SES, Société anonyme
Interim results
For the six months ended
June 30, 2014

FINANCIAL HIGHLIGHTS

H1 2014 growth compared to prior year period	As reported	At constant FX
Revenue	3.1%	6.3%
EBITDA	4.8%	7.4%

- H1 Revenue of EUR 938.9 million (2013: EUR 910.5 million)
  - An increase of 6.3% over the prior year period at constant exchange rates ("constant FX")[1]
- H1 EBITDA of EUR 693.8 million (2013: EUR 662.0 million)
  - An increase of 7.4% at constant FX over the prior year
  - EBITDA margin of 73.9% (2013: 72.7% as reported)
- Operating profit rose to EUR 437.5 million, an increase of 9.4% at constant FX
- H1 Profit of the group increased 8.5% to EUR 290.9 million (2013: EUR 268.0 million)
- Contract backlog of EUR 7.2 billion at end of June 2014
- Closing Net Debt / EBITDA ratio of 2.85 (30 June 2013: 3.07)

Karim Michel Sabbagh, President and CEO, commented:

"SES's continuing successful development and execution of the 2014 plan has delivered robust first half results that validate our strategy to address target regions and market verticals. Video remains core to our business. Europe and the International segments posted strong growth, while the North American segment continued to be affected by the U.S. Government budget sequester. The 2014 financial guidance is reiterated.

Three satellites were brought into service in the period, further developing our capabilities in Europe, MENA and Asia-Pacific. Four more satellites are under construction, including the newly announced SES-12, a hybrid satellite for the Asia-Pacific region, which will benefit from the dual innovations of an HTS payload and all-electric propulsion. These programmes, all

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[1] *"Constant FX" refers to the restatement of comparative figures to neutralise currency variations and thus facilitate comparison. Comparative revenue and operating expenses for 2013 are also adjusted to reflect the disposal of the Glocom business in November 2013.*

components of our medium term CapEx plan, will enhance our differentiated positioning in the developing markets that we are targeting.

On 10 July 2014, O3b Networks, the satellite company building 'Fibre in the Sky', in which SES has a significant interest, successfully launched its second group of four satellites. O3b's full suite of commercial services will be offered once in-orbit testing is completed. We look forward to O3b's successful commercialisation of its product range with customers across the underserved markets of the world."

1. FINANCIAL REVIEW: *Growth driven by European and International segments*

- Revenue increased by 6.3% at constant FX
- EBITDA increased by 7.4% at constant FX
- Operating profit was up 9.4% at constant FX

Reported first half **revenue** of EUR 938.9 million rose EUR 28.4 million, or 3.1%, over the prior year period, a rise of EUR 55.5 million, or 6.3%, at constant FX. Organic infrastructure growth in the European and International markets, and a strong performance by the European services businesses, were augmented through the sale of eight transponders to Eutelsat in the framework of the comprehensive agreement signed in January, which was a significant contributor to the European segment growth of 13.7%. The growth in the International segment was 8.2%, largely reflecting the contribution from the incremental capacity over Latin America on the SES-6 satellite and the start of commercial operations in February 2014 on SES-8 in the Asia-Pacific region.

The underlying operating cost base of the group remained stable year-on-year with the EUR 8.0 million, or 3.4%, increase recorded reflecting primarily cost of sales associated with expanded Services revenues and one-time items. **EBITDA** at constant FX increased by 7.4%, reflecting the growth in revenue.

The group **EBITDA margin** of 73.9% for the period improved over the prior year reported margin of 72.7%, or – at constant FX – of 73.2%. The Infrastructure margin, at 83.5% (2013 at constant FX: 83.3%), and Services margin, at 15.2% (2013 at constant FX: 15.7%), both remained strong and within guidance assumptions. Increased levels of pull-through Infrastructure revenues derived from Services activities contributed strongly to the overall margin increase.

Operating profit was EUR 437.5 million, an increase of 7.1% as reported and of 9.4% at constant FX.

Net financing charges of EUR 85.2 million were EUR 2.7 million higher than the prior year, principally reflecting the impact of the lower level of satellite capital expenditure on the capitalisation of interest. The group's weighted average interest rate (excluding loan origination cost and commitment fees) has remained under 4%, while average debt maturity has been extended to 8.7 years.

The group's **tax charge** of EUR 53.7 million (H1 2013: EUR 45.3 million) represented an effective tax rate of 15.2% (H1 2013: 13.9%), in line with the full year guidance range of 13% - 18%.

The **share of loss attributed to associates** was EUR 7.2 million (2013: EUR 12.3 million), with the decrease reflecting mainly a one-time charge of EUR 3.1 million taken in 2013 in connection with the disposal of the Group's remaining interest in ND SatCom.

These items were the principal variances to the prior year period, resulting in a H1 2014 **net profit** of EUR 290.9 million, an 8.5% increase over the EUR 268.0 million recorded in H1 2013.

2. FLEET DEVELOPMENT AND UTILISATION: *Continuing fleet enhancement*

- SES-8 and ASTRA 2E entered service in February 2014
- ASTRA 5B launched and subsequently brought into service at the start of June
- AMC-5 was deorbited in May 2014
- Available transponder capacity grew by 6.5%
- Utilised transponder capacity grew by 2.4%

Notable fleet developments in the first half were the conclusion of in-orbit testing and subsequent entry into service of **ASTRA 2E** and **SES-8** at the beginning of February 2014. **ASTRA 5B** was launched in March and entered service at the beginning of June following its successful in-orbit testing. The AMC-5 satellite was deorbited in May 2014, having reached the end of its operational life.

Available transponder capacity increased by 6.5% compared to 30 June 2013, from 1,436 to 1,530, while net utilised capacity rose by 2.4%, from 1,084 to 1,110 transponders. At 30 June 2014, the group satellite fleet had a utilisation rate of 72.5%.

Utilisation - Europe

The end of ASTRA 1F's Gazprom mission during Q3 2013 continues to influence the year-on-year comparison, as it had contributed 16 available and utilised transponders to the count in H1 2013. Available satellite capacity increased by a net 17 transponders compared to H1 2013, with new capacity at 28.2/28.5E and at 31.5E (ASTRA 5B) offsetting the absence of 16 ASTRA 1F transponders. Net utilised capacity increased by six transponders, as favourable developments at 19.2E, 5E and other European orbital positions offset the absence of 16 ASTRA 1F transponders. The overall utilisation rate in the region stood at 79.8% at the end of H1 2014. Average revenue per utilised transponder remained stable in the discrete national markets served.

Utilisation - North America

Available satellite capacity reduced by five transponders compared to H1 2013, due to the reduction of the AMC-6 payload following a solar array circuit failure recorded in Q1 2014. Utilised capacity reduced by 17 transponders, as new business and renewals did not offset non-renewals mainly with U.S. government customers (who continue to be subject to government budgetary restrictions), resulting in a utilisation rate of 70.4%. Average revenue per utilised transponder remained stable.

Utilisation - International

Available satellite capacity increased by 82 transponders compared to H1 2013, due to the additional capacity on SES-6, ASTRA 2E and SES-8. Utilisation increased by 37 transponders, resulting in an overall utilisation rate of 70.2%. Average revenue per utilised transponder remained stable.

Forthcoming launches

SES has four satellite programmes under development. Following a Proton launcher anomaly affecting a preceding launch, a failure review is in process and the ASTRA 2G launch is now expected in Q4 2014.

Satellite	Date	Launcher	Orbital Position	Market
ASTRA 2G	Q4 2014	Proton	28.2/28.5E	UK & Ireland / EMEA
SES-9	H1 2015	Falcon 9	108.2E	Asia-Pacific
SES-10	H2 2016	Falcon 9	67W	Latin America
SES-12	Q4 2017	TBD	95E	Asia-Pacific

Satellite Health

SES operates a number of spacecraft that are susceptible to solar array circuit failures. During Q1 2014, a solar array circuit failure on AMC-6 reduced the available capacity on that satellite by five transponders. The commercial impact of the capacity reduction is not material, as affected customer traffic was migrated to other available capacity in North America. There were no other events affecting commercially available capacity on the SES fleet in the period.

3. GEOGRAPHIC MARKET SEGMENTS: *Further increase in global reach*

Market Penetration

SES's market penetration continued to develop positively. The SES Satellite Monitor, published in March 2014, confirmed a 5.4% increase in SES's global reach in 2013, to 291 million TV homes (2012: 276 million). All markets recorded growth; in Europe, the figure rose to 151 million TV homes, an increase of 5% over 2012. The increase was notable in developing markets, with India up 18% and the Asia-Pacific region up 7%.

SES recorded a 3.9% increase in the number of HD and Standard Definition TV channels broadcast over its satellites compared to year end 2013, rising to 6,481 at the end of June 2014. Of these, HD channels totalled 1,817, an increase of 1.3%.

Europe

European segment revenue increased 13.7% on a constant FX basis to EUR 514.7 million, driven by new capacity agreements signed in 2013 with customers including Sky Deutschland, the favourable development of HD+ sales in Germany, and newly signed business contributing during the first half.

Ultra HD broadcasting has steadily moved closer to commercial introduction, as SES and select customers conducted successful trial broadcasts. During the second quarter, Sky Deutschland conducted live transmission tests over SES satellites, including the world's first end-to-end Ultra HD broadcast of a football match; Oi conducted similar trials in Brazil, and Eurovision carried Ultra HD feeds worldwide from the 2014 FIFA World Cup.

An important contribution to H1 2014 revenue was from the sale of capacity at 28.5E to Eutelsat. This sale of eight transponders to Eutelsat is part of the comprehensive agreement signed in January 2014.

Principal developments in the period included a contract with Austrian broadcaster ORF, which has contracted a third transponder, to support HD programming. A new contract was signed with SIS Live to use Ka-band capacity on ASTRA 1L for satellite news gathering. NBC selected SES to provide Occasional Use capacity to support its coverage of the Winter Olympics in Sochi. TowerCom, a Slovakian telecoms and TV operator, renewed its contract for capacity on ASTRA 3B at 23.5E. The BBC took additional capacity at 28.2E to support its coverage of the Wimbledon tennis championships, the Glastonbury festival and the Commonwealth Games.

The 2014 FIFA World Cup substantially increased demand for satellite capacity to cover the football matches in the 12 different venues across Brazil. SES satellites delivered over 39,000 hours of coverage using more than 450 MHz of SES Occasional Use capacity to deliver World Cup broadcasts to audiences throughout North America, Latin America and Europe. The NSS-806, SES-6 and NSS-7 spacecraft enabled content contribution and distribution feeds. Other SES spacecraft and ground infrastructure extended the distribution into other regions, including Asia, Australia and the Middle East. SES's AMC-9 satellite was used for Mexico and the U.S., while SES-1, SES-2, SES-4, SES-5, SES-6 and AMC-1 also played an important part in broadcasting the tournament.

The HD+ platform in Germany continued to develop well, with over 1.5 million paying customers at the end of June 2014, a 29% increase over the prior year period. A further 1.3 million households are presently in the free trial phase. HD+ today delivers 20 HD channels to viewers.

ASTRA 5B entered service in June 2014. The satellite is positioned at 31.5E, where it carries the full complement of 40 BSS Ku-band transponders for that orbital position, as well as two Ka-band transponders. Incremental capacity has already been activated by a key customer in the region. The satellite also carries the EGNOS-2 navigational overlay hosted payload for the European Commission, which is being prepared for service.

In addition, SES Broadband Services signed contracts to deliver high-speed connectivity to a number of German communities, via the "ASTRA Connect for Communities" broadband service, further supported by an agreement with service provider OrbitComm in April 2014.

North America

North America segment revenue decreased by 13.5% to EUR 167.2 million compared to the prior year period, on a constant FX basis. The decline reflects the absence of revenue from government contracts which were not renewed due to federal budget management measures. The CHIRP hosted payload was one such programme for which funding was unavailable from the beginning of the year. Otherwise, business remained stable, with a number of new contracts covering both commercial and government business.

While SES Government Solutions continued to secure new business, supporting medium-term growth expectations, the impact of the U.S. government sequester continues to be an adverse influence on revenue progression. SES GS now offers O3b services on its General Services Administration (GSA) Schedule as of 30 June 2014, making SES GS the first distribution partner to offer the O3b capability directly to the U.S. Government.

MTN Communications announced an extended capacity arrangement to deliver reliable communications connections to the cruise, yacht, ferry, commercial shipping, oil and gas and government markets. The company uses multiple transponders across two satellites.

International

International revenue increased by 8.2% to EUR 257.0 million compared to the prior year period, on a constant FX basis. SES-6 was a significant driver of this year-on-year growth, with Brazilian DTH operations contributing fully in the period.

New business and renewals were signed across several geographies in the period. Orange Business Services renewed and expanded the capacity it uses on NSS-12 to support growing connectivity needs in the Russian Federation, using both C-band and Ku-band capacity.

The SES-8 satellite was brought into service at the beginning of February 2014 and has begun the commercialisation of its new capacity for the Asian markets. The ramp-up of the payload continues and will be weighted to the second half of 2014 and into 2015.

A new video distribution neighbourhood for Latin America has been opened with the NSS-806 satellite, located at 47.5W. The new neighbourhood provides capacity for expansion of video channel delivery to cable head-ends throughout Latin America, and accommodates the

increasing number of HD channels in the region. Combined with SES's strong neighbourhood on SES-6 at 40.5W, this satellite creates a dual-slot high value proposition for expansion and for redundancy to programmers and broadcasters. Further growth will be supported by the two new orbital positions, 48W and 64W, to which SES gained access following successful bids in the Brazilian spectrum auction in June 2014. Major broadcaster Encompass Latin America (formerly TIBA) has strongly endorsed the new neighbourhood with a multi-transponder agreement.

Telefonica Global Solutions signed a capacity agreement for C-band capacity aboard the NSS-7 satellite to meet fast-growing demand for its popular VIVO mobile voice and data services across Northern Brazil.

Alruya, a leading system integrator and VSAT operator based in Libya, signed a capacity deal on the NSS-7 satellite at 20W to provide high-speed internet access and voice over IP services.

Cetel, a leading VSAT operator, contracted an additional 72 MHz of capacity on NSS-7 at 20W to support its networks in Africa.

In April, Gogo went live with its transatlantic inflight connectivity, using capacity on three SES satellites – SES-1, SES-4 and SES-6 – to provide seamless connectivity across the U.S., transatlantic air routes and Europe.

Telecomm Mexico signed an important capacity agreement to connect underserved rural communities with high-speed broadband. Telecomm Mexico is utilising five transponders on AMC-3 to link 11,000 schools and community centres with Internet access and voice services. AMC-3 was repositioned in 2012 to 67W to meet the growing demand for satellite capacity across Mexico and the Latin American region.

4. OTHER DEVELOPMENTS:

O3b Networks

O3b Networks' ("O3b") business model is to deliver high-speed business-to-business broadband connectivity across the developing world using a constellation of satellites in Medium Earth Orbit. O3b launched its first four satellites in June 2013 and confirmed initial operation of the system. Satellites five to eight were successfully launched on 10 July 2014 and are undergoing in-orbit testing. Full commercial service roll-out is expected to start in September, following the conclusion of this testing.

Financing

In January 2014, the company successfully renewed its EUR 1.2 billion Revolving Credit Facility on favourable terms. The five-year multicurrency revolving credit facility has two one-year extension options. The margin at the current rating of BBB / Baa2 is 45 bps p.a.

In March 2014, SES further enhanced its financing base with its second benchmark financial transaction in the U.S. dollar bond market. The transaction comprised USD 500 million of 2.5% notes, due 2019 and USD 500 million of 5.3% notes, due 2044. This transaction, which increased the proportion of U.S. dollar debt on the balance sheet, has enhanced SES's natural

hedge of its USD exposure. It also extended the overall debt maturity, while maintaining the average financing cost which, at 30 June 2014, was 3.96%.

Settlement of dispute with Eutelsat

On 30 January 2014, SES and Eutelsat announced the settlement of the dispute related to SES's operation of German frequency rights at 28.5E. The two companies have concluded a series of agreements, including a comprehensive settlement of legal proceedings, confirming SES's right to operate at the 28.5E orbital position and containing long-term commercial as well as frequency coordination elements. The agreements allow SES to fully exploit its satellite and fleet investments and to operate and commercialise its assets and frequency spectrum efficiently.

Annual General Meeting

At the Annual General Meeting (AGM) of shareholders held on 3 April 2014, all resolutions proposed to the AGM were approved, notably the dividend of EUR 1.07 per A share, which was paid on 24 April. Mr Ramu Potarazu was elected to the Board of Directors.

In their first meeting following the AGM, the Board of Directors appointed René Steichen as Chairman of the Board and François Tesch and Jean-Paul Zens as Vice-Chairmen. Following his election, René Steichen announced that, in accordance with the age requirements for the office set out in the internal regulations of the company, he will step down from the position of Chairman of the Board of SES at the end of the year. Following René Steichen's declaration, and upon his proposal, the Board of Directors of SES has elected Romain Bausch to succeed him as Chairman of the Board from 1 January 2015.

5. OUTLOOK AND GUIDANCE: *Reiterated*

Financial guidance

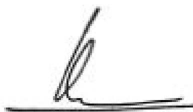
SES's financial guidance of revenue and EBITDA growth in 2014 of 6%-7% at constant FX and at same scope is reiterated. The further launch delay of ASTRA 2G means that this satellite will now generate less revenue in 2014 than foreseen. This impact is accommodated within the guidance range, which assumes no further launch schedule movements or changes in satellite health status.

SES is in a period of significantly reduced capital expenditure, even as additional growth investments are made. This, and rising revenue and EBITDA, will deliver strong growth in free cash flow, which may be applied to further growth investments and the long-term delivery of shareholder returns.

SES's results for the third quarter of the 2014 financial year will be announced on Friday 31 October.

Responsibility statement

The Board of Directors and the executive management of the company reaffirm their responsibility to ensure
the maintenance of proper accounting records disclosing the financial position of the group with reasonable
accuracy at any time, and ensuring that an appropriate system of internal controls is in place to ensure that the group‟s business operations are carried on efficiently and transparently. In accordance with Article 3 of the law of January 11, 2008 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, we declare that, to the best of our knowledge, the interim condensed consolidated financial statements for the half year ended June 30, 2014, prepared in accordance with the International Financial Reporting Standards as adopted for use in the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the year of SES and its subsidiaries included in the consolidation taken as a whole. In addition, the management‟s report includes a fair review of the development and performance of the business and the position of SES and its subsidiaries included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.



René Steichen
Chairman of the Board of Directors

Karim Michel Sabbagh
President & 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. and its subsidiaries (the "Group") as of 30 June 2014 and the related interim condensed consolidated income statement, statement of comprehensive income, statement of cash flows and statement of changes in shareholders' equity for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes (the "condensed consolidated interim financial information"). The Board of Directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 24 July 2014

Gilles Vanderweyen

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Interim condensed consolidated income statement

For the six month period ended June 30

In millions of euros	**2014**	2013
Revenue	**938.9**	910.5
Operating expenses	**(245.1)**	(248.5)
Earnings before interest, tax, depreciation & amortisation	**693.8**	662.0
Depreciation expense	**(233.0)**	(236.2)
Amortisation expense	**(23.3)**	(17.2)
Operating profit	**437.5**	408.6
Finance revenues	**3.5**	1.8
Finance costs	**(88.7)**	(84.3)
Net financing charges	**(85.2)**	(82.5)
Profit before tax	**352.3**	326.1
Income tax expense	**(53.7)**	(45.3)
Share of joint ventures and associates' result	**(7.2)**	(12.3)
Net profit for the period	**291.4**	268.5
Attributable to equity holders of the parent	**290.9**	268.0
Attributable to non-controlling interests	**0.5**	0.5

Weighted basic and diluted earnings per share[1]

For the six month period ended June 30

In euros	**2014**	2013
A – shares	0.72	0.67
B – shares	0.29	0.27

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

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

Interim condensed consolidated statement of comprehensive income

For the six month period ended June 30

In millions of euros	**2014**	2013
Net profit for the period	**291.4**	268.5
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Impact of currency translation	**33.7**	75.9
Net loss on hedge of net investment	**(13.4)**	(28.9)
Income tax effect	**3.6**	9.0
Total net (loss)/gain on hedge of net investment, net of tax	**(9.8)**	(19.9)
Net movements on cash flow hedges	**--**	(13.8)
Income tax effect	**--**	4.1
Total net movements on cash flow hedges, net of tax	**--**	(9.7)
Total items that may be reclassified subsequently to profit or loss	**23.9**	46.3
Total other comprehensive income for the period, net of tax	**23.9**	46.3
Total comprehensive income for the period, net of tax	**315.3**	314.8
Attributable to:		
Equity holders of the parent	**314.0**	309.5
Non-controlling interests	**1.3**	5.3

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

Interim condensed consolidated statement of financial position

In millions of euros	**June 30, 2014**	December 31, 2013
Non-current assets		
Property, plant and equipment	**4,262.6**	3,747.7
Assets in the course of construction	**468.8**	1,099.8
Intangible assets	**2,920.0**	2,750.3
Financial and other non-current assets	**238.2**	306.9
Total non-current assets	**7,889.6**	7,904.7
Current assets		
Inventories	**9.1**	6.4
Trade and other receivables	**510.3**	586.6
Prepayments	**32.5**	37.4
Derivatives	**--**	9.5
Cash and cash equivalents	**1,045.5**	544.2
Total current assets	**1,597.4**	1,184.1
Total assets	**9,487.0**	9,088.8
Equity		
Attributable to equity holders of the parent	**2,691.6**	2,820.7
Non-controlling interests	**76.9**	78.2
Total equity	**2,768.5**	2,898.9
Non-current liabilities		
Loans and borrowings	**4,203.8**	3,542.2
Provisions	**111.8**	129.0
Deferred income	**267.3**	227.8
Deferred tax liabilities	**639.5**	645.3
Other long-term liabilities	**40.0**	59.7
Total non-current liabilities	**5,262.4**	4,604.0
Current liabilities		
Loans and borrowings	**825.6**	803.7
Provisions	**30.6**	12.6
Deferred income	**274.8**	385.6
Trade and other payables	**288.0**	341.4
Income tax liabilities	**37.1**	42.6
Total current liabilities	**1,456.1**	1,585.9
Total liabilities	**6,718.5**	6,189.9
Total equity and liabilities	**9,487.0**	9,088.8

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

Interim condensed consolidated statement of cash flow

For the six month period ended June 30

In millions of euros	**2014**	2013
Profit before tax	**352.3**	326.1
Taxes paid during the period	**(40.4)**	(20.3)
Adjustment for non-cash items	**328.3**	324.4
Consolidated operating profit before working capital changes	**640.2**	630.2
Changes in operating assets and liabilities	**(102.1)**	(99.0)
Net operating cash flow	**538.1**	531.2
Cash flow from investing activities		
Purchase, net of disposals, of intangible assets	**(60.1)**	--
Purchase, net of disposals, of property, plant and equipment	**(105.5)**	(202.9)
Repayment of loan to associates	**--**	14.0
Settlement of net investment hedge instruments	**9.2**	(57.0)
Investment in equity-accounted investments	**(7.2)**	--
Total cash flow from investing activities	**(163.6)**	(245.9)
Free cash flow before financing activities	**374.5**	285.3
Cash flow from financing activities		
Proceeds from borrowings	**707.7**	1,172.4
Repayment of borrowings	**(46.8)**	(598.1)
Interest paid	**(96.1)**	(85.6)
Dividends paid to the equity holders of the parent [1]	**(433.1)**	(356.5)
Dividends paid to non-controlling interests	**(2.6)**	--
Acquisition of treasury shares	**(70.9)**	--
Net proceeds of treasury shares sold	**55.1**	23.3
Total cash flows from financing activities	**113.3**	155.5
Free cash flow after financing activities	**487.8**	440.8
Net foreign exchange movements	**13.5**	(15.3)
Net increase / (decrease) in cash	**501.3**	425.5
Net cash at beginning of the period	**544.2**	240.0
Net cash at end of the period	**1,045.5**	665.5

[1] Dividends are shown net of dividends received on treasury shares of EUR 0.4 million (2013: EUR 2.8 million).

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

Interim condensed consolidated statement of changes in shareholders’ equity

For the six month period ended June 30, 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 declared/ paid (net of dividends received on treasury shares)	--	--	--	--	(433.1)	--	--	(433.1)	(2.6)	(435.7)
Purchase of treasury shares	--	--	(70.9)	--	--	--	--	(70.9)	--	(70.9)
Share-based payment adjustment	--	--	--	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.

Interim condensed consolidated statement of changes in shareholders’ equity

For the six month period ended June 30, 2013

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

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, 2014 were authorised for issue in accordance with a resolution of the directors on July 24, 2014. 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 months ended June 30, 2014 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the E.U. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2013. 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, 2013, except for the adoption of new standards and interpretation as of January 1, 2014 as noted below.

IFRS 10 Consolidated financial statements

Under IFRS 10, subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group has power over an entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The Group has applied IFRS 10 retrospectively in accordance with the transition provisions of IFRS 10. The adoption of this standard did not have any impact on the financial position or performance of the Group.

IFRS 11 Joint arrangements

IFRS 11 focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted. With effect from January 1, 2012 the Group has voluntarily changed its accounting policies for interests in a joint venture from proportional consolidation to the equity method of accounting. As at 30 June, 2014, the Group does not have any joint arrangements. Therefore, the adoption of this standard did not have any impact on the financial position or performance of the Group.

IFRS 12 Disclosures of interests in other entities

IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. The Group will apply the new disclosure requirements in respect to this standard whilst preparing the annual report as at December 31, 2014. The adoption of this standard did not have any impact on the financial position or performance of the Group.

IFRIC 21 Levies

IFRIC 21 sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be

recognised. This standard becomes effective for annual periods beginning on or after January 1, 2014. The Group is not currently subjected to significant levies so the impact on the Group is not material.

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, 2014, and have not been early adopted in preparing these consolidated financial statements:

IFRS 9 Financial instruments

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in two phases in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. In addition, final standard on hedging (excluding macro hedging) has been issued in November 2013 which aligns hedge accounting more closely with risk management, and so should result in more 'decision-useful' information to users of financial statements. A final standard is not expected before the end of 2014. The Group is yet to assess IFRS 9's full impact. The Group will also consider the impact of the remaining phases of IFRS 9 when completed by the IASB. Application date has not been determined. IFRS 9 has not yet been adopted by the European Union.

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

This amendment clarifies the application of IAS19, 'Employee Benefits' (2011) – referred to as IAS19 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 Group does not expect this amendment to have a material impact and intends to adopt it for accounting periods beginning after July 1, 2014. This amendment has not yet been adopted by the European Union.

IFRS 15 Revenue from contracts with customers

IFRS 15 applies to all contracts with customers except those that are financial instruments, leases or insurance contracts and introduces a five-step process that the Group will have to follow. The new Standard goes beyond just "commercial effect", "fair value" and "risk and rewards" and will also result in a significant increase in the volume of disclosures related to revenue. IFRS 15 will be applicable for reporting periods beginning on or after 1 January 2017 (early application is permitted). It has not yet been adopted by the European Union. The Group is still assessing the effect of this new standard on its future financial reporting.

As part of its annual improvement project, the IASB slightly amended various standards. The improvements 2012 and 2013 focus on areas of inconsistencies in IFRSs or where clarification of wording was required. The effective date of these amendments is July 1, 2014. 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, 2013, except for the effect of the accounting policy changes described above (see also Note 12).

Note 4 – Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial statements do not include all financial risk 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, 2013. There have been no significant changes in the risk management department or in any risk management policies since the year end.

Liquidity risk
Compared to year end, except for the issue of the second 144A bond (see Note 10), there was no material change in the contractual undiscounted cash out flows for financial liabilities.

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method.

The different levels have been defined as follows:

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

2) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

3) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (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 fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

There were no Group's assets or liabilities that are measured at fair value at June 30, 2014. The following table presents the Group's assets and liabilities that are measured at fair value at December 31, 2013.

As at December 31, 2013

Assets *(in millions of euros)*	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivatives used for hedging				
- Cross-currency swaps	-	9.5	-	9.5
Total assets	**-**	**9.5**	**-**	**9.5**

Note 5 – Segmental information

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

In millions of euros	**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

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

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

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

In millions of euros	**2014**	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 6 – Investment in associates

At June 30, 2014, SES has an equity interest of 44.75% in the O3b Networks group of companies, compared to 46.85% at the end of previous year. The carrying value of the O3b Networks investment has decreased from EUR 132.8 million as of December 31, 2013 to EUR 124.4 million as of June 30, 2014.

In April 2014, O3b executed a set of agreements with its shareholders and lenders to restructure its financing. SES's financial commitment to the O3b business was not materially changed as a result of the funding agreement. On July 10, 2014, satellites 5 to 8 of the O3b fleet were successfully launched and are currently undergoing in-orbit testing.

Note 7 – Dividends declared and paid during the period

In millions of euros	**Six months to June 30, 2014**	Six months to June 30, 2013
Class A dividend (2013: EUR 1.07, 2012: EUR 0.97)	**361.2**	327.5
Class B dividend (2013: EUR 0.43, 2012: EUR 0.39)	**72.3**	65.5
Total dividends declared during the period*	**433.5**	393.0

* Excluding dividends received on treasury shares of EUR 0.4 million (2013: EUR 2.8 million).

Note 8 – Shares issued per class of shares

The shares issued as at June 30, 2014, were unchanged from the position as at December 31, 2013.

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

At June 30, 2014 the Group held 826,606 (December 2013: 1,678,009) FDRs either for cancellation under the share buy-back or in connection with employee share-based payment plans.

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, 2014, 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)	242.4	48.5	290.9
Weighted average shares in issue for the period (in million)	337.1	168.8	505.9
Weighted earnings per share for the period (in euro)	0.72	0.29	

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

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

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 10 – Interest-bearing loans and borrowings

144A Bond USD 1 billion notes in two tranches due 2019 and 2044

On March 17, 2014, SES completed its second 144A offering in the US market issuing bonds of an aggregate amount of $1bn comprising:

- a 5-year bond of $500 million with a coupon of 2.50% priced at US Treasury on-the-run 10-year Bond reference rate +105 basis points; and,
- a 30-year bond of $500 million with a coupon of 5.30% priced at the US Treasury on-the-run 30-year Bond reference rate + 185 basis points.

These bonds were designated as hedges of the net investments in SES Americom Inc., New Skies Satellites BV and SES Satellite Leasing Limited to mitigate the Group's exposure to foreign exchange risk on these investments. EUR 650 million was applied to the settlement of Eurobond 2014 liability on July 9, 2014.

Note 11 – Related party transactions

No related party transactions have occurred during the six months ended June 30, 2014 which have a significant impact on the financial position or results of the Group (see also Note 6).

Note 12 – Eutelsat settlement

On January 30, 2014 SES and Eutelsat Communications announced the conclusion of a series of agreements including a comprehensive settlement of legal proceedings concerning the right to operate at the 28.5 degrees East orbital position and containing long-term commercial as well as frequency coordination elements.

- The first agreement ends the arbitral procedure between Eutelsat and SES that was initiated in October 2012 under the rules of the International Chamber of Commerce in Paris. The dispute concerned a right of use of 500 MHz spectrum at the 28.5 degrees East orbital position. Eutelsat ceased to operate this spectrum on 3 October 2013 and SES has operated this spectrum since that date. The dispute over this right of use has now been resolved, with SES continuing to operate its satellites at this location, and Eutelsat independently commercialising part of the capacity of the previously disputed frequencies.
- According to the second agreement between both companies, Eutelsat has therefore contracted long-term satellite capacity on the SES satellite fleet at the 28.5 degrees East orbital position. Eutelsat will commercialise over Europe on the SES fleet 125 MHz (eight Band-B transponders) of the formerly disputed 500 MHz. Eutelsat will also commercialise on the SES fleet the 250 MHz (12 Band-A transponders) which was not the subject of the legal proceedings. The 20 transponders will be operated on three new satellites which SES is deploying at the 28.2/28.5 degrees East neighbourhood – ASTRA 2F, ASTRA 2E and ASTRA 2G – of which the first two have been launched and are operational, while the third is planned for a launch later this year.
- The third agreement between the two companies addresses technical frequency coordination under the rules of the International Telecommunication Union. It will allow both parties an optimised use of their respective spectrum at a number of orbital positions over Europe, the Middle East and Africa. It confirms and clarifies in technical terms the geographic coverage and transmission power levels for frequencies at these positions.

Within the framework of these agreements, SES recognises revenues in connection with the sale of the 12 Band-A transponders, with eight of these recognised in the current period. SES will recognise revenue on the provision of services on the eight Band-B transponders over the term of the agreement. SES has also recognised additional intangible assets to reflect the economic benefit generated through the clarification of the technical frequency coordination matters at the various orbital positions.

The net cash impact was not significant in the period, and is not expected to be significant in the second half of 2014 and in 2015.

Note 13 – Litigation

There were no significant litigation claims against the Group as of June 30, 2014.

Note 14 – Events after the reporting period

On July 17, 2014, the Group announced the procurement of the SES-12 satellite to be built by Airbus Defence and Space. The spacecraft, which will be co-located with SES-8 at 95 degrees East, will serve the direct-to-home broadcasting, data, mobility and government markets in Asia.

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