, 2015. The Group does not expect any significant impact of these amendments on its consolidated financial statements. These amendments have not yet been adopted by the European Union.

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 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 condensed interim financial statements, the significant judgements 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 for the year ended December 31, 2014.

Note 4 – Segmental information

When analysing the performance of the operating segment the comparative prior year figures are reconsolidated using, for all currencies, the exchange rates applying for each month in the current period. These restated prior year figures are noted as being presented at 'constant FX'. The financial results for the six month period ended June 30 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	**2015**	Constant FX 2014	2014
Revenue	999.1	1,026.2	938.9
Operating expenses	(259.1)	(267.1)	(245.1)
EBITDA [1]	740.0	759.1	693.8
EBITDA margin (%)	74.1%	74.0%	73.9%
Depreciation and amortisation expense	(290.1)	(290.1)	(256.3)
Operating profit	449.9	469.0	437.5

	Six month period ended June 30		
In millions of euros	2014	Constant FX 2013	2013
Revenue	938.9	883.4	910.5
Operating expenses	(245.1)	(237.1)	(248.5)
EBITDA [1]	693.8	646.3	662.0
EBITDA margin (%)	73.9%	73.2%	72.7%
Depreciation and amortisation expense	(256.3)	(246.4)	(253.4)
Operating profit	437.5	399.9	408.6

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

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

Six month period ended June 30			
In millions of euros	**2015**	Constant FX 2014	Change
Europe	**512.4**	513.8	-0.3%
North America	**194.0**	202.3	-4.1%
International	**292.7**	310.1	-5.6%
Total	**999.1**	1,026.2	-2.6%

Six month period ended June 30			
In millions of euros	**2014**	Constant FX 2013	Change
Europe	**514.7**	452.6	+13.7%
North America	**167.2**	193.3	-13.5%
International	**257.0**	237.5	+8.2%
Total	**938.9**	883.4	+6.3%

Note 5 – Investment in associates

At June 30, 2015, SES has an equity interest of 44.75% in O3b Networks Limited (2014: 44.75%). The carrying value of the O3b Networks investment has decreased from EUR 93.0 million as at December 31, 2014 to EUR 33.9 million as at June 30, 2015 reflecting the SES share of losses recorded in the period.

Note 6 – Dividends declared and paid during the period

Six month period ended June 30 *In millions of euros*	**2015**[2]	2014
Class A dividend (2014: EUR 1.18, 2013: EUR 1.07)	**355.2**	361.2
Class B dividend (2014: EUR 0.47, 2013: EUR 0.43)	**79.7**	72.3
Total dividends declared and paid during the period[1]	**434.9**	433.5

[1] Excluding dividends received on treasury shares of EUR 0.8 million (2014: EUR 0.4 million).

[2] Net of withholding tax of EUR 44.0 million paid in July 2015

Note 7 – Shares issued per class of shares

On April 2, 2015, the general meeting of shareholders authorised the Board of Directors to issue, within the authorised share capital, 6,000,000 new class A shares and new 3,000,000 class B shares.

After the share issue, SES has a subscribed capital of Euro 644.3 million represented by 337,600,000 class A shares and 168,800,000 class B shares:

	Class A shares	Class B shares	Total
Shares issued at December 31, 2014	337,600,000	168,800,000	506,400,000
Shares issued during the period	6,000,000	3,000,000	9,000,000
Shares issued at June 30, 2015	343,600,000	171,800,000	515,400,000

The new class A shares were issued to a financial institution and were entirely paid up in cash for an amount of EUR 193.4 million allocated as EUR 7.5 million to share capital and EUR 185.9 million to share premium. An amount of EUR 21.2 million of the proceeds is held with the financial institution concerned as at June 30, 2015. The shares were immediately converted into FDRs on the day of the transaction.

The new class B shares were partly paid up in cash for an amount of EUR 25.3 million allocated as EUR 2.5 million to share capital and EUR 22.8 million to share premium. The remainder was paid up by a contribution in kind consisting of 416,782 FDRs. The value of the contribution in kind amounted to EUR 13.5 million allocated as EUR 1.3 million to share capital and EUR 12.2 million to share premium.

Within the framework of SES's share buy-back programme, on May 29, 2015, SES entered into a forward agreement with the financial institution for the purchase of the above 6,000,000 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 forward agreement sets 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. The maturities for the purchase of 1,500,000 FDRs and 2,000,000 FDRs are January 14, 2016 and April 7, 2016 respectively. As of June 30, 2015, a liability of EUR 112.8 million was recorded corresponding to the purchase of the 3,500,000 FDRs.

At June 30, 2015 the Group held 3,275,276 (December 2014: 1,187,145) FDRs either for cancellation under the share buy-back or in connection with employee share-based payment plans.

Note 8 – 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, 2015, 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)	229.3	46.1	275.4
Weighted average shares outstanding for the period (in millions of euros)	337.5	169.3	506.8
Basic earnings per share for the period (in euro)	0.68	0.27	

The corresponding computation for the prior six month period ended June 30, 2014 is as set out below:

	Class A shares	Class B shares	Total
Total net profit attributable to ordinary shareholders (in millions of euros)	242.4	48.5	290.9
Weighted average shares outstanding for the period (in millions of euros)	337.1	168.8	505.9
Basic earnings per share for the period (in euro)	0.72	0.29	

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

Note 9 – Related party transactions

No related party transactions have occurred during the six month period ended June 30, 2015 which have a significant impact on the financial position or results of the Group (see also Note 5).

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