Société Anonyme
RCS Luxembourg B 81.267

Notice is hereby given of the

Annual General Meeting (AGM)

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

Thursday, April 5, 2012 at 10:30 a.m.

AGENDA

1. Attendance list, quorum and adoption of the agenda
2. Nomination of a secretary and of two scrutineers
3. Presentation by the Chairman of the Board of Directors of the 2011 activities report of the Board
4. Presentation on the main developments during 2011 and perspectives
5. Presentation of the 2011 financial results
6. Presentation of the audit report
7. Approval of the balance sheet as of December 31, 2011 and of the 2011 profit and loss accounts
8. Decision on allocation of 2011 profits
9. Transfers between reserve accounts
10. Discharge of the members of the Board of Directors
11. Discharge of the auditor
12. Appointment of the auditor for the year 2012 and determination of its remuneration
13. Resolution on company acquiring own FDRs and/or own A-, or B-shares
14. Election of six Directors for a three-year term
15. Determination of the remuneration of Board members
16. Miscellaneous

Attendance at AGM

The right of a shareholder to attend the AGM and to participate in the vote will be determined on the fourteenth day (i.e. March 22, 2012) at midnight, preceding the AGM (the Registration Date). Anyone not being a shareholder at the Registration Date may not attend or vote at the AGM. The shareholders who hold shares on the Registration Date are required to inform the Company (by mail to SES, attn. Mrs Firouz Benammar, Château de Betzdorf, L-6815 Betzdorf by fax to: +352 710 725 532 or by e-mail to shareholders@ses.com) at the latest on the Registration Date (i.e. March 22, 2012) at midnight, by returning the form of participation available on the website of the Company, if they wish to attend the AGM.

Voting instructions

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

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

Upon receipt of the voting certificate on or before the date determined by the Fiduciary (being March 29, 2012 at 5:00 p.m.) with such certification and evidence as requested by the Fiduciary or by the Company, the Fiduciary shall transmit to the Company the relevant certifications and supporting evidence and the company shall verify whether the relevant holders of FDRs or the beneficial owners thereof would qualify as an A-shareholder of the Company if in lieu of FDRs they would hold the corresponding number of A-shares.

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

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

The voting instructions are deemed to be irrevocable and definitive 48 hours prior to the time for which the meeting has been convened, i.e. at the latest on April 3, 2012 at 10.30 a.m.

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

There will be no vote under item 16. Miscellaneous.

Amendments to the Agenda

One or more shareholders owning together at least 5% of the Share capital of SES have the right to add items on the agenda of the AGM and may deposit draft resolutions regarding items listed in the agenda or proposed to be added to the agenda. This request will need to be received at the latest the twenty–second day (i.e March 14, 2012) preceding the AGM and made in writing via mail (to: SES, attn. Mrs Firouz Benammar, Château de Betzdorf, L-6815 Betzdorf) or e-mail (to: shareholders@ses.com) and will need to include a justification or draft resolution to be adopted at the AGM. The written request will need to include a contact address (mail or e-mail) to which the Company can confirm receipt within 48 hours from the receipt of the request.

At the latest fifteen days (i.e March 21, 2012) preceding the AGM, the Company will then publish a revised agenda.

Withdrawal of FDRs and conversion into A-shares

If a FDR holder wishes to attend the meeting in person, he has to be recorded as a shareholder in the share register of the Company. Consequently, the FDR holder has to request the conversion of FDRs into A-shares in accordance with conditions 12 and 16 of the Terms and Conditions of the Amended and Restated Fiduciary Deposit Agreement dated September 26, 2001. This is available at the Banque et Caisse d'Epargne de l'Etat, Luxembourg where the FDRs are held. No charge for conversion will be requested for natural persons who are not yet shareholders of category A and who proceed to a conversion of a maximum of 10,000 FDRs into A-shares, allowing them to participate in the AGM of April 5, 2012

The latest date for withdrawing FDRs and converting into A-shares for personal attendance at the meeting is March 22, 2012 at 4:30 p.m.

Documents made available by SES

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

Société Anonyme
RCS Luxembourg B 81.267

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

Assemblée Générale Ordinaire

qui se tiendra

le jeudi 5 avril 2012 à 10 heures 30

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

ORDRE DU JOUR

1. Liste de présences, quorum et adoption de l'ordre du jour
2. Désignation d'un secrétaire et de deux scrutateurs
3. Présentation par le Président du Conseil d’administration du rapport de gestion du Conseil pour l’année 2011
4. Présentation des principaux développements de la société pendant l’année 2011 et perspectives
5. Présentation des résultats financiers pour l’exercice 2011
6. Présentation du rapport du réviseur d'entreprises
7. Approbation du bilan au 31 décembre 2011 et du compte de profits et pertes pour l’exercice 2011
8. Décision sur l’affectation du résultat net de l'exercice 2011
9. Transferts entre comptes de réserves
10. Décharge à donner aux administrateurs
11. Décharge à donner au réviseur d’entreprises
12. Election statutaire du réviseur d'entreprises pour l’année 2012 et fixation de sa rémunération
13. Résolution permettant à la société l’acquisition de ses propres FDRs et/ou actions de la catégorie A ou B
14. Nomination de six membres du Conseil d’administration pour une durée de trois ans
15. Fixation de la rémunération des membres du Conseil d’administration
16. Divers

Assister à l‘assemblée

Les droits d’un actionnaire de participer à une assemblée générale ordinaire et d’exercer le vote attaché à ses actions sont déterminés en fonction des actions détenues par cet actionnaire le quatorzième jour qui précède l’assemblée générale ordinaire (le 22 mars 2012) à minuit (la date d’enregistrement). Une personne qui n’est pas actionnaire à cette date d’enregistrement ne peut pas assister à l’assemblée générale ordinaire. Au plus tard à la date d’enregistrement (le 22 mars 2012) à minuit, l’actionnaire doit indiquer à SES sa volonté de participer à l’assemblée générale ordinaire (par courrier à SES, attn. Mrs Firouz Benammar, Château de Betzdorf, L-6815 Betzdorf par fax: +352 710 725 532 ou par courriel à : shareholders@ses.com).

Instructions de vote

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

Pour que les instructions de vote soient valables, le certificat de vote devra être complété et dûment signé par le détenteur de FDRs ou le cas échéant par le bénéficiaire économique. A la réception du certificat de vote comportant les déclarations et documents requis par le Fiduciaire ou la société, avant ou à la date déterminée par le Fiduciaire (à savoir le 29 mars 2012 à 17 heures), celui-ci devra transmettre à la société ledit certificat de vote accompagné des déclarations et documents requis pour vérifier si les détenteurs de FDRs ou les bénéficiaires économiques peuvent acquérir la qualité d'actionnaires de la catégorie A de la société si à la place des FDRs ils détenaient un nombre correspondant d'actions A.

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

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

Les instructions de vote sont considérées comme étant irrévocables et définitives 48 heures avant l'heure d'ouverture de l'assemblée, à savoir le 3 avril 2012 à 10 heures 30 au plus tard.

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

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

Modifications de l'ordre du jour

Un ou plusieurs actionnaires disposant ensembles d'au moins 5% du capital social de SES, ont le droit d'inscrire des points à l'ordre du jour de l'assemblée générale ordinaire et ils ont le droit de déposer des projets de résolution concernant des points inscrit ou à inscrire à l'ordre du jour de l'assemblée générale ordinaire. Cette demande devra être formulée par écrit et adressée par voie postale (à SES, attn. Mrs Firouz Benammar, Château de Betzdorf, L-6815 Betzdorf) ou par voie électronique (shareholders@ses.com) et doit parvenir à SES au plus tard le vingt-deuxième jour qui précède l'assemblée générale ordinaire (le 14 mars 2012). Cette demande doit inclure une justification ou un projet de résolution à adopter lors de l'assemblé générale ordinaire, ainsi qu'une adresse postale ou électronique à laquelle SES peut transmettre l'accusé de réception de cette demande endéans quarante huit heures.

SES publiera alors un ordre de jour révisé au plus tard le quinzième jour qui précède la date de l'assemblée générale ordinaire (le 21 mars 2012).

Conversion en actions de la catégorie A

Si un détenteur de FDRs souhaite assister à l'assemblée en personne, il devra se faire inscrire comme actionnaire dans le registre des actionnaires de la société. En conséquence, le détenteur de FDRs doit demander la conversion de ses FDRs en actions A conformément aux clauses 12 et 16 des "Terms and Conditions" du "Amended and Restated Fiduciary Deposit Agreement" du 26 septembre 2001. Ceci est disponible auprès de la Banque et Caisse d'Epargne de l'Etat, Luxembourg. Aucune commission de conversion ne sera exigée des personnes physiques qui ne sont pas déjà actionnaires de la catégorie A et qui procèdent à la conversion d'un maximum de 10.000 FDRs en actions A, leur permettant de participer en personne à l'assemblée générale ordinaire du 5 avril 2012.

Pour assister en personne à l'assemblée, la conversion de FDRs en actions de la catégorie A devra être effectuée le 22 mars 2012 à 16 heures 30 au plus tard.

Documents mis à disposition par SES

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

Assemblée Générale Annuelle de SES
Jeudi 5 avril 2012 à 10 heures 30

Point 2 de l'ordre du jour

Selon l'article 23 des statuts "Le président de l'Assemblée désigne un secrétaire. L'Assemblée choisit deux scrutateurs".

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Agenda item 2

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

Assemblée Générale Annuelle de SES
Jeudi 5 avril 2012 à 10 heures 30

Point 3 de l'ordre du jour

Présentation par le Président du Conseil d'administration du rapport de gestion du Conseil pour l'année 2011.

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Agenda item 3

Presentation by the Chairman of the Board of Directors of the 2011 activities report of the Board.

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Jeudi 5 avril 2012 à 10 heures 30

Point 4 de l’ordre du jour

Une présentation sur les principaux développements de la société pendant l’année 2011 et les perspectives sera donnée en cours de séance.

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Agenda item 4

A presentation on the main developments during 2011 and perspectives will be given during the meeting.

Assemblée Générale Annuelle de SES
Jeudi 5 avril 2012 à 10 heures 30

Point 5 de l'ordre du jour

Une présentation sur les résultats financiers pour l'exercice 2011 sera donnée en cours de séance.

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Agenda item 5

A presentation on the 2011 financial results will be given during the meeting.

Assemblée Générale Annuelle de SES
Jeudi 5 avril 2012 à 10 heures 30

Point 6 de l'ordre du jour

Présentation du rapport du réviseur d'entreprises.

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Agenda item 6

Presentation of the audit report.

Assemblée Générale Annuelle de SES
Jeudi 5 avril 2012 à 10 heures 30

Projet de résolution se rapportant au point 7 de l'ordre du jour

Le Conseil d'administration propose à l'Assemblée d'approuver les comptes annuels et les comptes consolidés comme indiqués sous le point 6 de l'ordre du jour "Rapport du réviseur d'entreprises".

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Draft resolution related to point 7 of the agenda

The Board of Directors proposes to the Meeting to approve the annual accounts and the consolidated annual accounts as shown under agenda item 6 "Presentation of the audit report".

Assemblée Générale Annuelle de SES
Jeudi 5 avril 2012 à 10 heures 30

Projet de résolution se rapportant au point 8 de l'ordre du jour

Le Conseil d'administration propose à l'Assemblée d'approuver l'affectation du résultat net de l'exercice 2011 conformément aux indications figurant dans le tableau ci-joint, intitulé "Allocation of 2011 Profits", points 1 à 5.

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Draft resolution related to point 8 of the agenda

The Board of Directors proposes to the Meeting to approve the allocation of the 2011 profits according to the indications of the enclosed table entitled "Allocation of 2011 Profits", items 1 to 5.

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Assemblée Générale Annuelle de SES
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	Annual General Meeting - April 5, 2012 Allocation of 2011 Profits			EUR
1	2011 statutory net income of SES S.A. (unconsolidated) available for dividend			250,490,280.90
2	Statutory release from Legal Reserve [1]			
	Available for distribution after transfer from Legal Reserve			250,490,280.90
3	Payment of a dividend under Article 32:	Shares	Dividend	
	Ordinary A shares	332,985,130	0.880	-293,026,914.00
	Ordinary B shares	166,492,565	0.352	-58,605,382.88
	Total			-351,632,296.88
4	Transfer from "Other Reserves"			101,142,015.98
5	Undistributed 2011 profits			0.00

[1] In accordance with Luxembourg legal requirements, a minimum of 5% of the yearly net profit is transferred to a legal reserve from which distribution is restricted. This requirement is satisfied when the reserve reaches 10% of the issued share capital. No transfer is needed in 2011.

Situation des comptes de reserves / situation of the reserve accounts

		EUR
A	Movement on "Other Reserves" *('Free Reserves')*	
	"Other Reserves" before proposed transfer	434,542,107.94
	Distribution 2011	-101,142,015.98
	"Other Reserves" after proposed transfer	333,400,091.96

Shareholders are specifically asked to note and confirm that, in accordance §8a of the Vermögensteuergesetz ("VStG"), an amount of EUR 61.8 million (2010: EUR 70.5 million) representing the 2011 Net Worth Tax reserve, has been transferred to a non-distributable reserve within "Other reserves"

B	Movement on "Result Brought Forward" / "Other Reserves"	
	"Result Brought Forward" before proposed transfer	-43,687.00
	Transfer to "Other Reserves"	43,687.00
	"Result Brought Forward" after proposed transfer	0.00
	"Other Reserves" after proposed transfer	333,356,404.96
C	2011 Consolidated net income available for the shareholders of SES S.A.	616,515,582.00

Assemblée Générale Annuelle de SES
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Projet de résolution se rapportant au point 9 de l'ordre du jour

Le Conseil d'administration propose d'approuver la situation des comptes de réserves conformément aux indications figurant dans le tableau intitulé "Allocation of 2011 Profits", point B comme indiqué sous le point 8 de l'ordre du jour.

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Draft resolution related to point 9 of the agenda

The Board proposes to the Meeting to approve the situation of the reserve accounts according to the indications on the table entitled "Allocation of 2011 Profits", item B as shown under agenda item 8.

Assemblée Générale Annuelle de SES
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Projet de résolution se rapportant au point 10 de l'ordre du jour

Conformément à l'article 27 des statuts, le Conseil d'administration propose à l'Assemblée de donner décharge aux administrateurs.

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Draft resolution related to point 10 of the agenda

According to article 27 of the Articles of Incorporation, the Board of Directors proposes to the Meeting to give discharge to the members of the Board.

Assemblée Générale Annuelle de SES
Jeudi 5 avril 2012 à 10 heures 30

Projet de résolution se rapportant au point 11 de l'ordre du jour

Conformément à l'article 27 des statuts, le Conseil d'administration propose à l'Assemblée de donner décharge au réviseur d'entreprises.

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Draft resolution related to point 11 of the agenda

According to article 27 of the Articles of Incorporation, the Board of Directors proposes to the Meeting to give discharge to the auditor.

Assemblée Générale Annuelle de SES
Jeudi 5 avril 2012 à 10 heures 30

Projet de résolution se rapportant au point 12 de l'ordre du jour

Election statutaire du réviseur d'entreprises pour l'année 2012 et fixation de sa rémunération.

Le Conseil propose de réélire Ernst & Young comme réviseur d'entreprises pour l'année 2012.

Le Comité d'Audit a approuvé le budget des frais et honoraires pour le réviseur d'entreprises.

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Draft resolution related to point 12 of the agenda

Appointment of the auditor for the year 2012 and determination of its remuneration.

The Board proposes to re-appoint Ernst & Young as external auditors for the year 2012.

The Audit Committee has approved the budget for the external auditor's fees.

Projet de résolution se rapportant au point 13 de l'ordre du jour

Résolution permettant à la Société l'acquisition de ses propres FDRs et/ou actions A et B

L'assemblée générale des actionnaires autorise le Conseil d'administration, avec faculté de délégation au Comité Exécutif, à acquérir un nombre maximal de 14.000.000 actions de la catégorie A, et/ou un maximum de 7.000.000 actions de la catégorie B émises par la Société en respectant les conditions fixées par la loi du 10 août 1915, telle que modifiée, concernant les sociétés commerciales ("LSC") relatives au rachat d'actions propres par une société anonyme ou à en faire acquérir par d'autres sociétés du groupe telles que visées par l'article 49bis LSC. L'autorisation de rachat d'actions de la catégorie A couvre également le rachat de FDRs émis par la BCEE sur base d'actions de la catégorie A de la Société.

Les actions de la catégorie A et/ou les *FDRs* pourront être acquis soit par des achats en bourse, soit en bloc, soit de gré à gré au prix du marché en vigueur à ce moment là ou à un prix inférieur. Les actions de la catégorie B pourront être acquises de gré à gré à un prix équivalent à 40% du prix du marché en vigueur des FDRs.

Les *FDRs* acquis par la Société pourront ou ne pourront pas être ultérieurement convertis en actions de la catégorie A et pourront être conservés ou cédés ou annulés ou utilisés à toutes autres fins utiles que le Conseil d'administration estime recommandables pour la Société. Les actions de la catégorie A acquises par la Société pourront ou ne pourront pas être ultérieurement converties en *FDRs* et pourront être conservées ou cédées ou annulées ou utilisées à toutes autres fins utiles que le Conseil d'administration estime recommandables pour la Société. Les actions acquises de la catégorie B pourront être annulées, conservées, cédées ou utilisées à toutes autres fins utiles que le Conseil d'administration estime recommandables pour la Société. Toute annulation d'actions est sujette à une résolution des actionnaires de la Société dans une réunion de l'Assemblée Générale Extraordinaire à convoquer par le Conseil d'administration.

L'autorisation est valable (a) pour une période de dix-huit mois à compter de la date de la présente résolution ou (b) jusqu'à la date de son renouvellement ou de son extension par l'assemblée générale des actionnaires si la date d'expiration de cette période est postérieure.

La Société respectera les restrictions prévues par la LSC concernant le rachat d'actions propres.

La contre-valeur d'acquisition des actions de la catégorie A, et/ou des *FDRs* ne pourra pas être inférieure à 10 EUR ni supérieure à 24 EUR par action de la catégorie A, et/ou par *FDR*. La contre-valeur d'acquisition des actions de la catégorie B ne pourra pas être inférieure à 4 EUR ni supérieure à 9,6 EUR par action de la catégorie B.

La Société pourra décider d'acquérir uniquement des titres d'une ou de deux des catégories d'actions, mais devra respecter le principe de l'égalité de traitement des actionnaires à l'intérieur de chacune de ces catégories d'actions.

Tous pouvoirs sont conférés au Conseil d'administration, avec faculté de délégation au Comité Exécutif, en vue d'assurer l'exécution de la présente autorisation.

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Draft resolution related to point 13 of the agenda

Resolution on Company acquiring FDRs and/or own A- and B-shares

The General Meeting of Shareholders authorizes the Board of Directors, with full power of delegation to the Executive Committee, to purchase a maximum of 14,000,000 A-, and/or a maximum of 7,000,000 B-shares issued by the Company in accordance with the conditions set forth by the law of August 10, 1915, as amended, on commercial companies (the "Companies' Act") regarding the repurchase of own shares by a *société anonyme*, or to have them purchased by other companies of the Group according to the definition of article 49bis of the Companies' Act. The A-shares and/or the FDRs shall be purchased either on the stock-exchange, or by block trade or by mutual agreement at the then current market price or lower. The B-shares shall be purchased by mutual agreement for a price equivalent to 40% of the then current market price of FDRs. The authorization to repurchase A-shares also covers the repurchase of FDRs issued by BCEE with respect to A-shares of the Company.

The FDRs repurchased by the Company may or may not be converted into A-shares and, as the case may be, be kept or sold or cancelled or used for such legitimate purposes as the Board deems advisable. The A-shares repurchased by the Company may or may not be converted into FDRs and, as the case may be, be kept or sold or cancelled or used for such legitimate purposes as the Board deems advisable. The B-shares repurchased by the Company shall be subsequently cancelled, kept, sold or used for such legitimate purposes as the Board deems advisable. Any cancellation of shares shall be subject to approval by the shareholders of the Company taken in an Extraordinary General Meeting of Shareholders to be convened by the Board.

The authorization is valid for the longer of (a) a period of eighteen months from the date of this resolution or (b) the duration of such further period beyond those eighteen months for which it is renewed or extended by the General Meeting of Shareholders.

The Company shall respect the restrictions imposed by the Companies' Act regarding the repurchase of own shares.

The purchase price of the A-shares and/or FDRs shall not be lower than EUR 10 or higher than EUR 24 per FDR or A-share. The purchase price of the B-shares shall not be lower than EUR 4 or higher than EUR 9.6 per B-share.

The Company may decide to purchase only shares of one or two of the existing categories, but will need to conform with the principle of equal treatment of shareholders within each category of these shares.

All powers are granted to the Board of Directors, with full power of delegation to the Executive Committee, to execute the present authorization.

Assemblée Générale Annuelle de SES
Jeudi 5 avril 2012 à 10 heures 30

Election de six administrateurs pour trois ans
Projet de résolution se rapportant au point 14 de l'ordre du jour

Le Conseil d'Administration propose à l'Assemblée d'élire les administrateurs suivants pour trois ans :

Election of six Directors for a three year term:
Draft resolution related to point 14 a of the agenda

The Board of Directors proposes to the Meeting that the following candidates should be elected as directors for a three year term:.

Liste de candidats représentant les actionnaires de la catégorie A

List of candidates representing shareholders of category A

Mr. Hadelin de Liedekerke Beaufort, Administrateur Santander Telecommunications, 20, avenue de Florimont, 1006 Lausanne, Suisse

Mr. Conny Kullman, Director of Aperios Emerging Connectivity Fund, Höh-Rohneneweg 27, CH-8832 Willen b. Wollerau, Suisse

Pr. Dr. Miriam Meckel, Professor for Corporate Communication, Director of the Institute for Media Management and Communication, University of St. Gallen, Tigerbergstrasse 10, CH-9000 St. Gallen, Suisse

Mr. Marc Speeckaert, Directeur Général Sofina, 201, avenue Albert, 1190 Bruxelles, Belgique

Liste de candidats représentant les actionnaires de la catégorie B

List of candidates representing shareholders of category B

Mr. Serge Allegrezza, Directeur, Statec, 18 Rue de la Vallée L-3368 Leudelange

Mr. Victor Rod, Président du Commissariat aux Assurances, 8, rue Victor Beck, L - 1223 Howald

Rémunération des membres du Conseil d'administration
Projet de résolution se rapportant au point 15
- inchangé par rapport à l'année dernière

Le Conseil d'Administration propose de fixer la rémunération des membres du Conseil comme suit:

Pour chaque assistance à une séance du Conseil d'Administration ou d'un des comités que le Conseil instituera, les administrateurs recevront une indemnité de 1.600 EUR. Cette indemnité est la même pour les Vice-Présidents et le Président.

Un administrateur qui participera par téléphone à une séance du Conseil d'Administration ou d'un comité que le Conseil instituera touchera une indemnité de 800 EUR pour cette séance.

Chaque membre du Conseil d'Administration aura droit à une indemnité fixe de 40.000 EUR par an, indépendamment du nombre de présences aux séances. Cette indemnité est de 48.000 EUR par an pour les Vice-Présidents et de 100.000 EUR par an pour le Président.

Un administrateur, autre que le Président du Conseil d'Administration, qui sera Président d'un comité instauré par le Conseil touchera une indemnité supplémentaire de 8.000 EUR par an.

Tous les montants contenus dans la présente résolution s'entendent net de retenue à la source luxembourgeoise sur la rémunération des administrateurs.

* * *

Remuneration of the Board of Directors:
Draft resolution related to point 15 of the agenda
– unchanged compared to last year

The Board of Directors proposes to the Meeting to determine the remuneration of the Directors as follows:

For the attendance at a meeting of the Board of Directors or of a committee set up by the Board, the Directors shall receive a remuneration of 1,600 EUR. This remuneration is the same for the Vice-Chairmen and the Chairman.

A Director participating by telephone at a meeting of the Board or of a committee set up by the Board, shall receive a remuneration of 800 EUR for that meeting.

Each Director shall receive a remuneration of 40,000 EUR per year, regardless of the number of attendances at meetings. The Vice-Chairmen shall receive 48,000 EUR per year and the Chairman of the Board shall receive 100,000 EUR per year.

A Director, other than the Chairman of the Board of Directors, chairing one of the committees set up by the Board shall receive an additional remuneration of 8,000 EUR per year.

All the amounts contained in the present resolution will be net of any Luxembourgish withholding tax on directors fees.

Corporate governance

Chairman's report on corporate governance and internal control procedures

Introduction

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

SES meets all the recommendations made by the 'Ten Principles' except two. With regard to Recommendation 3.9, stating that any of the committees created by the Board should only have advisory powers, the SES Board has delegated some decision-making powers to the Remuneration Committee. For the full details of these powers, see the charter of the Remuneration Committee on the SES website (www.ses.com). Also, SES does not follow Recommendation 10.6. Under this recommendation any shareholder who holds at least 5% of the company's shares should be allowed to put topics on the agenda of the annual general meeting and propose draft resolutions to be voted upon. However, SES will convene an extraordinary meeting of its shareholders for April 5, 2012 in order to amend its articles of incorporation on this point.

The company has also continued its policy to increase the flow of information to its shareholders via the corporate governance section of its website.

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

Organisation principles

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

The annual general meeting of shareholders

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

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

The company has issued two classes of shares: Class A and Class B shares.

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

A shareholder or a potential shareholder that plans to acquire by whatever means, directly or indirectly, more than 20%, 33% or 50% of the shares of the company must inform the Chairman of the Board of such intention. The Chairman will then inform the Government of Luxembourg of the planned acquisition which may only be opposed by the Government within three months from receiving such information, should the Government determine that such acquisition is against the general public interest.

In case of no opposition from the government, the Board shall convene an extraordinary meeting of shareholders which may decide at a majority provided for in article 67-1 of the law of August 10, 1915, as amended, regarding commercial companies, to authorise the demanding party to acquire more than 20%, 33% or 50% of the shares.

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

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

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

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

With the exception of the procedure described above whenever a shareholder intends to hold more than 20%, 33% or 50%, all the resolutions of the meeting are adopted by a simple majority vote except if otherwise provided for by Luxembourg company law. The annual general meeting held on April 7, 2011 was attended by 98.1389 % of the company's shareholders. As the 4,804,496 FDRs held by the company did not participate in the vote, the participation in the vote was reduced to 97.176% of the company's shares.

During the 2011 annual general meeting, the shareholders further approved the 2010 financial results and the allocation of the 2010 profits, granted discharge to the external auditor and the Directors, elected Ernst & Young as the company's external auditor for another year and granted an authorisation to SES to buy back its own shares. The shareholders also approved the Directors' fees which remained unchanged in comparison to 2010. Finally shareholders elected a new Board of Directors composed of 18 Directors. A third of those Directors were elected for one year, another third were elected for two years and the final third were elected for three years. Two new Directors were elected to the Board, Marc Beuls and Karim Sabbagh, both elected for a three-year term..

All of the Board's proposals were carried by a majority of at least 96.12% of the votes expressed. In accordance with article 67-1 of the Luxembourg company law, abstentions are not considered when determining whether a resolution has been passed or not. The detailed results of the shareholders' votes are available in the corporate governance section of the company's website.

During 2011, no extraordinary meeting of shareholders was held.

The Board of Directors and its committees

Mission

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

Composition

Following its election by the shareholders in April 2011, the Board of SES was composed throughout the year of 18 Directors, all of them non-executive Directors. In accordance with the company's articles of association, 12 Board members represent holders of Class A shares and six Board members represent holders of Class B shares. In line with the decision taken by the shareholders at their annual general meeting in 2011, the mandates of the current Directors will expire at the annual general meeting of shareholders in April 2012, 2013 and 2014 respectively.

Mr René Steichen is the Chairman of the Board of Directors. He was elected by the members of the Board in the meeting which followed the annual general meeting on April 7, 2011. René Steichen is currently assisted by two Vice Chairmen, Messrs François Tesch and Jean-Paul Zens, each one elected on the basis of proposals submitted by Directors representing shareholders of Class A and of Class B shares, respectively.

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

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

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

Ten of the current Board members are considered independent:
Ms Bridget Cosgrave and Messrs Marc Beuls, Marcus Bicknell, Hadelin de Liedekerke Beaufort, Jacques Espinasse, Robert W. Ross, Karim Sabbagh, Christian Schaack, Terry Seddon,and Marc Speeckaert.

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

Rules of functioning

The Board of Directors meets when required by the company's business, and at least once in a quarter. It can only validly deliberate if a majority of the Directors are present or represented. The resolutions of the Board are passed by a simple majority of votes of the voting Directors present or represented, not considering abstentions. Any material contract that is proposed to be signed by the company or any of its wholly controlled operating subsidiaries with a shareholder owning, directly or indirectly, at least 5% of the shares of the company is subject to a prior authorisation by the Board.

Activities of the Board of Directors in 2011

The Board of Directors held six meetings in 2011, with an average attendance rate of more than 97%. After endorsement by the Audit Committee, the Board approved the 2010 audited accounts, including the proposed dividend as well as the results for the first half of 2011. During the year, the Board approved the new strategic plan as well as a business plan for the period 2011–2018, which served as the basis for the 2012 budget discussed by the Board in December.

During the year 2011, the Board approved a restructuring of the company's organization with the objective to simplify internal processes and to increase the internal efficiency. As a consequence of the reorganization, the Board approved changes to the membership of the Executive Committee effective May 1,and modified the internal governing documents.

The Board approved the investment in a new companywide information system that will go live on January 1, 2013. It also decided to increase the company's share in Ob Networks Limited, a Jersey-based company which intends to provide 'fiber-like' connectivity to telecommunication customers in emerging markets by using a Medium Earth Orbit (MEO) satellite constellation.

The Board approved the investment in a modified antenna facility in Betzdorf and it decided to invest in an additional payload on Astra 2G.

During 2011, the Board decided to launch a new share buyback programme, which was implemented on Euronext Paris through the filing of a 'notice d'information' on May 25. The 2011 programme was limited to the following two objectives:

– to meet the company's obligations under its executive share ownership and stock option plans; as well as
– to operate under the framework of a liquidity contract signed with BNP Exane.

Finally, the Board approved the company's risk management report and proceeded with a self-evaluation of its workings and its organization. This exercise resulted in some minor modifications which should further streamline the internal corporate governance processes.

The Board is regularly informed by the Executive Committee on the group's activities and financial situation. Within that context, the Board received several presentations on regional development plans that became part of the basis for the strategic plan that was approved by the Board in June 2011. At each meeting, the Executive Committee briefs the Board further on ongoing matters as well as on possible upcoming investment or divestment decisions. At each Board meeting, the chairmen of the three committees set up by the Board present a report on the latest developments discussed in these respective committees. In addition, a business report is distributed to the members of the Board on a monthly basis.

The current members of the Board of Directors are:

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

Mr Steichen is not an independent director because he represents an important shareholder.

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

Mr Tesch is not considered an independent director, because he has been a member of the Board of Directors for more than 12 years.

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

Mr Zens is not an independent director because he represents an important shareholder.

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

Mr Allegrezza is not an independent director, because he represents an important shareholder.

Mr Marc Beuls
Born September 15, 1956, Mr Beuls is the former President and CEO of Millicom International Cellular S.A., a position he held from 1998 to 2009. Prior to joining Millicom in 1992 as Senior Vice President in charge of finance and treasury, Mr Beuls worked for Generale Bank in Belgium, specialising in project and trade financing in emerging markets. Mr Beuls graduated from the Limburg Business School, currently UHasselt, holding a degree in economics with a major in finance. Mr Beuls is a member of the Audit and Risk Committee of SES.

Mr Beuls is an independent director.

Mr Marcus Bicknell
Born February 28, 1948. Mr Bicknell was appointed to the Board of Directors of SES on May 6, 2005. Mr Bicknell is a director of New Media Foundry Ltd, a non-listed company in the United Kingdom and is a Patron and Member of the Development Board of the Royal Academy of Dramatic Art. From 1986 to 1990 he was Commercial Director of Société Européenne des Satellites. Mr Bicknell holds an MA Honours Degree in Physical Anthropology from Cambridge University. Mr Bicknell is a member of both the Remuneration and the Nomination Committees.

Mr Bicknell is an independent director.

Ms Bridget Cosgrave
Born July 1, 1961. Ms Cosgrave became a director on April 3, 2008. She is President and Founder of EVERY EUROPEAN DIGITAL, a project to exploit broadband infrastructure opportunities, currently focused on Poland Eastern Europe. From 2009 until 2011, Ms Cosgrave served as Director General of DIGITALEUROPE. . Ms Cosgrave was with Belgacom S.A. from 2001-2007 as a member of the Executive Committee. Her roles there included Executive Vice

President of the Enterprise division, Chairman of the International Carrier Services division, and Board Member of Belgacom Mobile (Proximus) and Telindus Group. Ms Cosgrave holds an MBA from London Business School and a BA (Hons) in Economics & History from Queen's University in Canada.

Ms Cosgrave is an independent director.

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

Mr de Liedekerke Beaufort is an independent director.

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

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

Mr Finck is not an independent director because he represents an important shareholder.

Mr Gaston Reinesch
Born May 17, 1958. Mr Reinesch became a director on July 1, 1998. Mr Reinesch is invited Professor at the University of Luxembourg. He is Chairman of the Société Nationale de Crédit et d'Investissement, and of the Board of Directors of Entreprise des Postes et Télécommunications and of BGL BNP Paribas. He is also, among others, a member of the Board of Directors of Enovos and the European Investment Bank. Mr Reinesch is General Administrator of the Ministry of Finance, Luxembourg, and graduated with a Master of Science in economics from the London School of Economics. Mr Reinesch is a member of the Audit and Risk Committee of SES.

Mr Reinesch is not an independent director because he represents an important shareholder.

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

Mr Rod is not an independent director because he represents an important shareholder.

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

Mr Ross is an independent director.

Dr Karim Michel Sabbagh
Born September 26, 1963. Dr Sabbagh is a Senior Partner and Global Practice Leader for Communications Media & Technology at Booz & Company. He also served as the Regional Director for Operation and Strategy at Leo Burnet in the Middle East. Dr Sabbagh is a member of the Global Advisory Council for the Arab World at the World Economic Forum and chairman of the Ideation Center for the Middle East based think tank at Booz & Company. He holds a BBA with Distinction from the American University of Beirut, an MBA from the American University of Beirut and a PhD with Honors in strategic management from the Century New Mexico University. Dr Sabbagh is a member of the Audit and Risk Committee of SES.

Dr Sabbagh is an independent director.

Dr Christian Schaack
Born March 21, 1958. Dr Schaack became a director on December 7, 2000. Dr Schaack spent twenty years in senior management positions at BGL BNP PARIBAS and its parent, in both Luxembourg and Brussels. He is now an independent management consultant and director. He is a member, among others of the Board of Directors of internaxx Bank, a Luxembourg subsidiary of TD Bank, and of Intesa San Paolo Holding International. Christian Schaack graduated from the Massachusetts Institute of Technology, in Cambridge, MA, with a PhD in Operations Research and from MIT's Sloan School of Management with a Master of Science in Management. He holds an Engineering degree from Ecole Polytechnique in Paris.

Mr Schaack is an independent director.

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

Mr Seddon is an independent director.

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

Mr Speeckaert is an independent Director.

Mr Gerd Tenzer
Born August 4, 1943. Mr Tenzer became a director on March 11, 1999, and was Vice Chairman from May 2002 until April 2006. From January 1990 to November 2002, Mr Tenzer was a member of the Board of Management of Deutsche Telekom AG where he was responsible for networks, purchasing, environmental protection, wholesale services for carriers, broadband cable and broadcasting services. He was special adviser to the CEO of Deutsche Telekom AG from December 2002 until December 2004. He also sits on the Board of SES ASTRA and of SES ASTRA Services Europe in Luxembourg. He is Chairman of the Advisory Board of Sutter Verzeichnisverlag GmbH&Co.KG in Essen and of the Advisory Board of Cryptsec GmbH in Cologne. He is member of the Board of Transmode Holding AB in Stockholm, of VascoDe Technologies Ltd. in Tel Aviv and of Combiphone GmbH in Cologne. Mr Tenzer graduated with a degree in Communications Engineering (Dipl. Ing.) from the Technical University in Aachen.

Mr Tenzer is not considered an independent director, because he has been a member of the Board of Directors for more than 12 years.

Committees of the Board of Directors

The Chairman's Office
The Chairman and the two Vice Chairmen are members of the Chairman's Office. The Chairman's Office prepares the agenda for the Board meetings, allowing the Vice Chairmen to coordinate the preparation of the Board meetings with the Directors of their share class.
Current members are:
Mr René Steichen Mr François Tesch Mr Jean-Paul Zens.

The Chairman's Office met six times during 2011 with a members' attendance rate of 100%.

The Remuneration Committee
In accordance with general corporate governance standards, the company's Board established a Remuneration Committee which determines the remuneration of the members of the Executive Committee, and which advises on the overall remuneration policies applied throughout the company. It reports to the Board at each meeting through its Chairman. The Remuneration Committee is composed of six members, at least half of which are independent Board members in line with the SES internal regulations. After the annual general meeting, Mr Jean-Claude Finck replaced Mr Jean-Paul Zens as a member of the Remuneration Committee, which is now composed of the following six non-executive Directors:

Mr René Steichen, Mr Marcus Bicknell (independent), Mr Jacques Espinasse (independent), Mr Jean-Claude Finck, Mr Hadelin de Liedekerke Beaufort (independent), Mr Terry Seddon (independent).

The Remuneration Committee was chaired in 2011 by the Chairman of the Board.

The Remuneration Committee held four meetings with an attendance rate of 100%. Matters addressed related to the determination of the 2011 stock option grant and the 2010 bonus for members of the Executive Committee. The Remuneration Committee further determined the number of performance shares allocated to the members of the Executive Committee for their performance in 2010 and it adopted the 2011 business objectives which are used as one element in the determination of their bonus for 2011. The Remuneration Committee reviewed the new uniform sales compensation plan for the sales force in the infrastructure business. The Remuneration Committee also oversees the implementation of the decision under which the members of the Executive Committee must within five years hold the equivalent of an annual salary's worth of registered shares in the company (with the President and CEO of SES having to hold shares worth two years of his salary).

The Audit and Risk Committee

As part of its overall corporate governance, the Board established an Audit and Risk Committee, which assists the Board in carrying out its oversight responsibilities in relation to corporate policies,risk management, internal control, internal and external audit and financial and regulatory reporting practices. The Committee has an oversight function and provides a link between the internal and external auditors and the Board. The Audit Committee is composed of six members, four of whom are independent Board members.

The current members of the Audit Committee are:
Mr Marc Speeckaert, Chairman of the Audit Committee (independent), Mr Marc Beuls (independent), Mr Jacques Espinasse (independent) Mr Jean-Claude Finck, Mr Gaston Reinesch, Mr Karim Sabbagh (independent).

The Audit and Risk Committee held four meetings with a members' attendance rate of more than 94%.

The meetings were dedicated in particular to the review of the 2010 financial results before their submission to the Board and their subsequent approval by the shareholders at the statutory annual general meeting, and to the results of the first half of 2011. Members of the Board also had the opportunity to channel any comments they had on the company's quarterly results through the Chairman of the Audit and Risk Committee prior to the publication of these results.
The Audit and Risk Committee reviewed the company's statement on internal control systems prior to its inclusion in the annual report, and endorsed the proposal to reappoint Ernst & Young for another year.

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

The Audit and Risk Committee also continued to encourage management in its efforts to eliminate as many as possible non-operating legal entities. The Audit and Risk Committee had a discussion on best practice with regard to the rotation of the external auditor and discussed the internal audit function at SES Government Solutions, a 100% affiliate managed with the help of

a proxy Board..BoardBoardThe Audit and Risk Committee, in line with its new functions on risk management, received bi-annual updates on risk management from the SES risk management committee. A more thorough discussion was held on IT security.
In the context of the current economic crisis, the Committee discussed the Treasury roadmap and the counterparty, market and political risks faced by SES.

The Nomination Committee

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

The Nomination Committee is composed of six members, at least half of which are independent Board members in line with the SES internal regulations:
Mr René Steichen, Mr Marcus Bicknell (independent), Mr Hadelin de Liedekerke Beaufort (independent), Mr Terry Seddon (independent), Mr François Tesch, Mr Jean-Paul Zens.

The Nomination Committee was chaired in 2011 by the Chairman of the Board. The Nomination Committee met four times with an attendance rate of 100%. The main topics discussed related to the Management Succession Plan 2011 as well as to the preparation of the Board renewal. It also proposed the appointment of Gerson Souto as member of the Executive Committee to the Board.

The Executive Committee

Mission

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

The Executive Committee may approve any external credit facilities or external guarantees, pledges, mortgages and any other encumbrances of the company, or any wholly-owned affiliate, for as long as the company will not lose its investment grade rating as a result of such facility or guarantee. It may approve increases of up to 5% in the capital expenditure budget for a satellite procurement already approved by the Board, it being understood that the Internal Rate of Return will need to comply with certain specific thresholds defined by the Board. The Executive Committee shall inform the Board at its next meeting of each such increase.

The Executive Committee submits to the Board those measures which it deems necessary to be taken in order to meet the purposes of the company. Prior to the beginning of each fiscal year, the Executive Committee submits to the Board a consolidated budget for approval.

The Executive Committee is in charge of implementing all decisions taken by the Board and by the committees specially mandated by the Board. The Executive Committee may, in the

interests of the company, sub-delegate part of its powers and duties to its members acting individually or jointly.
The Chairman of the Executive Committee organises the work of the Executive Committee and coordinates the activities of its members, who report directly to him. In order to facilitate the implementation by the Board of its overall duty to supervise the affairs of the company, the Chairman of the Executive Committee informs the Chairman of the Board on a regular basis of the company's activities. The latter receives the agenda and the minutes of all meetings of the Executive Committee in due time. During 2011, the Executive Committee met 42 times with an attendance rate of more than 94%. Mr Pierre Margue, Vice President Legal and Corporate Affairs, the secretary of the Board of Directors, also acted as secretary to the Executive Committee.

Composition
The following persons are members of the Executive Committee:
the President and CEO who assumes the chairmanship of the Executive Committee, the Chief Financial Officer , the Chief Commercial Officer, the Chief Development Officer and the Chief Technology Officer. Members of the Executive Committee are nominated by the Board of Directors upon a proposal from the Nomination Committee. During 2011 Gerson Souto replaced Robert Bednarek as member of the Executive Committee.

On December 31, 2011, the members of the Executive Committee were:
Mr Romain Bausch
Born July 3, 1953, and appointed President and Chief Executive Officer in July 2001 Mr Bausch became the Director General and the Chairman of the Management Committee of SES in 1995, following a career in the Luxembourg civil service (Ministry of Finance). Mr Bausch occupied key positions in the banking, media and telecommunications sectors and spent a five-year term as a Director and Vice Chairman of SES. Mr Bausch is also Vice Chairman of Fedil - Business Federation Luxembourg and a member of the Board of Directors of BIP Investment Partners, Aperam and Compagnie Financière La Luxembourgeoise. He graduated with a degree in economics (specialisation in business administration) from the University of Nancy. He holds an honorary doctorate from the Sacred Heart University in Luxembourg. Mr Bausch is also Chairman of the Board of Directors of SES ASTRA, Vice-Chairman of the Board of Directors of O3b Networks and member of the Board of Solaris Mobile Ltd.

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

Mr Martin Halliwell
Born April 20, 1959, and appointed Chief Technology Officer on May1, 2011. Mr Halliwell was President of SES ENGINEERING from January 1, 2008 to April 2011. Prior to this assignment, Martin Halliwell held the position of SVP and Chief Technology Officer at SES ASTRA where he was responsible for all engineering and operational activities. In the course of his career at SES ASTRA, Mr Halliwell held a number of positions, including General Manager, Global Multimedia Networks, Technical Director of SES Multimedia and Deputy to the Technical Director of SES ASTRA. Prior to joining SES, Martin Halliwell worked for Cable & Wireless and for Mercury Communications. Mr Halliwell holds a BA in Mathematics and Mechanical Engineering and an MBA specialising in external environment and strategic management from the Open University. Martin Halliwell is a member of the Board of SES ASTRA and of O3b Networks.

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

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

Remuneration

Remuneration of the members of the Board of Directors
The annual general meeting of shareholders determines the remuneration of the members of the Board of Directors for attending Board and committee meetings. In 2011, the shareholders unanimously decided to maintain the fees paid to the Directors at the previous year's level. Directors receive a fixed fee of EUR 40,000 per year, whereas the Vice Chairmen and the Chairman of the Audit and Risk Committee receive an annual fixed fee of EUR 48,000 and the Chairman receives EUR 100,000 per year

The shareholders also maintained the fees per meeting at EUR 1,600 for each meeting of the Board or a committee of the Board attended. Half of that fee will be paid if the director participates via telephone or videoconference in the meeting.

All these fees are net of any Luxembourgish withholding taxes. The total net remuneration fees paid for the year 2011 to the members of the Board of Directors (net of the Luxembourgish withholding tax) amounted to EUR 1,079,200 of which EUR 295,200 were paid as variable fees, with the remaining EUR 784,000 representing the fixed part of the Board fees. The gross overall figure for the year 2011 was EUR 1,349,000.

Company stock owned by members of the Board of Directors

On December 31, 2011, the members of the Board of Directors owned a combined total of 641,205 shares and FDRs (representing 0.13% of the company's share capital).

Remuneration of the members of the Executive Committee

The remuneration of the members of the Executive Committee is determined by the Remuneration Committee. It is composed of a fixed and a variable part. The total gross remuneration paid to the members of the Executive Committee relative to the year 2011 amounted to EUR 7,709,085.79 of which EUR 2,977,389.66 represented the fixed part and EUR 4,731,696.13 the variable part. The direct remuneration paid to the members of the Executive Committee amounted to EUR 4,211,424.20 whereas the indirect remuneration was EUR 3,497,661.59 . The indirect remuneration also contains the benefits derived by the members of the Executive Committee from the company's executive stock option plan and the long-term incentive plan, as adopted by the Board of Directors. During 2011, the members of the Executive Committee were awarded a combined total of 263,136 options to acquire company FDRs at an exercise price of EUR 17.84, the price being based on the average of the closing price on Euronext Paris of the first 15 trading days following the Remuneration Committee meeting at which the options were authorised. A quarter of those options vested on January 1, 2012, the remaining quarters vesting on January 1, 2013, 2014 and 2015, respectively. In 2011, members of the Executive Committee were granted 80,833 restricted shares as part of the company's long-term incentive plan as well as 33,704 performance shares. These shares will vest on June 1, 2014.

During 2011, Messrs Romain Bausch and Ferdinand Kayser exercised some of their stock options, whereas Messrs Romain Bausch, Martin Halliwell, Ferdinand Kayser and Gerson Souto,sold some or all of the restricted shares which vested on June 1. SES publishes the details of all transactions made by its Board members and by the members of its Executive Committeeon its website: http://www.ses.com/3927241/management-disclosures

Company stock owned by members of the Executive Committee

On December 31, 2011, the five members of the Executive Committee then in place owned a combined total of 183,565 shares and FDRs, 322,214 unvested restricted shares and 1,190,389 options. Transactions made by members of the Executive Committee are published on the company's website under Management Disclosures.

External auditor

In accordance with the Luxembourg law on commercial companies, the company's annual and consolidated accounts are certified by an external auditor appointed by the annual general meeting of shareholders. On April 7, 2011, the shareholders retained Ernst & Young for another year and approved its remuneration, with a majority of 99.3861%. The mandate of Ernst & Young will expire at the annual general meeting on April 5, 2012.

Risk factors and their Mitigation

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

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

a) Risks Relating to Procurement

- Risk of Launch Delays and/or Launch Failures

  SES is planning to launch seven satellites between 2012 and 2013. The launch of any of these satellites carries a risk of delay for a variety of reasons including the late availability of the satellite for shipment to the launch site, the late availability of the launch service or last-minute technical problems arising on the satellite or launcher.

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

  SES attempts to mitigate the risk of a launch delay interrupting existing services by leaving large time margins in procurement schedules for replacement satellites and using multi-launch agreements with launch service providers, ILS & Arianespace, which allows SES to switch satellites to a backup launch vehicle in case of late availability of the primary launcher.

  There is always an inherent risk of launch failure in the form of a reduced satellite lifetime (in case of incorrect orbit injection), reduced functionality of the satellite or the total loss of a mission.

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

- Risk of Dependency on Launch Service Providers.

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

SES attempts to mitigate this risk by fostering the development of alternative launch capacity such as the new Falcon-9 launch vehicle built by SpaceX.

- Risk of Dependency on Satellite Manufacturers and Secondary Suppliers.

  SES is dependent on six major satellite manufacturers for the construction of its satellites.

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

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

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

b) Risks Relating to Satellites

- Risk of In-orbit Failure

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

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

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

c) Risks Relating to Insurance

- Insurance Coverage Risk

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

  - military or similar action;

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

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

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

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

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

- Insurance Availability Risk

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

SES' self-insurance programme improves its flexibility to accommodate variations in market conditions.

d) Risks Relating to Customers

- Risk of Key Customer Loss

  SES depends on a number of key customers whose loss (or non-renewal) would reduce SES' revenues. SES' five largest customers, represented approximately 20 per cent of SES' total revenues in 2011.

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

  Many of SES' main existing satellite capacity agreements for "Direct To Home" in Europe have contract durations typically of 10 years, with some contracts for longer periods. If SES is unsuccessful in obtaining the renewal of its satellite capacity agreements when they come up for renewal on commercial terms similar to those currently reflected in its agreements, revenues could be adversely affected for some time.

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

- Risks Inherent in International Business

  SES conducts business around the world. It is exposed to such issues as financial, regulatory, geopolitical, tax and trade risks in many jurisdictions. Political and financial stability in some jurisdictions may impact SES' business in that country. It may be difficult in practice for SES to enforce its legal rights in some jurisdictions.

  The inherent instability of doing business in certain jurisdictions may have a negative impact on SES' revenues.

- Risks Inherent in doing business with the US Government

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

e) Risks Relating to The Satellite Communications Market

- Competition Risk

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

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

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

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

- Technology Risk

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

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

f) Risks relating to SES' strategic development

- Emerging Market Risk

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

  SES may be exposed to the inherent instability of doing business in those regions. Such inherent instability could have an adverse impact on SES' revenue.

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

- Investment Risk

  SES has earmarked certain funds for investment, which includes the replacement of existing satellites (often with increased capacity) and the launching of new satellites. The successful marketing and sale of this new capacity is dependent on the underlying demand for satelitte capacity in the targeted regional markets. If that demand does not materialise as planned, SES' financial forecasts may not be met
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  SES also invests in new and innovative projects such as O3b Networks, which often feature new technology or uncertain market demand. If the technology is not successful or demand does not materialize as planned, the value of SES' investment may be reduced.

g) Risks related to Regulatory and Corporate

- Legal Risk

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

- Spectrum Access Risk

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

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

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

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

- Spectrum Coordination Risk

  SES is required to coordinate the operation of its satellites with other satellites operators through the ITU so as to prevent interference between satellites.

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

- Spectrum Bringing into Use Risk

  If SES does not occupy unused orbital locations by specified deadlines, or does not maintain satellites in the orbital locations it currently uses, or does not operate in all the frequency bands for which a licence has been received, those orbital locations or frequency bands may become available for other satellite operators to use.

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

- Regulatory Risk

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

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

- Export Control

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

  - export licenses are not obtained in a timely fashion;
  - export licenses do not permit transfer of all items requested;
  - launches are not permitted in the locations that SES prefers; or

- the requisite licence, when approved, contains conditions or restrictions that pose significant commercial or technical problems.

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

- External Threat Risk

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

- Cyber Risk

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

- Risk of Loss of Key Employees

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

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

- Unforeseen High Impact Risk

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

h) Risks Relating to Finance

- Cash Flow Risk

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

- Debt Rating Risk

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

- Tax Risk

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

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

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

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

- Liquidity risk.

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

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

Further details are provided in Note 21 to the Consolidated Financial Statements.

- Foreign currency risk

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

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

Further details are provided in Note 21 to the Consolidated Financial Statements.

- Interest-rate risk.

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

  Further details are provided in Note 21 to the Consolidated Financial Statements.

- Counterparty risk

  SES exposure relates to the potential default of a counterparty holding financial assets (cash and cash equivalents, held for trading financial assets, loans receivable and derivative instruments) with the maximum exposure being equal to the carrying amount of these instruments.

  The counterparty risk from a cash management perspective is reduced by the implementation of several cash pools, accounts and related paying platforms with different counterparties.

  To mitigate the counterparty risk, SES only deals with recognised financial institutions with an appropriate credit rating – generally 'A' and above. All counterparties are financial institutions which are regulated and controlled by the national financial supervisory authorities of the applicable countries. The counterparty risk portfolio is analysed on a quarterly basis. Moreover, to reduce this counterparty risk the portfolio is diversified as regards the main counterparties ensuring a well-balanced relationship for all categories of products (derivatives as well as deposits).

  Further details are provided in Note 21 to the Consolidated Financial Statements.

Internal control procedures

Objective

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

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

The internal control procedures are defined and implemented by the company to ensure:

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

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

Control Environment

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

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

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

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

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

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

A ‘Code of Conduct and Ethics’ has been established to reinforce the corporate governance principles and control environment. This code is applicable to all employees, officers and directors of the company, its subsidiaries or other controlled affiliates.

The policies outlined in this code are designed to ensure that all employees, officers and directors act at all times in accordance with the applicable laws, regulations and norms of conduct, and with the highest standards of integrity. The code was submitted to the Audit and Risk Committee and has been approved by the Board of Directors.

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

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

Risk Management

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

Common definitions and measures of risk management have been defined and training has been provided to the various risk owners to ensure that the risk management policy is properly implemented.

A risk management coordinator has been appointed in order to ensure the adequate review of the risks facing SES.

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

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

Internal control activities

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

– in the context of the organisational realignment implemented in 2011, a greater integration of the financial operations of the parent company and affiliates under a single management structure was established;
– staff involved in the company's accounting and financial reporting are appropriately qualified and are kept up-to-date with relevant changes in International Financial Reporting Standards (IFRS). Additionally, specific training and written guidance on particular matters is provided where needed. A reporting handbook, regularly updated for business developments and regulatory changes, is available to all relevant staff members and provides a summary of the company's accounting and financial reporting guidelines and policies;

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

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

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

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

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

Regarding the internal controls in the area of treasury management, the following should be noted:
– the treasury function uses a specific software that helps to ensure the efficiency and control of the implementation of the SES' hedging strategy for interest rate and foreign currency fluctuations. This software also aims to centralise the cash management of the SES affiliates;

– in order to ensure enhanced security and efficiency of the bank payments process, the existing banking payments system has been updated and upgraded to allow for secured authorisation and transition of payments from the existing accounting systems directly to the bank;

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

– SES predominately uses forward currency contracts to eliminate or reduce the currency exposure on single deals, such as satellite procurements, tailoring the maturities to each milestone payment. The foreign currency risk might be in EUR or USD. The forward contracts are in the same currency as the hedged item and can cover up to 100% of the total value of the contract. It is the company's policy not to enter into forward contracts until a firm commitment is in place, and to match the terms of the hedge derivatives to those of the hedged item to maximise effectiveness.

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

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

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

– the tax management department aims to seek upfront tax clearance with relevant local tax authorities with regard to the tax ramifications of main business ventures, corporate reorganisations and financing structures of the company. Where this is not possible, the tax treatment is analysed based on best authoritative interpretations and reported in internal tax technical memos or tax opinions from external tax consultancy firms;
– the tax department regularly meets in 'formal review platforms' with representatives of Accounting, Treasury and Legal in order to ensure full coordination with regard to developments of important financing structures after implementation; and
– the transfer pricing team is responsible for continuously improving and fine-tuning the required contemporaneous transfer pricing documentation underpinning all inter-company transactions of the company. SES' transfer pricing reports (including functional analyses and benchmarking studies), are embedded in a framework consisting of i) a master file, ii) a transfer pricing policy and iii) a policy for the control of intercompany contracts.

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

– SES technology is responsible for the procurement of satellites, launch vehicles and the procurement and maintenance of satellite related ground infrastructure as well as the administration, control and operations of the global satellite ecosystem;
– the reporting of the satellite procurement and operations risk management process that is in place to monitor and assess sources of technical risks and to develop qualitative, quantitative and statistical methods which allow the mitigation of risk at the satellite fleet level has been integrated into the company's Risk Management framework;
– There are operational procedures for satellite control and payload management. They cover manoeuvers and configuration changes required in nominal situations as well as in case of technical emergencies. The controllers are trained and certified in the execution of such procedures. These procedures are periodically reviewed to ensure that they are up to date. A major enhancement of the satellite control software was implemented in 2009 and the use of fully validated electronic station-keeping procedures is being extended to the whole SES fleet;
– SES has designed crisis management systems and supporting infrastructure and tools in order to address satellite in-orbit anomaly situations at an appropriate management level. A Trouble Tickets escalation process has been enhanced to provide better support to customers. The satellite Contingency and Emergency Response Process has been updated and aligned to reflect the company's organisational changes; and
– SES has adequate satellite control backup capability utilising European and U.S. based Satellite Operations Centres.

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

– management is committed to ensure that its data, infrastructure and information technology systems are as secure as is reasonably practicable. Security controls, policies and procedures are in place to prevent unauthorised access to premises, computer systems, networks and data. Policies and procedures have been defined and implemented in order to address the more rigorous regulations governing handling of personally identifiable data.
– electronic information is regularly backed-up and copies are stored off-site; and
– SES has disaster recovery plans for its business applications, and a disaster recovery test has been performed in 2011.

Information and communication

The company's business information system is currently based on a variety of legacy applications. A project to align and harmonise all front- and back office business processes in SES is ongoing.

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

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

Monitoring activities

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

The mission of the Internal Audit function is to provide independent and objective assistance and assurance regarding the effectiveness and efficiency of business operations, the reliability of financial and operational reporting, and the company's compliance with legal and regulatory requirements. In this context, Internal Audit is also tasked to support management with identifying, preventing and minimising risks as well as safeguarding of the company's assets.

To ensure an appropriate level of independence and communication, the Internal Audit function has a direct reporting line into the Audit and Risk Committee and reports functionally to the President CEO of SES. The activities of the Internal Audit function are executed in accordance with an annual audit plan which is reviewed and approved by the Audit and Risk Committee. This annual plan is derived from an annual risk assessment based on a risk mapping exercise. The introduction of an annual risk assessment responds to the need to dynamically link the audit plan to risks and exposures that may affect the organisation and its operations. This exercise involves identifying the inherent risks relative to all business processes and then assessing the levels of residual risks after consideration of specific mitigating controls.

Internal Audit monitors the implementation of internal control recommendations and regularly reports on effective compliance to the President and CEO of SES and to the Audit and Risk Committee.

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

The proxy structure of the SES Government Solutions entity, in line with common practice for businesses serving certain segments of the U.S. Government, imposes various restrictions on SES Board of Directors and executive management in directly supervising the maintenance of an internal control system and imposing an internal audit structure. The SES Internal Audit function did not perform any internal control review of this entity during 2011. However, these restrictions are mitigated through having agreement on a required risk management and internal control framework which has been subject to an initial assessment in 2011 and which will be subject to further evaluation and testing from a third-party internal audit function going forward. It should be noted that in any event Ernst & Young, as external auditor, reviewed the stand-alone accounts of SES Government Solutions.

<u>Human resources</u>

Human resources strategy

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

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

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

SES employees

At year-end 2011, SES employed a total of 1,250 Full time equivalent employees (FTEs)

SES values and culture

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

They are:

Excellence

Having the passion and commitment to be the best in the industry.

Partnership

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

Leadership

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

Integrity

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

Innovation

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

Remuneration

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

Stock-related compensation schemes

SES applies an equity incentive compensation plan. The purpose of the plan is to attract and retain highly qualified leadership level staff. This policy applies to executive-level employees of SES. 1,419,529 options were granted in 2011 to 144 executive participants, including the members of the Executive Committee.

Long-term incentive scheme for executives

SES' long-term incentive scheme for executives is based on restricted shares (restricted for a vesting period of three years) and on performance shares (shares which are only granted in case the company and the executive meet or exceed a certain performance threshold over a three-year period). 222,527 restricted shares and 175,398 performance shares were granted in 2011. These figures include the members of the Executive Committee.

Stock appreciation rights plan

SES operates a stock appreciation rights (STAR) plan, which applies to the non-executive-level staff. Through the grant of stock appreciation rights, the company aims to encourage the long-term commitment of the staff towards the company, and to provide the possibility to share in the value-creation of the company. 729,401 STARs were granted in 2011.

A variety of awards are being used to acknowledge and reinforce the contributions of SES' employees. In 2011, these mechanisms included management awards, spot awards and deal attainment bonuses.

The Human resources (HR) function

SES was supported at year end by a team of HR professionals based at the company's major locations around the world. HR strategy and objectives are aligned with the business objectives, decisions and guidance of SES' Executive Committee. Employee satisfaction is being periodically monitored by an employee survey, internally called 'Voice of the Employee' (VoE). A strong focus of all HR activities was placed in 2011 on the successful implementation of the organisational realignment of SES.

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

A learning organisation

Only highly motivated employees deliver the top-quality service which our customers demand. At SES we are convinced that investing in the training and development of our employees is essential, irrespective of general economic developments. Therefore, we continued to offer our employees a wide range of training courses that centred around the SES competency model. On average, the training budget per employee reached EUR 1,000 in 2011.

Developing and Retaining Talent

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

In order to support the company's organisational realignment, SES launched the 'MOMENTUM' employee development programme in 2011 which is offered to all employees in the organisation. The programme consists of four modules, each of which focuses on one topic (Change, Strategy, Empowerment, and Knowledge Sharing). In 2011, 250 employees participated in the first module 'Change Readiness' which will be continued in the first half of 2012.

SES has a 'Global Development Programme' (GDP) which is used for cross-functional and cross-continent talent and knowledge exchange. The global 'SES Associate Programme', targeted at graduates, was continued in 2011. Five associates participate in the two-year programme consisting of four six-month cross-functional assignments.

Social dialogue within SES

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

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

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

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

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

As one of SES legal entities, SES ASTRA, benefits from a concession granted by the Luxembourg State, three employee representatives sit on the Board of Directors of SES ASTRA. One of them sits as an observer on the board of SES.

Investor Relations

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

Investor Relations is responsible for the definition and execution of SES' active Investor Relations programme and participation in investor conferences and similar events. Investor

Relations also works closely with the group's General Counsel to ensure that the group's external communications comply with applicable legal and regulatory requirements.

Corporate social responsibility (CSR) policy

In 2011, SES implemented a range of corporate social responsibility projects and activities in geographic areas where the SES group has commercial activities, provides communication services or otherwise interacts with local communities.

The policy

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

Projects supported by SES

In the context of the multi-year partnership concluded with the University of Luxembourg, the company continued to support the university's efforts to develop a centre of excellence and innovation for advanced information and communications technology in satellite systems, by cooperating with the university's Interdisciplinary Centre for Security, Reliability and Trust, and by financing a chair in satellite, telecommunications and media law.

SES also pursued its scholarship programme with the International Space University (ISU) in Strasbourg, France, supporting students in advanced space applications.

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

SES continued to provide support to the scholarship programme of the 'Society of Satellite Professionals International' (SSPI), a U.S.-based non-profit organisation focusing on the skills and career development of satellite industry professionals worldwide.

SES supported the 2011 edition of the St. Gallen Symposium, an academic and networking event for representatives of business, politics, and students at the University of St. Gallen, Switzerland.

SES is a member of IDATE's Digiworld Institute, based in Montpellier, France, a top-tier think tank focusing on the digital economy worldwide . SES is also a member of the International Astronautical Federation, a global organisation that promotes awareness of space activities worldwide.

SES made a financial contribution to the project 'Business Initiative 123 – GO' aiming to advance and support the development of innovative business projects in Luxembourg.

The company introduced a formal policy for matching the donations made by its employees to emergency relief organisations providing help to victims of natural or man-made disasters.

In a multi-year plan, SES continues to donate bandwidth to the International Polar Foundation, enabling the foundation's Princess Elisabeth research station in Antarctica to communicate via satellite. This unique facility is the first ‘zero emission’ polar research station, and is the only polar research facility that was conceived and built to operate entirely on renewable energies.

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

SES continued its financial support to ‘Musek am Syrdal’, a local music festival in Luxembourg, and also supported a Luxembourg-based theatre production.

In 2011, SES made a financial contribution to the Edward Steichen Award Luxembourg Foundation, named after the photographer Edward Steichen. SES’support goes toward a scholarship which is awarded every second year and which enables artists from Luxembourg and the ‘Greater Luxembourg’ region (including Luxembourg and the neighbouring areas of Belgium, France and Germany) to temporarily live and work in the city of New York.

SES donated educational material to a local school in Baikonur, Kazakhstan, and made corporate donations to the Juliana Children’s Hospital in The Hague.

Environmental initiatives

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

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

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

SES conducts a company-wide carbon footprint assessment covering all its operations. In 2010, the company’s activities related to operating and commercialising SES’ satellite fleet, as well as general administration, finance and marketing generated approximately 44,700 tonnes of CO_2e worldwide, a reduction of more than 14% compared to the prior year. Emissions from Scope 2 electricity consumption represented the largest component of SES’ total emissions (approximately 67%) with Scope 1 emissions (approximately 28%) and Scope 3 business travel (5%) providing the remaining contribution. Teleports generated the largest share of the emissions from Scope 1 and 2 sources. Details of the carbon footprint are disclosed as part of the Carbon Disclosure Project, in which SES participates (www.cdproject.net).

SES implemented a carbon reduction plan at its headquarters in Betzdorf, Luxembourg, in 2010. The company operates a CHP unit which reduces the emissions load of the general grid. Also, since January 2010, the Luxembourg campus uses electricity sourced from renewable hydropower, which can be considered carbon-free. These initiatives had a significant impact on the carbon emissions of the company in Luxembourg.

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

Responsibility statement

The Board of Directors and the executive management of the company reaffirm their responsibility to ensure the maintenance of proper accounting records disclosing the financial position of the group with reasonable accuracy at any time, and ensuring that an appropriate system of internal controls is in place to ensure the group's business operations are carried out efficiently and transparently. In accordance with Article 3 of the law of January 11, 2008 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, we declare that, to the best of our knowledge, the consolidated financial statements for the year ended December 31, 2010, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union give a true and fair view of the assets, liabilities, financial position and profit of the year of SES and its subsidiaries included in the consolidation taken as a whole. In addition, the management report includes a fair review of the development and performance of the business and the position of SES and its subsidiaries included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

René Steichen
Chairman of the Board of Directors

Romain Bausch
President and CEO

Main SES Shareholders
as of 1 March 2012

A Shares

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

B Shares

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

Composition of the Board of Directors and of the Committees set up by the Board as on December 31, 2011

Chairman

Mr René Steichen

Vice-Chairmen

Mr François Tesch
Mr Jean-Paul Zens

Members

Mr Serge Allegrezza
Mr Marcus Bicknell
Mr Marc Beuls
Mrs Bridget Cosgrave
Mr Hadelin de Liedekerke Beaufort
Mr Jacques Espinasse
Mr Jean-Claude Finck
Mr Gaston Reinesch
Mr Victor Rod
Mr Robert W. Ross
Dr. Karim Sabbagh
Dr Christian Schaack
Mr Terry Seddon
Mr Marc Speeckaert
Mr Gerd Tenzer

Observers

Mr Pierre Goerens, Commissioner of the Government at SES ASTRA

Mrs Maria Kugel, SES ASTRA Employee Representative

Secretary to the Board of Directors

Mr Pierre Margue, VP Legal and Corporate Affairs

Chairman's Office

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

Audit and Risk Committee

Mr Marc Speeckaert, Chairman
Mr Marc Beuls
Mr Jacques Espinasse
Mr Jean-Claude Finck
Mr Gaston Reinesch
Dr Karim Sabbagh

Remuneration Committee

Mr René Steichen, Chairman
Mr Marcus Bicknell
Mr Hadelin de Liedekerke Beaufort
Mr Jean-Claude Finck
Mr Jacques Espinasse
Mr Terry Seddon

Nomination Committee

Mr René Steichen, Chairman
Mr Marcus Bicknell
Mr Hadelin de Liedekerke Beaufort
Mr Terry Seddon
Mr François Tesch
Mr Jean-Paul Zens

SES
your satellite company

4. Présentation des principaux développements durant 2011 et perspectives

Romain Bausch, President and CEO

Operational Highlights 2011

- Fleet Utilisation remained high through the year
- Four new satellites launched successfully
- YahLive payload on YahSat 1A declared operational in Q4 2011
- Launch delays pushed SES-4 (successfully launched 15th February) and SES-5 into 2012
- Solar array circuit failure on AMC-15 reduced payload capacity
- Organisational realignment implemented

Commercial Highlights 2011 (1)

- European market reach further increased from 135 million homes at end 2010
- Analogue transmissions in Germany continued to reduce
  - From 35 to 32 transponders during 2011; 29 as from 1 January 2012
- HD+ has kick-started encrypted Free-To-Air HD broadcasting in Germany
- 2.5 million HD+ reception devices sold by end 2011
- 2.3 million households receive HD+
  - Of which 1.9 million in the initial 12 month free viewing phase
  - More than 400,000 now pay the technical service charge
- HD+ carries 12 Free-To-Air HD channels
  - Three more expected to add to the line-up in 2012
- Over 1 million paying customers are projected by end 2012

17.5m Satellite Households in Germany

- 17.5 million households receive TV via satellite, more than any other distribution platform
  - Satellite households exceed cable households for the first time
  - Satellite reach in Germany increased by 900,000 in 2011
- 15.7 million of the total are digital satellite households
  - 1.8 million ‘analogue’ households at the end of 2011
- 5.9 million satellite TV households in Germany watch in HD

TV households in millions	2011	2010	Change
Satellite	17.5	16.7	+5%
Cable	17.3	18.2	-5%
DVB-T	1.8	2.0	-9%
IPTV	1.3	0.9	+36%

Source: TNS Infratest TV Monitor, February 2012

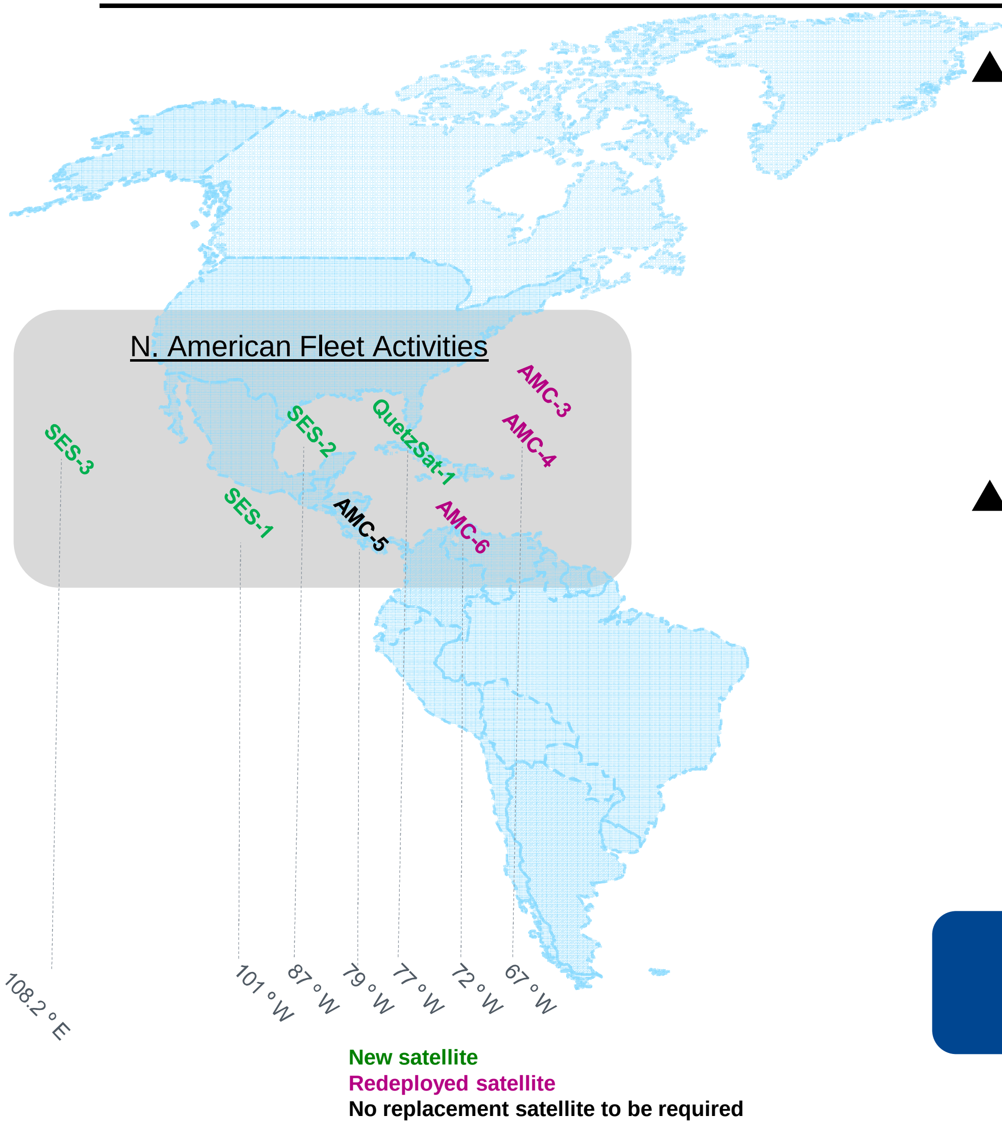
Commercial Highlights 2011 (2)

- New DTH platforms introduced
  - Georgia, Serbia, East Africa
- All available Ku-band capacity for India is contracted
  - SES-8 is being built to deliver additional capacity
- Strategic partnership with Gazprom Space Systems
  - ASTRA 1F capacity serving Russia at 55E, prior to launch of Yamal-402
- New and renewal contracts of EUR 2 billion increased contract backlog to EUR 7 billion

In February 2012:

- Media Networks Latin America (MNLA) signed a long-term capacity deal to expand its pay-TV services across Central America and the Caribbean.
  - MNLA, an affiliate of Telefonica Digital, has secured multiple transponders on SES' AMC-4 satellite to launch a new DTH pay-TV service in Central America and the Caribbean

North American Fleet Activities



▲ Fleet Replacement and Consolidations

- SES-1: Replacement satellite at 101°W
- SES-2: Replacement satellite at 87°W; CHIRP hosted payload improves economics
- Elimination of AMC-5 replacement at 79°W; movement of N. American Eastern Arc customers onto more attractive Center Arc satellites

▲ Capacity Redeployments

- AMC-4 and AMC-3 redeployed to 67°W to serve Latin America
- SES-3 redeployed to 108.2°E to support Asian growth
- AMC-6 switching of ~16 transponders into Latin America
- QuetzSat-1 to support DTH in Latin America

Improving Overall Capital Efficiency and Capturing Emerging Market Growth

Investment in O3b Networks

- Critical Design Review successfully completed
- First 8 satellites on schedule for launch in H1 2013
- Accelerated procurement of satellites 9-12 reflects strength of demand
  - SES participated in the associated incremental funding round
- O3b Networks' development is proceeding as planned
- Sales commitments stand at some USD 600 million
- SES participation of approximately 39% will increase to approximately 45%
  - Following payment of cash commitments and recognition of contributions in kind
  - SES' total cash investment will be USD 190 million

Capacity to Increase by 19%

SES GROUP (36 MHz Equiv. Transponders)	2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3	2013 Q4	2014 Q1	Total
Europe Fleet				ASTRA 2F (+12)		ASTRA 2E (+12)	ASTRA 5B (+21)		ASTRA 2G (+10)	55
North America Fleet										
International Fleet	SES-4 (+27)	SES-5 (+64)			SES-6 (+49)	SES-8 (+21)				161
	27	**64**		**12**	**49**	**33**	**21**		**10**	**216**
Changes due to fleet movements	AMC-3 (+16) SES-3 (+8)		NSS-7 (+22)	ASTRA 2B (-12)						34
Total Incremental with Fleet Movements	Timing shift of SES-4, NSS-7, SES-8 and ASTRA 5B									**250**

Replacement

Incremental

Replacement & Incremental

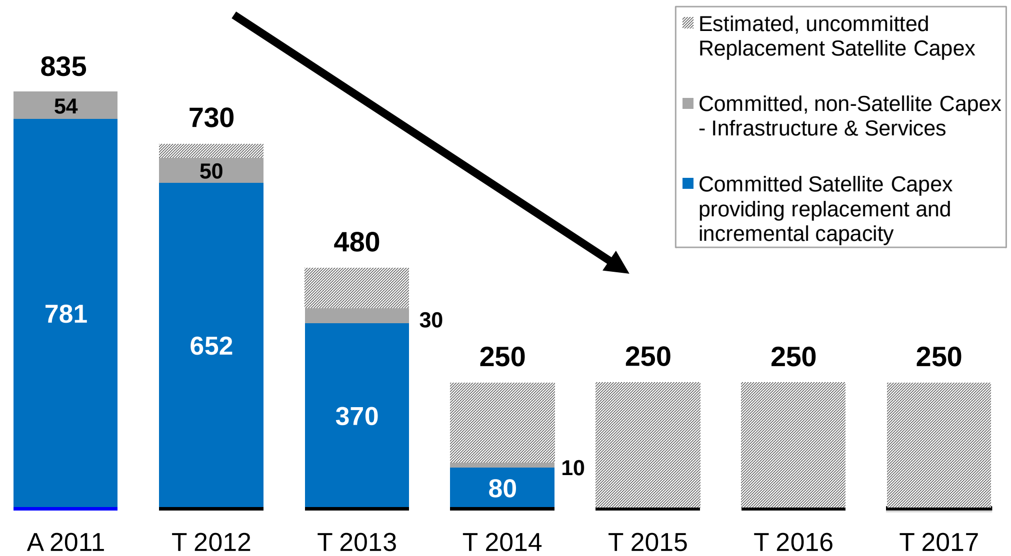
* Entry into commercial service is typically 6 to 8 weeks after launch

- SES' investment programme has a strong focus on growing market segments
- SES-4 has been launched on 15 Feb 2012. Due to the launch delay of SES-4, the movement of NSS-7 is now assumed to take place in Q3 2012. SES-8 launch date moved to Q2 2013 and ASTRA 5B to Q3 2013
- 7 satellites to be launched by end 2014, providing replacement and incremental capacity
- In total 250 incremental transponders deliver over 19% additional capacity compared to the 1,315 transponders available at 31 December 2011
- All infrastructure projects exceed IRR hurdle rate of 10-15%

CapEx spending set to reduce

11 Nov 2011 publ.:	880	700	440	250	250	250

EUR million



Total 2011-2017: 3.0 Bn EUR

- The CapEx schedule has been rolled forward by one year to 2017
- 2011 to 2017: CapEx spending significantly reduces as replacement cycle of the SES fleet nears its floor
- Some CapEx shifts from 2011 to 2012 / 2013, mainly due to launch delays
- CapEx as proportion of revenue reduces from 48% in 2011 to around 10% to 15% as from 2014
- Not including further investment opportunities

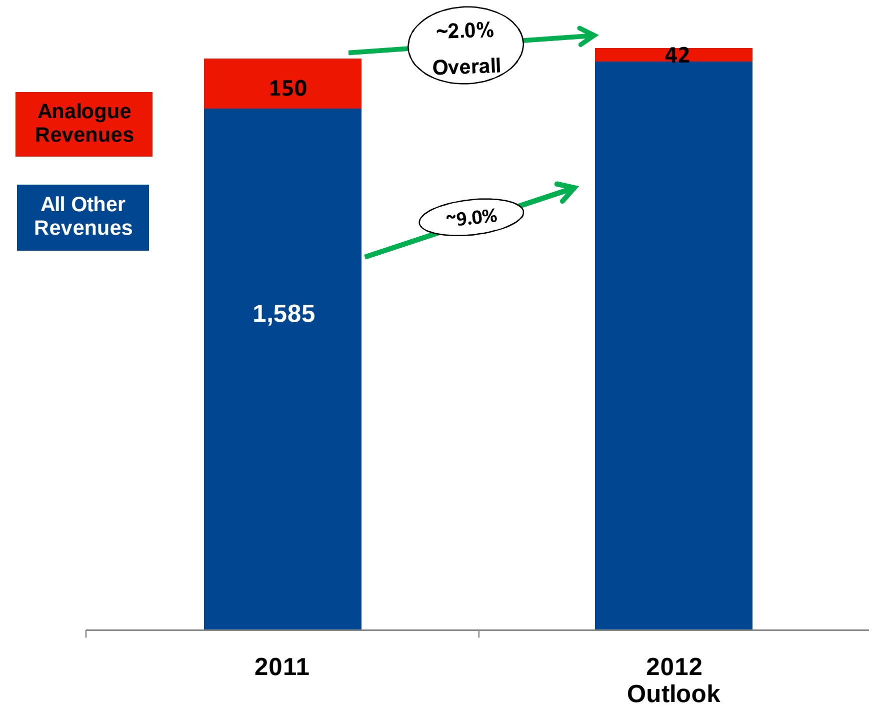
Note: CapEx in graph is on cash basis; FX translation based on 1 EUR = 1.40 (Actual 2011) and 1.35 (T 2012 - T 2017)

Outlook 2012

- ▲ Strong underlying revenue growth of ~9%, excluding analogue
- ▲ 2012 reported revenue growth expected to be approximately 2%
  - EBITDA growth expected to be approximately 1%, reflecting higher contribution from services activities
- ▲ 2012 results will include the exceptional impact of the analogue TV switch-off in Germany
  - Target date is 30 April
- ▲ Noticeably affecting reported revenue growth in 2012
  - Analogue revenue was EUR 150 million in 2011, reducing to EUR 42 million in 2012
- ▲ Recontracted capacity will contribute some EUR 35 million revenue in 2012
  - The net impact being in the guidance range of EUR 60-80 m

SES Group Revenue

in EUR millions recurring at constant FX assuming USD at 1.40



Outlook to 2014

▲ Underlying growth is strong

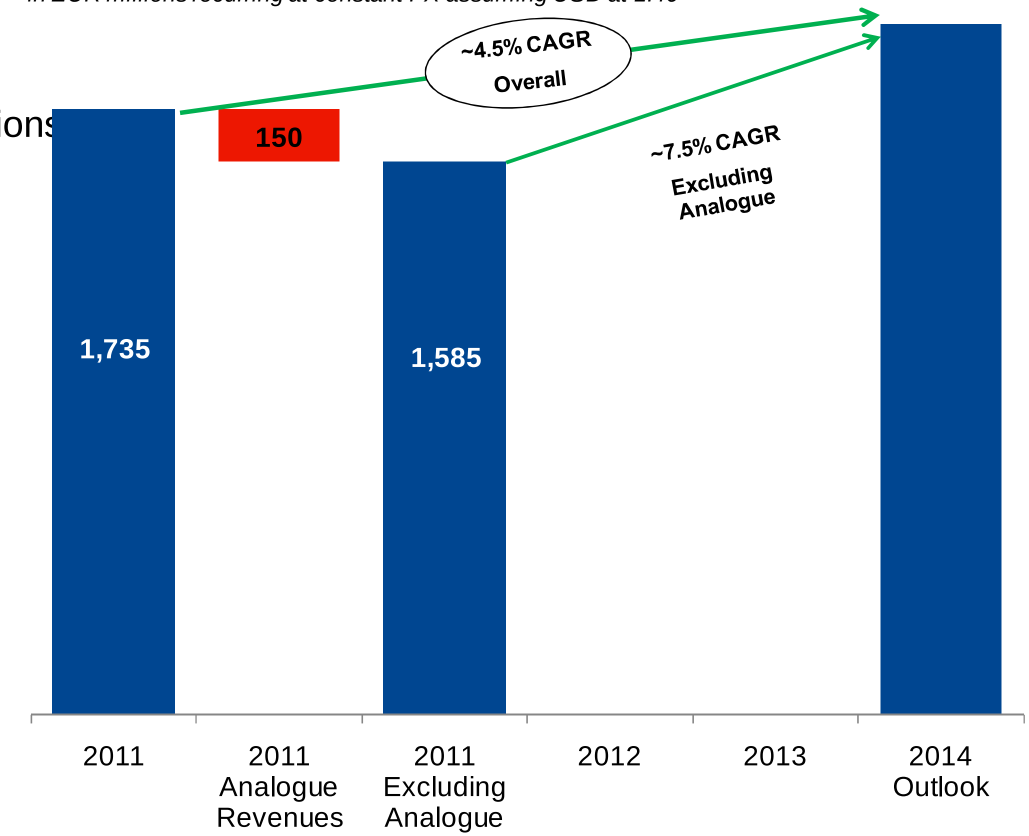
- From emerging markets and European operations

▲ Ex- the analogue impact, revenue CAGR 2012-2014 of approximately 7.5%

▲ As reported, revenue CAGR 2012-14 is expected to be approximately 4.5%

SES Group Revenue

in EUR millions recurring at constant FX assuming USD at 1.40



Summary

- Technical reach in major European markets continues to grow
- Improving capital efficiency in the satellite fleet
- Enhanced positioning in emerging markets
  - Focused investment programme for additional capacity
  - Streamlined organisation to drive market penetration
- Solid underlying growth from emerging markets and Europe
- Excluding the German analogue switch-off:
  - Approximately 9% revenue growth in 2012
  - 2012-2014 revenue CAGR of approximately 7.5%

SES
your satellite company

5. Présentation des résultats financiers pour l'exercice 2011

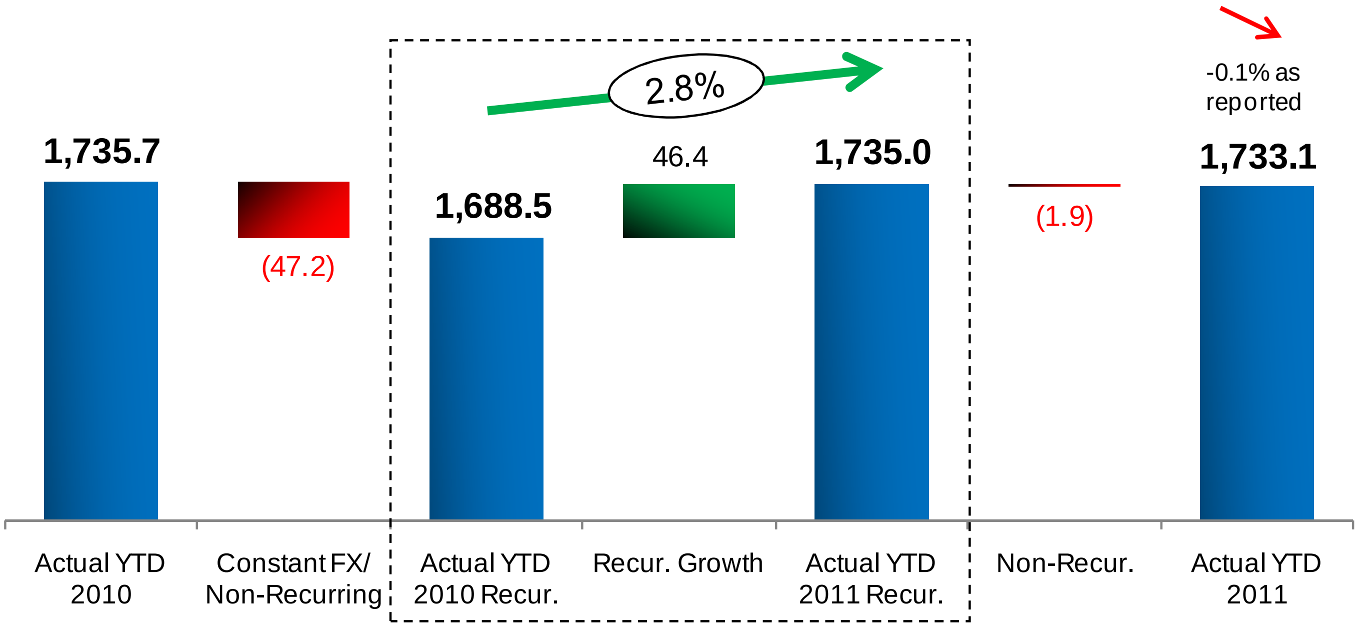
Andrew Browne, CFO

Financial Highlights – FY 2011

- Revenue of EUR 1,733.1 million (-0.1%)
  - Recurring revenue grew 2.8% to EUR 1,735.0 million
- EBITDA of EUR 1,274.6 million (-1.7%)
  - Recurring EBITDA grew 3.1% to EUR 1,294.5
  - Recurring EBITDA margin of 74.6%
  - Infrastructure margin of 82.3% (excluding reorganisation cost: 83.0%)
- Operating profit of EUR 808.2 million (+1.4%)
- Profit of the Group of EUR 617.7 million (+26.8%)
- Earnings per A-share rose to EUR 1.56 (FY 2010: EUR 1.24)
- Closing Net debt / EBITDA of 3.12 times
- Dividend of EUR 0.88 per A-share proposed

Revenue walk from Actual 2010 to Actual 2011

In line with full year guidance of 3%



FX rate EUR/USD:

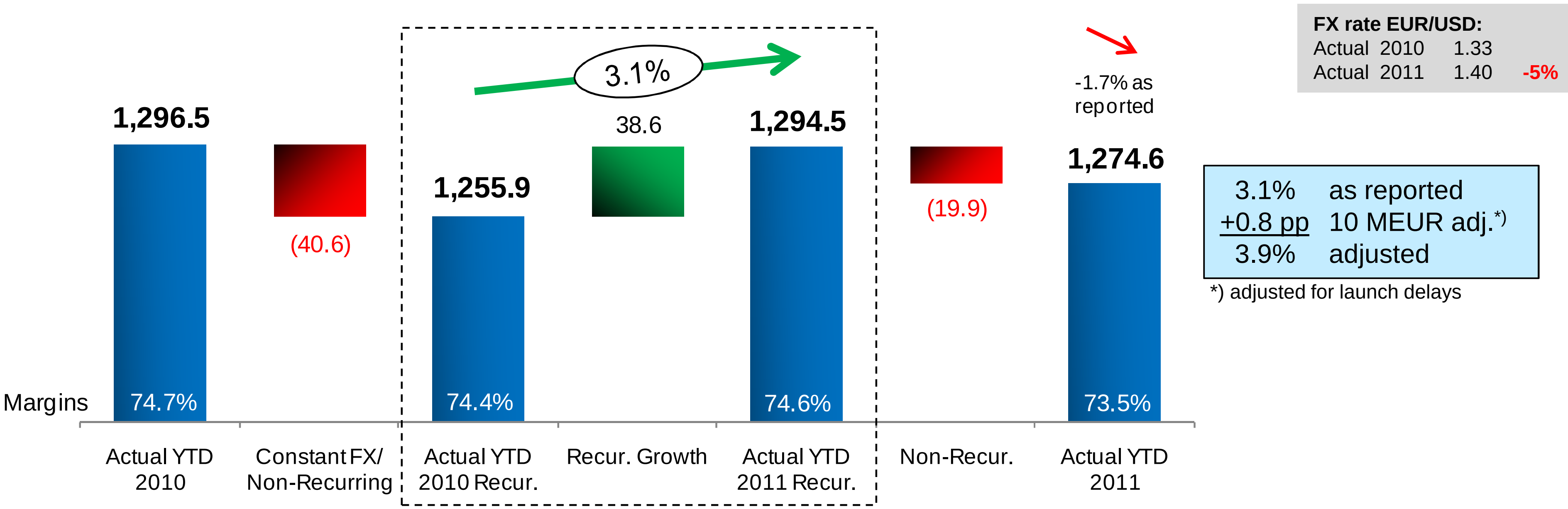
Actual	2010	1.33	
Actual	2011	1.40	**-5%**

2.8%	as reported
+0.5 pp	10 MEUR adj.*)
3.3%	adjusted

*) adjusted for launch delays

- Recurring revenue growth of 2.8% or EUR 46.4 million contributed by both business segments
- Recurring growth of 3.3% when adjusting for launch delays
- Reported revenue decreased slightly by -0.1%, as the effect of a weaker USD offsets the recurring growth

EBITDA walk from Actual 2010 to Actual 2011
Outperforming revenue growth



- Recurring EBITDA grew EUR 38.6 million or 3.1%, based on profitable growth and cost management
- Recurring growth of 3.9% when adjusting for launch delays
- Reported EBITDA decreased by -1.7% as strong recurring growth was offset by a weaker USD and non-recurring cost items
- SES Group recurring EBITDA margin was 74.6%; 0.2% points higher than the prior year

Strong Infrastructure and Services Margins

Infrastructure *in EUR million*	ASTRA	WORLD SKIES	OTHER & ELIM*)	SES GROUP
Revenues	876.8	663.7	(13.4)	**1,527.1**
EBITDA	730.2	525.9	0.0	**1,256.1**
Margin %	83.3%	79.2%		**82.3%**

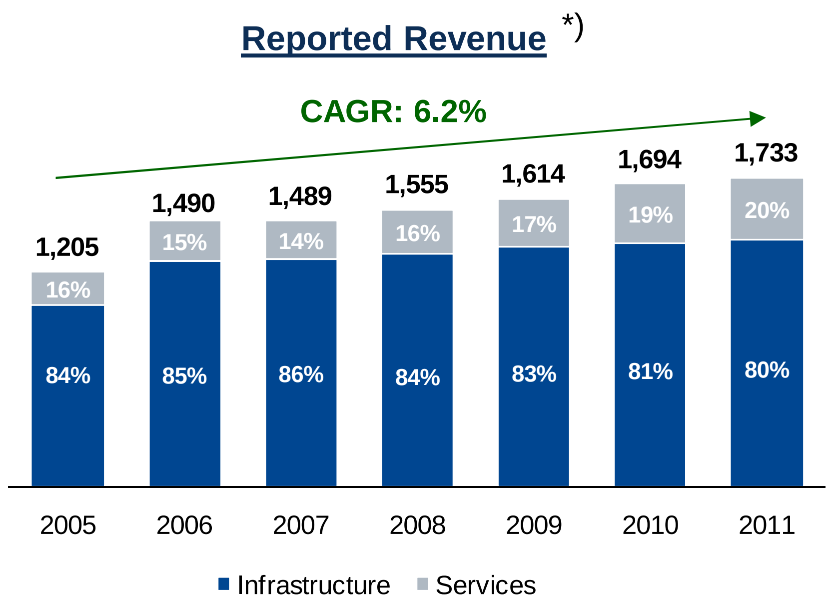
Services *in MEUR*	ASTRA	WORLD SKIES	OTHER & ELIM*)	SES GROUP
Revenues	165.8	184.3	0.0	**350.1**
EBITDA	32.4	19.4	0.0	**51.8**
Margin %	19.6%	10.5%		**14.8%**

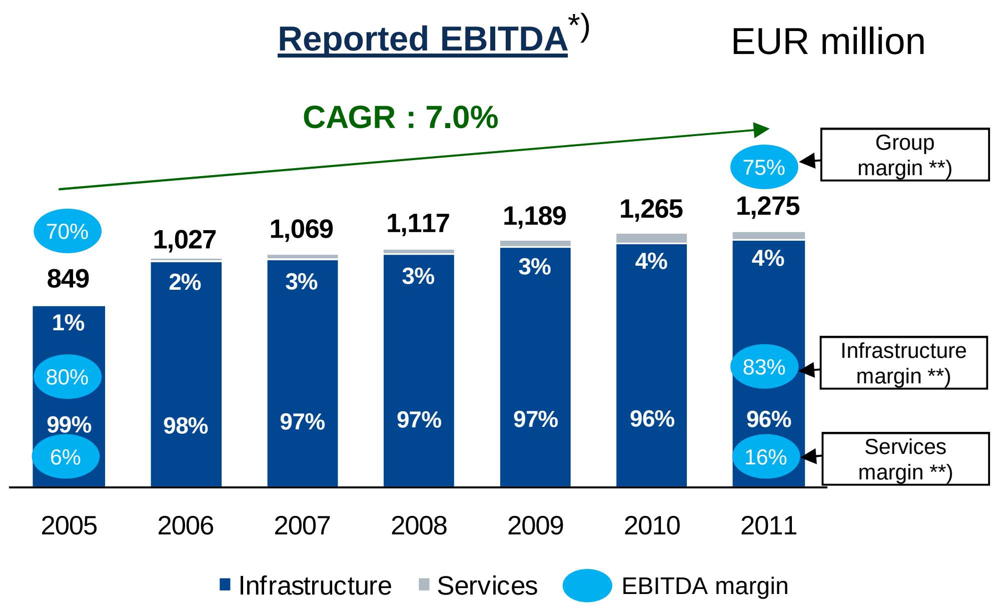
Business Segmentation FY 2011 *in EUR million*	Infrastructure	Services	Other / Elimination *)	SES GROUP
Revenues	**1,527.1**	**350.1**	**(144.1)**	**1,733.1**
EBITDA	**1,256.1**	**51.8**	**(33.3)**	**1,274.6**
Margin %	**82.3%**	**14.8%**		**73.5%**

- Infrastructure EBITDA margin of 82.3% (excluding reorganisation cost: 83.0%, mainly impacting WORLD SKIES)
- Services EBITDA margin of 14.8%
- SES Group EBITDA margin of 73.5%

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

Historical Performance



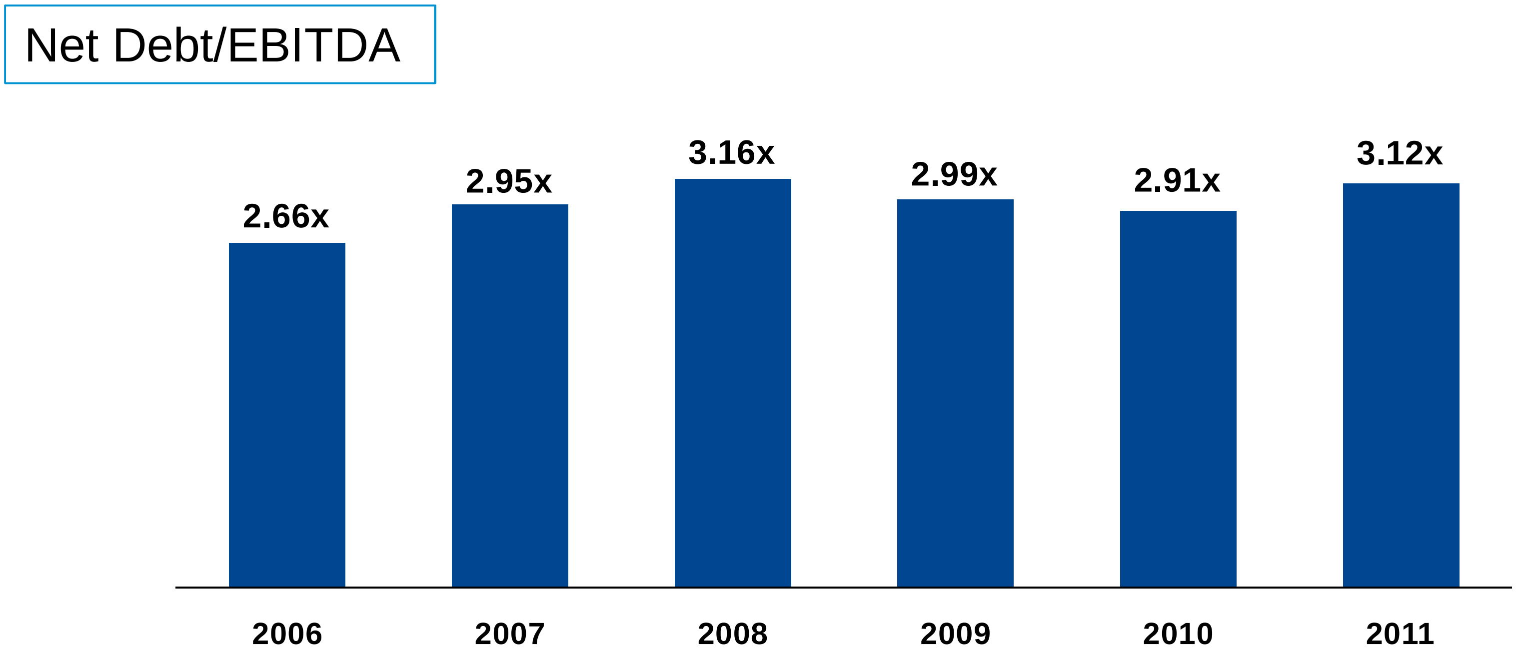


- Strong revenue CAGR of 6.2% since 2005 reflects organic growth (more capacity, higher fill rates) augmented by the acquisition of New Skies
- EBITDA CAGR of 7.0%, outperforming revenue growth
- Infrastructure contributing 80% of revenue in 2011 with an EBITDA margin of 83% (excl. reorganisation cost)
- Services contributing 20% of revenue in 2011 with an EBITDA margin of 16% (excl. HD+ start-up activity)
- SES Group EBITDA margin increased from 70% in 2005 to 75% in 2011 (excl. non-recurring items)

*) At constant EUR/USD 2011 exchange rate, excluding ND Satcom GmbH

**) Normalised margin = excluding reorganisation cost (infrastructure) and start-up costs (services) in 2011

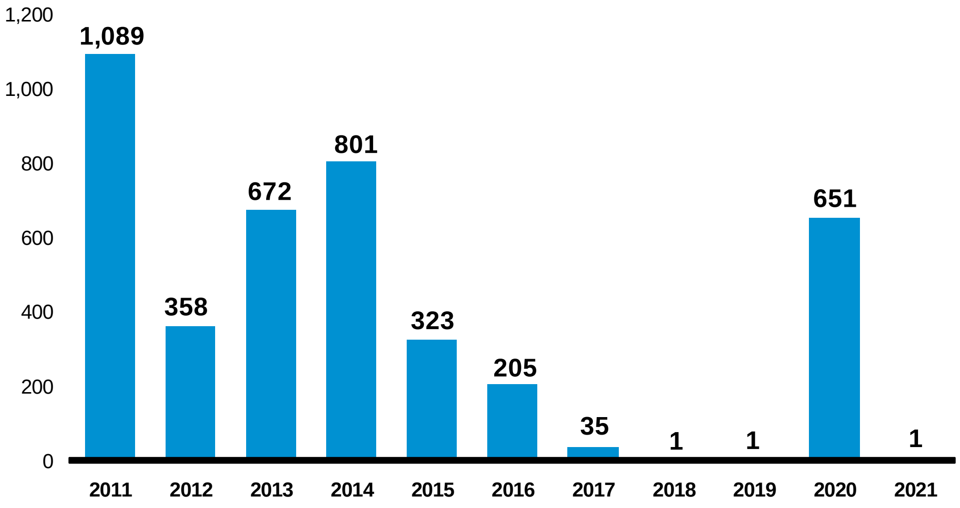
Leverage

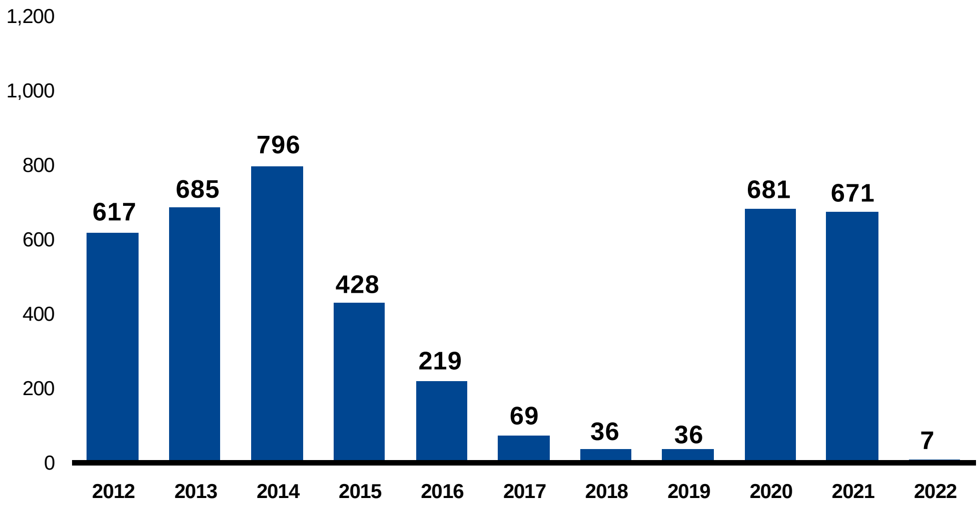


- Indebtedness has been managed well below the target of 3.3x to date
- Indebtedness target of 3.3x to be maintained with ongoing investment levels
- Sound and well balanced financing and liquidity levels in place

Secured, Well Balanced Financing and Liquidity

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



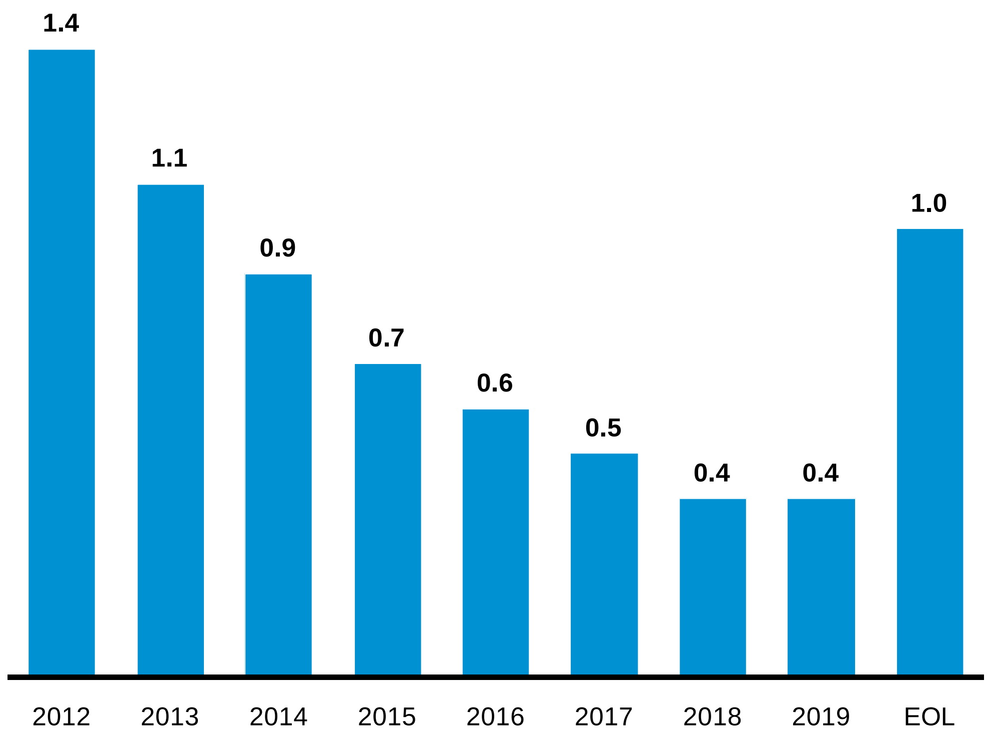


- **On 31 December 2010**, total debt stood at EUR 4,136 million
- Extended maturity was delivered through:
  - Club deal amendment, EUR 1.2 billion, maturing in 2015
  - Eurobond, EUR 650 million, maturing in 2020
  - COFACE, EUR 523 million, maturing in 2022

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

Backlog – Revenue & Cash Flow Visibility

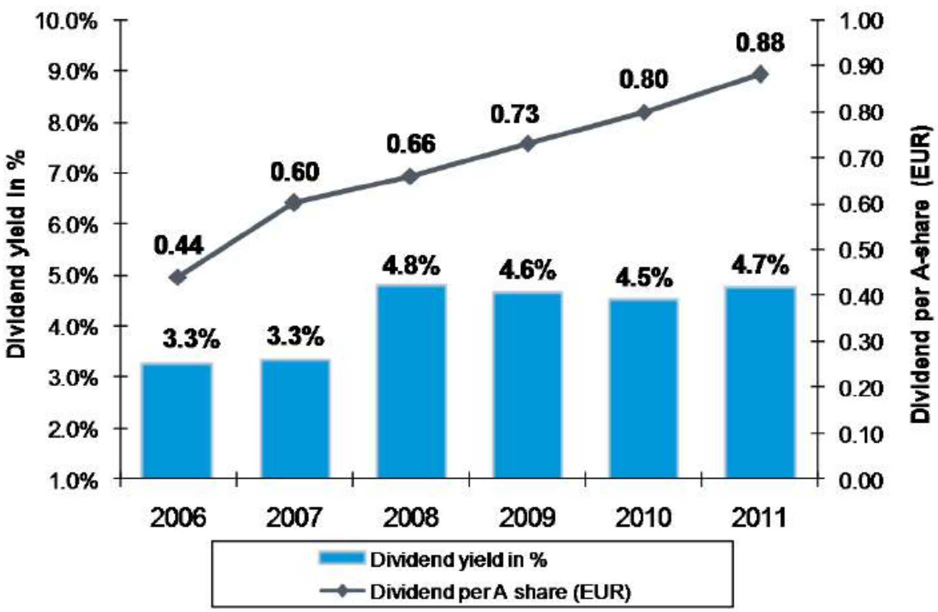
EUR billion



- SES group backlog at 31 December 2011 = EUR 7.0 billion = 4.0 x 2011 recurring revenue
- EUR 2.0 billion of renewals and new business signed during 2011
- Some 80% of 2012 expected revenue already under contract at beginning of the year

USD exchange rate on 31.12.2011: 1.29 EUR/USD

Shareholder Returns - Competitive & Reliable Policy



- Dividend per share twice as high as in 2006 (CAGR: 15%)
- 2011 Dividend Yield of 4.7%
- Shareholder return of approximately EUR 3.5 billion over 2006-2011
  - Cumulative dividends of circa EUR 1.5 billion
  - Cumulative share buy-backs and cancellations of circa EUR 2.0 billion

Note: Dividend yields calculated using year end closing price

Outlook

Reporting Period	Outlook		Proforma Outlook Excluding Analogue	
	Revenue	EBITDA	Revenue	EBITDA
2012 Annual Growth	~ 2.0%	~ 1.0%	~ 9.0%	~ 9.0%
2012 Proforma: *Excluding launch delays and solar array circuit failures*	*~ 3.0%*	*~ 2.0%*		
2012-2014 CAGR	~ 4.5%	~ 4.0%	~ 7.5%	~ 7.5%

- Strong underlying revenue and EBITDA growth in 2012
  - Overall growth rate suppressed by German analogue switch-off in April 2012
  - Satellite launch delays and solar array circuit failures depress 2012 annual growth by ~1% point
- New 2012-2014 outlook reflects strong underlying fundamentals
  - Strong growth in emerging markets from incremental capacity in the regions
  - Steady recontracting of former German analogue capacity
  - Continued growth in European services
  - Greater efficiencies arising from the internal reorganisation
- Other key financial guidance (for 2012):
  - Infrastructure EBITDA margin above 82%
  - Services activities EBITDA margin to be in a range of 14% to 18%
  - Reported tax rate in a range of 10% to 15%
  - Net Debt / EBITDA ratio will be managed below 3.3 times
  - Depreciation is expected in a range of EUR 470 – 490 million

Notes:

(1) *Outlook incorporates anticipated satellite launch delay impact of ~15 MEUR in 2012*

(2) *Outlook incorporates impact of AMC-15 and AMC-16 solar array failures of ~10 MEUR annually*

(3) *Figures represent recurring underlying revenues/EBITDA performance by removing currency effects and eliminating one-time items*

SES' Financial Strategy

- SES' ongoing focus upon Revenue and EBITDA growth
  - Revenue CAGR of 4.5% and EBITDA CAGR of 4.0% (2012-2014); excluding analogue switch-off, approximately 7.5%
- Continued emphasis on financial execution and communication
- Maintain BBB/Baa2 investment grade credit rating
  - Net debt / EBITDA target to be maintained at the level of 3.3x
  - Continuation of dividend to shareholders
- Substantial contract backlog of EUR 7.0 billion
- Soundly financed with improved debt maturity profile
- Maintain focus on cost control, CapEx and enhancing EBITDA
- Creation of shareholder value

SES
Château de Betzdorf
L-6815 Betzdorf

R.C.S. Luxembourg B 81267

Annual accounts as at 31 December 2011,
and
Independent auditor's report

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Independent auditor's report

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

Report on the annual accounts

Following our appointment by the Annual General Meeting of the Shareholders dated 7 April 2011, we have audited the accompanying annual accounts of SES, which comprise the balance sheet as at 31 December 2011 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the annual accounts

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

Responsibility of the "réviseur d'entreprises agréé"

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgment of the "réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the "réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts.

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

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of SES as of 31 December 2011, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Report on other legal and regulatory requirements

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

ERNST & YOUNG
Société Anonyme
Cabinet de révision agréé

Thierry BERTRAND

Luxembourg, 16 February 2012

SES
Société Anonyme

Balance sheet
As at December 31, 2011

Assets	**2011 EUR million**	**2010 EUR million**
Intangible assets (Note 3)	---	0.1
Tangible assets (Note 4)		
Other fixtures and fittings, tools and equipment	0.1	0.3
Payment on accounts and tangible assets in course of construction	---	2.1
	0.1	2.4
Financial assets		
Shares in affiliated undertakings (Note 5)	8,329.4	8,253.9
Loans to affiliated undertakings (Note 6)	763.3	744.3
Amounts owed by undertakings with which the company is linked by virtue of participating interests (Note 7)	27.0	---
Own shares (Note 8)	21.7	52.2
	9,141.4	9,050.4
Current assets		
Debtors (becoming due and payable within one year)		
Amounts owed by affiliated undertakings (Note 9)	1,560.5	1,283.1
Other receivables	89.9	38.1
Cash at bank and in hand	68.1	112.2
	1,718.5	1,433.4
Prepayments	47.4	50.6
Total assets	10,907.4	10,536.9

The accompanying notes form an integral part of the accounts.

Liabilities

	2011 EUR million	2010 EUR million
Capital and reserves		
Subscribed capital (Note 10)	624.4	624.4
Share premium and similar premiums	746.3	746.3
Legal reserve (Note 11)	62.4	62.4
Other reserves (Note 12)	434.5	294.5
Result for the financial year	250.5	459.7
	2,118.1	2,187.3
Creditors		
Amounts becoming due and payable after more than one year		
Notes and bonds (Note 13)	2,998.7	2,693.3
Amounts owed to credit institutions (Note 14)	671.0	429.9
Amounts owed to affiliated undertakings (Note 15)	282.1	104.8
	3,951.8	3,228.0
Amounts becoming due and payable within one year		
Notes and bonds (Note 13)	404.6	929.6
Amounts owed to credit institutions (Note 14)	228.6	179.6
Trade creditors	0.4	0.9
Amounts owed to affiliated undertakings (Note 15)	4,111.1	3,922.3
Tax and social security debt		
Tax debts (Note 16)	0.2	0.3
Social security debts	0.3	0.2
Other creditors	92.3	88.7
	4,837.5	5,121.6
Total liabilities	**10,907.4**	**10,536.9**

SES
Société Anonyme

Profit and loss account
For the year ended December 31, 2011

Charges	**2011** EUR million	**2010** EUR million
External charges (Note 21)	11.9	14.1
Staff costs (Note 17)	14.9	15.5
Depreciation and amortisation (Notes 3, 4)	2.4	0.2
Other operating charges	3.1	5.6
Value adjustments in respect of fixed assets	1.6	---
Interest payable and similar charges		
concerning affiliated undertakings	73.5	54.4
other interest payable and similar charges (Note 19)	243.2	225.4
Extraordinary charges (Note 20)	---	28.2
Income tax (Note 16)	(91.3)	(90.1)
Profit for the financial year	250.5	459.7
	509.8	713.0
Income		
Net turnover (Note 21)	---	1.3
Other operating income (Note 22)	4.7	4.5
Income from participating interests derived from affiliated undertakings (Note 23)	450.0	660.0
Income from other transferable securities and from loans forming part of the fixed assets	16.3	22.9
Other interest receivable and other financial income		
derived from affiliated undertakings	38.2	19.6
other interest and financial income (Note 24)	0.6	4.7
	509.8	713.0

The accompanying notes form an integral part of the accounts.

SES
Société Anonyme

Statement of changes in shareholders' equity
As at December 31, 2011

	Subscribed capital EUR million	Share premium EUR million	Legal reserve EUR million	Other reserves EUR million	Result for the year EUR million	Total EUR million
Balance, beginning of the year	624.4	746.3	62.4	294.5	459.7	2,187.3
Allocation of result	—	—	—	459.7	(459.7)	—
Distribution of dividends	—	—	—	(319.7)	—	(319.7)
Profit for the financial year	—	—	—	—	250.5	250.5
Balance, end of the year	624.4	746.3	62.4	434.5	250.5	2,118.1

The accompanying notes form an integral part of the accounts.

Note 1 - General

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

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

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

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

Note 2 - Significant accounting policies

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

The annual accounts are prepared in accordance with the generally accepted accounting principles and regulations in force in the Grand Duchy of Luxembourg.

Formation expenses

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

Intangible assets

<u>Development costs:</u>

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

Note 2 - Significant accounting policies - continued

Payments on account:

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

Tangible assets

Other fixtures, fittings, tools and equipment:

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

Tangible assets in course of construction:

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

Financial assets

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

Loan origination costs

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

Dividends

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

Convertible profit participating loan

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

Note 2 - Significant accounting policies - continued

Translation of foreign currencies

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

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

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

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

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

Financial derivatives

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

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

Net turnover

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

Note 3 - Intangible assets

	2011 EUR million	**2010 EUR million**
Cost at beginning of year	0.1	0.1
Additions	—	—
Write-off	0.1	—
Cost at end of year	—	0.1
Accumulated amortisation at beginning of year	—	—
Write-off	—	—
Accumulated amortisation at end of year	—	—
Net book value at beginning of year	0.1	0.1
Net book value at end of year	—	0.1

Note 4 - Tangible assets

The development of tangible assets during the financial years 2011 and 2010 is as follows:

	Other fixtures and fittings, tools and equipment EUR million	Payments on account and tangible assets in course of construction EUR million	**Total 2011 EUR Million**	Total 2010 EUR million
Cost at beginning of year	3.0	2.1	**5.1**	**5.1**
Accumulated depreciation at beginning of year	(2.7)	---	**(2.7)**	**(2.5)**
Net book value at beginning of year	0.3	2.1	**2.4**	**2.6**
Movements of the year				
Additions	0.1	---	**0.1**	---
Transfers	2.1	(2.1)	---	---
Retirements	(2.1)	---	**(2.1)**	---
Depreciation	(2.4)	---	**(2.4)**	**(0.2)**
Depreciation on retirements	2.1	---	**2.1**	---
Cost at end of year	3.1	---	**3.1**	**5.1**
Accumulated depreciation at end of year	(3.0)	---	**(3.0)**	**(2.7)**
Net book value at end of year	0.1	---	**0.1**	**2.4**

Note 5 - Shares in affiliated undertakings

	2011 EUR million	2010 EUR million
Cost at beginning of year	8,258.6	8,306.8
Additions	75.5	28.8
Repayment of initial investment	—	(77.0)
Cost at end of year	8,334.1	8,258.6
Value adjustments at beginning of year	(4.7)	(4.7)
Value adjustment of the year	—	—
Value adjustments at end of year	(4.7)	(4.7)
Net book value at end of year	8,329.4	8,253.9

As at December 31, 2011, the Company holds the following investments:

	Participation	Net Book Value EUR million
SES Astra S.A., Betzdorf, Luxembourg	100%	1,046.8
SES Global – Americas, Inc., Princeton, United States	99.94%	3,854.8
Astra Broadband Services S.A., Betzdorf, Luxembourg	0.01%	—
SES Global Americas Finance Inc, Delaware, United States	100%	—
SES Astra A.B., Stockholm, Sweden	32.34%	50.1
SES Participations S.A., Betzdorf, Luxembourg	100%	206.8
SES Global Africa S.A., Betzdorf, Luxembourg	100%	406.6
SES Finance S.à r.l., Switzerland	100%	1,502.2
SES Holdings (Netherlands) BV, Netherlands	100%	1,113.3
SES Astra Services Europe S.A., Betzdorf, Luxembourg	100%	148.8
SES Astra TechCom Belgium S.A.,Belgium	1%	—
SES Latin America S.A., Bedzdorf, Luxembourg	100%	—
SES Belgium Sprl, Belgium	99%	—
		8,329.4

Note 5 - Shares in affiliated undertakings - continued

In May 2011, SES contributed to a further capital increase in SES Finance S.à r.l. through a contribution in kind of a promissory note with SES Satellite Leasing Limited for an amount of USD 107.8 million (EUR 75.5 million).

In October 2010, SES Global – Americas, Inc., decided to reimburse EUR 77.0 million of paid-in capital.

In April 2010, SES contributed to a further capital increase in SES Astra Services Europe S.A. through a contribution in kind of an intercompany loan with SES Capital Belgium for a total amount of EUR 28.8 million.

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

Note 6 - Loans to affiliated undertakings

Loans to affiliated undertakings of EUR 763.3 million (2010: EUR 744.3 million) consist of Convertible Profit Participating Loans with SES Finance S.à r.l..

On February 1, 2007 SES granted a Convertible Profit Participating Loan amounting to USD 807.4 million (2011: EUR 623.3 million; 2010: EUR 604.3 million). A further loan of EUR 140.0 million was granted on November 28, 2008.

Note 7 - Amounts owed by undertakings with which the company is linked by virtue of participating interests

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

Included within other debtors is the short term portion of the loan amounting to EUR 4.0 million and the accrued interest as at 31 December 2011 amounting to EUR 1.3 million.

Note 8 - Own shares

	2011 EUR million	2010 EUR million
Cost at beginning of year	52.6	95.9
Value adjustments at beginning of year	(0.4)	(1.6)
Net book value at beginning of year	52.2	94.3
Movements of the year		
Purchase of FDRs / own shares	—	1.6
Used in connection with employee option scheme	(30.5)	(44.9)
Reversal of value adjustments	—	1.2
Cost at end of year	22.1	52.6
Value adjustments at end of year	(0.4)	(0.4)
Net book value at end of year	21.7	52.2

Own Fiduciary Deposit Receipts:

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

As at December 31, 2011, the Company owned 1.725.058 FDRs (2010: 4.254.011).

Note 9 - Amounts owed by affiliated undertakings

Amounts owed by affiliated undertakings of EUR 1,560.5 million (2010: EUR 1,283.1 million) consist of current accounts.

As at December 31, 2011 current accounts represent short-term advances bearing interest at market rates and consist principally of amounts owed by SES Astra 1Kr S.à r.l., SES Astra 1L S.à r.l., SES Astra 2F S.à r.l., SES Astra 1M S.à r.l., SES Astra 5B S.à r.l., SES Finance S.à r.l., SES Astra S.A. SES Astra 3B S.à r.l. and SES Astra 2E S.à r.l..

Note 10 - Subscribed capital

As at December 31, 2011 and 2010 the issued and fully paid share capital amounted to EUR 624.4 million, represented by 499,477,695 shares with no par value (332,985,130 Class A ordinary shares and 166,492,565 Class B ordinary shares).

Note 11 - Legal reserve

In accordance with Luxembourg legal requirements, a minimum of 5% of the yearly net profit is transferred to a legal reserve from which distribution is restricted. This requirement is satisfied when the reserve reaches 10% of the issued share capital.

Note 12 - Other reserves

Prior to January 1, 2002, in accordance with Article 174 bis of Luxembourg fiscal law, the Company was entitled to credit the net worth tax due for the year against the corporate income tax charge for the year. From 2002 onwards, in accordance with paragraph 8a of the 16 October 1934 law as amended, the Company is entitled to reduce the net worth tax due for the year by an amount which cannot exceed the corporate income tax due for the year. In order to avail of the above the Company must set up a restricted reserve equal to five times the amount of the net worth tax credited. This reserve has to be maintained for a period of five years following the year in which it was created. In case of distribution of the restricted reserve, the tax credit falls due during the year in which it was distributed.

During previous years, the SES Group had decided to maintain the restricted reserve for the Luxembourg fiscal integration group (the "tax group") under "other reserves" in the accounts of SES Astra. During the year 2008, it was decided that as from 2008 the restricted reserves are to be maintained in the accounts of SES S.A..

As at December 31, 2011, the restricted portion of "other reserves" in the books of SES S.A. is as follows:

	Reduction in net worth tax EUR million	**Restricted reserve EUR million**
2008	**18.2**	**90.8**
2009	**12.7**	**63.4**
2010	**14.1**	**70.7**

Upon approval of these accounts by the Annual General Meeting of the Shareholders, an amount of EUR 61.8 million will be allocated to restricted reserves in the books of SES S.A. corresponding to five times the amount of the 2011 net worth tax.

Note 13 - Notes and bonds

U.S. Private Placement
On September 30, 2003, SES, through SES GLOBAL-Americas Holdings GP, issued in the U.S. Private Placement market four series of unsecured notes amounting to USD 1,000.0 million and GBP 28.0 million. These notes comprised:

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

On these four series, SES pays interest semi-annually. SES is committed under the U.S. Private Placement to maintaining covenants requiring certain financial ratios to be upheld within agreed limits in order to provide sufficient security to the lenders. These financial ratios are based on the consolidated financial statements of SES S.A..

European Medium-Term Note Programme (EMTN)
On December 6, 2005, SES put in place a EUR 2,000.0 million EMTN enabling SES, or SES GLOBAL-Americas Holdings GP, to issue as and when required notes up to a maximum aggregate amount of EUR 2,000.0 million. In May 2007, this programme was increased to an aggregate amount of EUR 4,000.0 million. On September 19, 2011, this programme has been extended for one further year.

As of December 31, 2011, SES has issued EUR 2,600.0 million (2010: EUR 2,600.0 million) under the EMTN Programme with maturities ranging from 2013 – 2021.

– EUR 150.0 million Private Placement (2016)
On July 13, 2009, SES issued a EUR 150.0 million Private Placement under the company's European Medium-Term Note Programme with Deutsche Bank. The Private Placement has a 7-year maturity, beginning August 5, 2009, and bears interest at a fixed rate of 5.05%.

– EUR 650.0 million Eurobond (2021) issue
On March 11, 2011 (pricing March 2, 2011), SES issued a EUR 650.0 million bond under the company's European Medium-Term Note Programme. The bond has a 10-year maturity and bears interest at a fixed rate of 4.75%.

– EUR 650.0 million Eurobond (2020)
On March 9, 2010 (pricing March 1, 2010), SES issued a EUR 650.0 million bond under the company's European Medium-Term Note Programme. The bond has a 10-year maturity and bears interest at a fixed rate of 4.625%.

– EUR 650.0 million Eurobond (2014)
On July 9, 2009 (pricing June 30, 2009), SES issued a EUR 650.0 million bond under the company's European Medium-Term Note Programme. The bond has a 5-year maturity and bears interest at a fixed rate of 4.875%.

– EUR 500.0 million Eurobond (2013)
On October 20, 2006, SES issued a EUR 500.0 million bond under the company's European Medium-Term Note Programme. The bond has a 7-year maturity and bears interest at a fixed rate of 4.375%.

Note 13 - Notes and bonds - continued

– EUR 650.0 million Eurobond (2011) repayment
On March 15, 2006, SES issued a EUR 650.0 million bond under the company's European Medium-Term Note Programme. The bond has a 5-year maturity and bears interest at a fixed rate of 4.0%. The bond was repaid on March 15, 2011.

– German Bond issue of EUR 200.0 million
On May 21, 2008, the group concluded an agreement to issue EUR 200 million in two equal tranches in the German Bond ('Schuldschein') market. The agreement for the first tranche was signed on May 30, 2008 with the funds being drawn down in June 2008, and bearing interest at fixed rate of 5.75%. The agreement for the second tranche was signed on July 14, 2008 with the funds being drawn down in July 2008 and bearing interest at fixed rate of 6.0%. Both German bonds mature in November 2012.

Commercial paper programme
On October 25, 2005, SES put in place a EUR 500.0 million 'Programme de Titres de Créances Négociables' in the French market where the company issued 'Billets de Trésorerie' (commercial paper) in accordance with articles L.213-1 to L.213-4 of the French Monetary and Financial Code and decree n°92.137 of February 13, 1992 and all subsequent regulations. The maximum outstanding amount of 'Billet de Trésorerie' issuable under the programme is EUR 500.0 million or its counter value at the date of issue in any other authorised currency. On May 9, 2011, this programme was extended for one further year. As of December 31, 2011 borrowings of EUR 60.0 million (2010: EUR 135.0 million) were outstanding under this programme. The average rate of the outstanding commercial paper amounts to 1.06% (2010: 0.95%) for the drawdown period.

The maturity profile of notes and bonds is as follows as at December 31, 2011 and 2010:

	2011 EUR million	2010 EUR million
Within one year	**404.6**	929.6
Between one to two years	**644.6**	344.6
Between two to five years	**1,054.1**	1,548.7
After five years	**1,300.0**	800.0
Total after one year	**2,998.7**	2,693.3

Note 14 - Amounts owed to credit institutions

As at December 31, 2011 and 2010, the amount owed to credit institutions was as follows:

	2011	2010
	EUR million	EUR million
Becoming due and payable after more than one year	**671.0**	429.9
European Investment Bank	**166.7**	200.0
COFACE facility	**221.5**	109.9
US Ex-Im	**73.5**	—
Syndicated revolving credit facility	**209.3**	120.0
Becoming due and payable within one year	**228.6**	179.6
European Investment Bank	**33.3**	—
US Ex-Im	**9.8**	—
Committed and uncommitted loan facilities	**185.5**	179.6

EUR 200.0 million European Investment Bank funding
On April 21, 2009, SES signed a financing agreement with the European Investment Bank concerning the investment by the group in certain satellite investment projects. This facility, bearing interest at a fixed rate of 3.618%, is repayable in six annual instalments between May 2012 and May 2017.

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

EUR 522.9 million COFACE facility
On December 16, 2009, SES signed a financing agreement with COFACE (Compagnie Française d'Assurance pour le Commerce Extérieur) in respect of the investment in four geostationary satellites (ASTRA 2E, ASTRA 2F, ASTRA 2G, ASTRA 5B). The facility is divided into five loans. The drawings under the facility are based on invoices from the supplier of the satellites. The first drawing was done on April 23, 2010. Each loan will be repaid in 17 equal semi-annual instalments starting the earlier of the in-orbit date of the satellite being financed by such loan and April 1, 2014 and the estimated final maturity of the facility will be by the end of 2022. The facility bears interest at a floating rate of six month EURIBOR plus a margin of 1.7%.

USD 158 million US Ex-Im facility (new)
In April 2011, SES signed a financing agreement with Ex-Im Bank (Export-Import Bank of the United States) over USD 158 million for the investment in one geostationary satellite (Quetzsat). On May 19, 2011, SES drew the first tranche of USD 107.8 million. The loan will be repaid in 17 equal semi-annual instalments starting (i) the earlier of six month after the in-orbit acceptance date of the satellite and (ii) June 20, 2012. The final maturity will be eight years after the initial repayment date. The facility bears interest at a fixed rate of 3.11%.

Committed and uncommitted loan facilities
As at December 31, 2011, the company had drawn USD 240.0 million (EUR 185.5 million) under uncommitted loan facilities (2010: USD 240.0 million).

Note 14 - Amounts owed to credit institutions - continued

The maturity profile of the amounts drawn is as follows as at December 31, 2011 and 2010:

	2011 EUR million	2010 EUR million
Between one and two years	**56.8**	33.3
Between two and five years	**414.2**	305.7
After five years	**200.0**	90.9
Total	**671.0**	429.9

Note 15 - Amounts owed to affiliated undertakings

Amounts owed to affiliated undertakings of EUR 4,393.2 million (2010: EUR 4,027.1 million) include the following:

	2011 EUR million	**2010 EUR million**
Long-term loans (maturity after 5 years)	282.1	104.8
Short-term loans	993.6	661.1
Notes	1,998.7	1,937.0
Current accounts	1,118.8	1,324.2
	4,393.2	4,027.1

Short term loans bear interest at market rates and are repayable upon demand.

As at December 31, 2011 long-term loans represented nine loans bearing interest at a rate of 4.12% with a maturity of April 2021 and six loans bearing interest at a rate of one month USD LIBOR plus a margin of 0.50% or 0.54% with a maturity of November 2020.

As at December 31, 2010 long-term loans represent six loans bearing interest at a rate of one month USD LIBOR plus a margin of 0.50% or 0.54% with a maturity of November 2020.

Note 15 - Amounts owed to affiliated undertakings - continued

As at December 31, 2011 the notes are interest free and are repayable upon demand or at latest on the second anniversary of the note, which may be extended for successive periods of two years each at the exception of:

- one notes which bears interest at a rate of 4.6% per annum and is repayable upon demand or at latest on the second anniversary of the note, which may be extended for successive periods of two years
- four notes which bears interest at a rate of Swiss safe harbor interest rate plus a margin of 0.5% and are repayable upon presentation or at the latest on January 31, 2019
- one interest free note repayable upon presentation or at the latest on May 19, 2021.

As at December 31, 2010 the notes are interest free and are repayable upon demand or at latest on the second anniversary of the note, which may be extended for successive periods of two years each at the exception of:

- one notes which bears interest at a rate of 4.6% per annum and is repayable upon demand or at latest on the second anniversary of the note, which may be extended for successive periods of two years
- four notes which bears interest at a rate of Swiss safe harbor interest rate plus a margin of 0.5% and are repayable upon presentation or at the latest on January 31, 2019

As at December 31, 2011 and 2010 current accounts represent short-term advances bearing interest at market rates and include a short term advance owed to SES Astra S.A. of EUR 368.1 million (2010: EUR 489.1 million).

Note 16 - Taxes on profit

Taxes in the profit and loss account have been provided in accordance with the relevant laws.

The balance sheet position takes into consideration the taxable result of the Luxembourg subsidiaries (SES Astra S.A., SES Asia S.A., Astra Broadband Services S.A., SES Participations S.A., SES Global Africa S.A., NSS Latin America Holdings S.A., SES Astra 3B S.à r.l., SES Astra 1KR S.à r.l., SES Astra 1L S.à r.l., SES Astra 1M S.à r.l., SES Astra TechCom S.A., SES Engineering S.à r.l., SES Astra 1N S.à r.l., SES Astra 5BS.à r.l., SES Astra 2E S.à r.l., SES Astra 2F S.à r.l., SES Astra 2G S.à r.l. and SES Digital Distribution Services S.à r.l.), which are part of the Luxembourg fiscal unity, in accordance with Art 164 bis LIR.

Note 17 - Staff costs

As at December 31, 2011, the number of full time equivalent employee was 57 (2010: 58) and the average number of employees in the workforce for 2011 was 58 (2010: 58). Staff costs can be analysed as follows:

	2011 EUR million	**2010 EUR million**
Wages and salaries	14.2	14.9
Social security costs	0.7	0.6
	14.9	15.5

Note 18 - Audit fees

Art. 65 paragraph (1) 16° of the law of December 19, 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings (the "law") requires the disclosure of the independent auditor fees. In conformity with the law these details have been omitted as the Company prepares consolidated accounts in which this information is disclosed and these consolidated accounts and the related consolidated annual report and auditors' report thereon have been lodged with the Luxembourg Trade Registry.

Note 19 - Other interest payable and similar charges

Other interest payable and similar charges include the following:

	2011 EUR million	**2010 EUR million**
Interest charges	190.5	195.3
Foreign exchange losses, net	34.2	---
Other financial charges	18.5	30.1
	243.2	225.4

Foreign exchange losses, net, mainly consist of losses realised on the close out of certain derivative instruments during the year 2011.

Note 20 - Extraordinary charges

As at December 31, 2010 the amount of EUR 28.2 million consisted of an affiliated undertaking debt waiver.

Note 21 - Net turnover

In 2010 net turnover amounting to EUR 1.3 million consisted of transponder capacity service revenue generated from trading with affiliated undertakings for which satellite rental costs of EUR 1.3 million are included in External charges. This contract ended in January 2010.

Note 22 - Other operating income

Other operating income mainly consist of group recharge revenues amounting to EUR 4.7 million (2010: EUR 4.5 million) arising from advisory support services rendered to various affiliates.

Note 23 - Income from participating interests derived from affiliated undertakings

Income from participating interests derived from affiliated undertakings consists of the following:

	2011 EUR million	2010 EUR million
Dividends received from affiliated undertakings	450.0	660.0
	450.0	660.0

Note 24 - Other interest receivable and financial income

Other interest receivable and similar income include the following:

	2011 EUR million	2010 EUR million
Interest income	0.6	0.3
Foreign exchange gain, net	—	4.4
	0.6	4.7

Foreign exchange gains, net, mainly consisted of gains realised on the close out of certain derivative instruments during the year 2010.

Note 25 - Board of Directors' remuneration

At the Annual General Meeting held on April 7, 2011, payments to directors for attendance at Board and Committee meetings were approved. These payments are computed on a fixed and variable basis, the variable payments being based upon attendance at Board and Committee meetings. Total payments arising in 2011 were EUR 1.3 million (2010: EUR 1.3 million).

Note 26 - Off balance sheet items

External interest rate swaps
As at December 31, 2011 and December 31, 2010, the company had no EUR interest rate swaps outstanding.

As at December 31, 2011 and 2010, the company held four USD interest rate swaps which were designated as hedges of expected future interest expenses on USD 240.0 million of uncommitted credit lines which are floating rate debt.

External cross currency swaps
As at December 31, 2011, the company held five cross currency swaps with a total amount of EUR 500 million which were designated as hedge of the net investments in SES WORLD SKIES, SES Satellite Leasing and SES Re International (Bermuda) to hedge the group's exposure to foreign exchange risk on these investments.

Note 26 - Off balance sheet items - continued

Forward foreign exchange contracts
As at December 31, 2011 and 2010, the company had several outstanding foreign exchange contracts.

As at December 31, 2011:

Each of the following contracts is mirrored by an internal forward foreign exchange contract with a group entity.

Currency sold	Currency bought	Average weighted maturity	Average FX rate	Note	Net Fair Value
USD 18.5 million	EUR 13.5 million	April 2012	EUR/USD 1.3696	3	---
USD 60.7 million	EUR 44.9 million	July 2012	EUR/USD 1.3513	6	EUR (1.9) million
EUR 41.5 million	USD 58.7 million	December 2012	EUR/USD 1.4146	4	EUR 3.7 million
USD 50.9 million	EUR 35.9 million	December 2012	EUR/USD 1.4173	3	EUR 0.1 million
SEK 64.0 million	USD 9.2 million	January 2012	USD/SEK 6.9430	3	---
EUR 0.5 million	SEK 4.3 million	January 2012	EUR/SEK 9.0048	2	---
USD 1.0 million	SEK 6.8 million	January 2012	USD/SEK 6.9095	2	---

The company also has the following outstanding foreign exchange contracts which are not mirrored by internal contracts:

Currency sold	Currency bought	Average weighted maturity	Average FX rate	Fair Value
EUR 11.0 million	SEK 98.8 million	January 2012	EUR/SEK 9.008	EUR 0.1 million
EUR 0.3 million	GBP 0.2 million	March 2012	EUR/GBP 0.8592	---

As at December 31, 2010:

Each of the following contracts is mirrored by an internal forward foreign exchange contract with a group entity.

Currency sold	Currency bought	Average weighted maturity	Average FX rate	Note	Net Fair Value
USD 0.6 million	EUR 0.9 million	January 2011	EUR/USD 1.3251	8	-
USD 33.0 million	EUR 25.1 million	January 2011	EUR/USD 1.3157	1	-
EUR 0.2 million	CHF 0.3 million	January 2011	EUR/CHF 1.3103	5	-
EUR 1.5 million	USD 2.0 million	January 2011	EUR/USD 1.3331	5	-
USD 0.3 million	EUR 0.2 million	March 2011	EUR/USD 1.3312	7	-
USD 44.6 million	EUR 33.3 million	April 2011	EUR/USD 1.3404	3	EUR 0.2 million
SEK 537.9 million	USD 78.9 million	January 2011	USD/SEK 6.8183	3	-
USD 123.9 million	EUR 124.1 million	December 2011	EUR/USD 1.3119	6	EUR (1.5) million
EUR 5.2 million	SEK 50.0 million	May 2011	EUR/SEK 9.6843	2	-
USD 8.3 million	SEK 60.9 million	May 2011	USD/SEK 7.3136	2	-

Note 26 - Off balance sheet items - continued

The company also has the following outstanding foreign exchange contracts which are not mirrored by internal contracts:

Currency sold	Currency bought	Average weighted maturity	Average FX rate	Fair value
SEK 5.0 million	EUR 0.6 million	January 2011	EUR/SEK 8.9868	-
EUR 5.7 million	GBP 4.9 million	September 2011	EUR/GBP 0.8541	-

1. These foreign exchange contracts exactly mirror the internal forward foreign exchange contracts entered into with SES Finance.
2. These foreign exchange contracts exactly mirror the internal forward foreign exchange contracts entered into with SES ASTRA AB.
3. These foreign exchange contracts exactly mirror the internal forward foreign exchange contracts entered into with SES Satellite Leasing.
4. These foreign exchange contracts exactly mirror the internal forward foreign exchange contracts entered into with SES Asia S.A..
5. These foreign exchange contracts exactly mirror the internal forward foreign exchange contracts entered into with SES ASTRA TechCom.
6. These foreign exchange contracts exactly mirror the internal forward foreign exchange contracts entered into with New Skies.
7. These foreign exchange contracts exactly mirror the internal forward foreign exchange contracts entered into with ASTRA Broadband Services.
8. These foreign exchange contracts exactly mirror the internal forward foreign exchange contracts entered into with SES Re International Bermuda.

Inter-company financial instruments

The company arranged several inter-company foreign exchange contracts in order to hedge the U.S. Private Placement as well as certain other USD-denominated facilities. The average terms of these inter-company contracts are as follows:

	Currency sold	Currency bought	Average weighted maturity	Exchange rate
As at Dec 31, 2011	EUR 620.5 million	USD 744.6 million	October 2013	EUR/USD 1.2000
As at Dec 31, 2010	EUR 675.0 million	USD 790.9 million	September 2013	EUR/USD 1.1717

As at December 31, 2011, the fair value of the contract was EUR (37.3) million, (2010: EUR (70.7) million).

As at December 31, 2011, the company had also entered into the following additional inter-company foreign exchange contracts which are mirrored by internal forward foreign exchange contract with another inter-company group entity:

Currency sold	Currency bought	Average weighted maturity	Average exchange rate
USD 58.5 million	EUR 42.6 million	June 2012	EUR/USD 1.3734

As at December 31, 2011, the net fair value of the contract was EUR 0.

Note 26 - Off balance sheet items - continued

As at December 31, 2010, the company had also entered into the following additional inter-company foreign exchange contracts which are mirrored exactly by internal forward foreign exchange contract with another inter-company group entity:

Currency sold	Currency bought	Average weighted maturity	Average exchange rate
USD 58.7 million	EUR 45.3 million	January 2013	EUR/USD 1.297

As at December 31, 2010, the net fair value of the contract was EUR 0.

Guarantees
On December 31, 2011, the company had outstanding bank guarantees for an amount of EUR 2.7 million (2010: EUR 0.7 million) with respect to performance and warranty guarantees for services of satellite operations.

Corporate guarantees
In 2011 and 2010, SES has given several corporate guarantees to satellite providers for the provision of communications spacecraft and related equipment contracted by fully-owned subsidiaries of the group. As at December 31, 2010 the company had issued a guarantee towards ND Satcom for EUR 15.0 million.

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Château de Betzdorf
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Consolidated Financial Statements as at 31 December 2011,
and
Independent auditor's report

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Independent auditor's report

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

Report on the consolidated financial statements

Following our appointment by the Annual General Meeting of the Shareholders dated 7 April 2011, we have audited the accompanying consolidated financial statements of SES, which comprise the consolidated statement of financial position as at 31 December 2011, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the consolidated financial statements

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

Responsibility of the "réviseur d'entreprises agréé"

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the judgement of the "réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the "réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of SES as of 31 December 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

The consolidated management report, which is the responsibility of the Board of Directors, is consistent with the consolidated financial statements.

ERNST & YOUNG
Société Anonyme
Cabinet de révision agréé

Thierry BERTRAND

Luxembourg, 16 February 2012

Consolidated income statement
For the year ended December 31, 2011

In millions of euros		2011	2010
Continuing operations			
Revenue	Note 6	**1,733.1**	1,735.7
Cost of sales	Note 7	**(135.2)**	(129.5)
Staff costs	Note 7	**(173.5)**	(179.8)
Other operating expenses	Note 7	**(149.8)**	(130.0)
Operating expenses	Note 7	**(458.5)**	(439.3)
EBITDA		**1,274.6**	1,296.4
Depreciation expense	Note 14	**(431.7)**	(464.4)
Amortisation expense	Note 16	**(34.7)**	(34.6)
Operating profit	Note 6	**808.2**	797.4
Finance revenue	Note 9	**14.9**	5.6
Finance costs	Note 9	**(173.4)**	(201.5)
Net financing charges	Note 9	**(158.5)**	**(195.9)**
Profit before tax		**649.7**	601.5
Income tax expense	Note 10	**(16.0)**	(73.9)
Profit after tax		**633.7**	527.6
Share of associates' result	Note 17	**(8.4)**	(3.8)
Profit from continuing operations		**625.3**	523.8
Discontinued operations			
Loss after tax from discontinued operations	Note 4	**(7.3)**	(36.3)
Profit for the year		**618.0**	487.5
Attributable to:			
Equity holders of the parent		**617.7**	487.3
Non-controlling interests		**0.3**	0.2
		618.0	487.5
Earnings per share (in euro)[1]			
Class A shares	Note 12	**1.56**	1.24
Class B shares	Note 12	**0.62**	0.50
Earnings per share on continuing operations (in euro)[1]			
Class A shares	Note 12	**1.58**	1.33
Class B shares	Note 12	**0.63**	0.53

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

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

Consolidated statement of comprehensive income
For the year ended December 31, 2011

In millions of euros		2011	2010
Profit for the year		**618.0**	487.5
Other comprehensive income			
Impact of currency translation		**162.5**	342.0
Net loss on hedge of net investment		**(87.2)**	(97.0)
Income tax effect		**25.8**	21.4
Total net loss on hedge of net investment, net of tax		**(61.4)**	(75.6)
Net movements on cash flow hedges	Note 11	**(0.2)**	10.2
Income tax effect		**(1.5)**	(2.5)
Total net movements on cash flow hedges, net of tax		**(1.7)**	7.7
Total other comprehensive income for the year, net of tax		**99.4**	274.1
Total comprehensive income for the year, net of tax		**717.4**	761.6
Attributable to:			
Equity holders of the parent		**716.1**	757.3
Non-controlling interests		**1.3**	4.3

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

Consolidated statement of financial position
As at December 31, 2011

In millions of euros		2011	2010
Non-current assets			
Property, plant and equipment	Note 14	3,708.9	3,093.2
Assets in the course of construction	Note 15	1,300.4	1,311.6
Total property, plant and equipment		5,009.3	4,404.8
Intangible assets	Note 16	2,913.4	2,866.0
Investments in associates	Note 17	150.4	128.2
Other financial assets	Note 18	48.0	25.1
Valuation of financial derivatives	Note 20	3.3	–
Deferred income tax assets	Note 10	60.5	32.0
Total non-current assets		***8,184.9***	***7,456.1***
Current assets			
Inventories		9.3	9.2
Trade and other receivables	Note 19	428.1	277.0
Prepayments		29.5	35.0
Valuation of financial derivatives	Note 20	–	2.5
Cash and cash equivalents	Note 22	218.0	321.0
Total current assets		***684.9***	***644.7***
Assets of disposal group classified as held for sale	Note 4	–	127.7
Total assets		**8,869.8**	**8,228.5**
Equity			
Attributable to equity holders of the parent	Note 23	2,534.2	2,093.0
Non-controlling interests		83.1	35.5
Total equity		***2,617.3***	***2,128.5***
Non-current liabilities			
Interest-bearing loans and borrowings	Note 25	3,579.8	2,995.9
Provisions and deferred income	Note 26	271.7	298.0
Valuation of financial derivatives	Note 20	1.3	14.1
Deferred tax liabilities	Note 10	694.0	737.6
Other long-term liabilities	Note 27	18.2	36.2
Total non-current liabilities		***4,565.0***	***4,081.8***
Current liabilities			
Interest-bearing loans and borrowings	Note 25	616.8	1,088.6
Trade and other payables	Note 27	444.5	348.9
Valuation of financial derivatives	Note 20	56.9	–
Income tax liabilities	Note 2	201.3	162.4
Deferred income		368.0	320.6
Total current liabilities		***1,687.5***	***1,920.5***
Liabilities directly associated with the assets classified as held for sale	Note 4	–	97.7
Total liabilities		**6,252.5**	**6,100.0**
Total liabilities and equity		**8,869.8**	**8,228.5**

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

Consolidated statement of cash flows[1]

For the year ended December 31, 2011

In millions of euros	2011	2010
Profit from continuing operations before tax	**641.3**	597.7
Loss from discontinued operations before tax	**(2.6)**	(62.1)
Profit before tax – Total	**638.7**	535.6
Taxes paid during the year	**(64.0)**	(131.5)
Finance costs	**126.2**	121.1
Depreciation and amortisation	**470.3**	522.0
Amortisation of client upfront payments	**(39.0)**	(47.8)
Impairment loss recognised on the remeasurement to fair value less cost to sell (Note 4)	–	30.8
Impairment of Sea Launch receivable (Note 7)	–	(3.9)
Other non-cash items in consolidated income statement	**20.5**	28.5
Consolidated operating profit before working capital changes	**1,152.7**	1,054.8
Changes in operating assets and liabilities		
(Increase) / decrease in inventories	**(2.6)**	(2.6)
(Increase) / decrease in trade and other debtors	**(94.6)**	9.8
(Increase) / decrease in prepayments and deferred charges	**9.7**	(8.9)
Increase / (decrease) in trade and other creditors	**6.0**	21.0
Increase / (decrease) in payments received on account	**(43.5)**	0.5
Increase / (decrease) in upfront payments and deferred income	**52.2**	47.8
Net cash generated by operations	**(72.8)**	67.6
Net operating cash flow	**1,079.9**	1,122.4
Cash flow from investing activities		
Net disposal / (purchase) of intangible assets	**(3.0)**	2.1
Purchase of tangible assets	**(834.5)**	(746.1)
Disposal of tangible assets	**6.4**	4.2
Acquisition of non-controlling interests	–	(27.0)
Disposal of controlling interests in ND Satcom, net of cash disposed (Note 4)	**(9.3)**	–
Investment in equity-accounted investments	**(7.3)**	(0.7)
Realised proceeds on settlement of net investment hedge instruments	–	(74.2)
Other investing activities	**(2.6)**	(12.3)
Net cash absorbed by investing activities	**(850.3)**	(854.0)
Cash flow from financing activities		
Proceeds from borrowings	**926.9**	810.6
Repayment of borrowings	**(847.8)**	(651.1)
Dividends paid on ordinary shares, net of dividends received	**(317.0)**	(287.5)
Interest on borrowings	**(178.1)**	(160.9)
Net proceeds on treasury shares sold	**29.9**	42.7
Financing received from non-controlling interests	**58.9**	–
Net cash absorbed by financing activities	**(327.2)**	(246.2)
Net foreign exchange movements	**(8.1)**	14.9
Net (decrease) / increase in cash	**(105.7)**	37.1
Net cash at beginning of the year (Note 22)	**323.7**	286.6
Net cash at end of the year (Note 22)	**218.0**	323.7

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

[1] The cash flow presentation for the group has been amended to bring more transparency to the impact of cash outflows for the servicing of borrowings. Such outflows were previously allocated between operating activities, investing activities and financing activities, depending on the nature of the funded activity. Management takes the view that it is more appropriate to adopt the presentation of such outflows in one place as part of financing activities, which is an approach commonly used by other significant listed companies in the company's business sector.
The restatement of the prior period cash flows resulted in cash outflows of EUR 15.3 million and EUR 58.4 million being transferred out of operating and investing activities respectively, with the total of EUR 73.7 million being added to the outflows for financing activities.

Consolidated statement of changes in shareholders' equity

For the year ended December 31, 2011

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

	Issued capital EUR million	Share premium EUR million	Treasury shares EUR million	Other reserves EUR million	Retained earnings EUR million	Cash flow hedge reserve EUR million	Foreign currency translation reserve EUR million	Total EUR million	Non-controlling interests EUR million	Total equity EUR million
At January 1, 2010	624.4	484.4	(98.5)	1,050.0	476.5	(15.7)	(933.4)	1,587.7	7.9	1,595.6
Result for the year	–	–	–	–	487.3	–	–	487.3	0.2	487.5
Other comprehensive income (loss)	–	–	–	–	–	7.7	262.3	270.0	4.1	274.1
Total comprehensive income (loss) for the year	–	–	–	–	487.3	7.7	262.3	757.3	4.3	761.6
Allocation of 2009 result	–	–	–	189.0	(189.0)	–	–	–	–	–
Dividends paid[1]	–	–	–	–	(287.5)	–	–	(287.5)	–	(287.5)
Movements on treasury shares	–	–	43.3	–	–	–	–	43.3	–	43.3
Share-based payment adjustment	–	10.7	(0.6)	–	–	–	–	10.1	–	10.1
Acquisition of non-controlling interests	–	–	–	(17.5)	–	–	–	(17.5)	(9.5)	(27.0)
Other movements	–	–	–	(0.4)	–	–	–	(0.4)	–	(0.4)
Ciel business combination	–	–	–	–	–	–	–	–	32.8	32.8
At December 31, 2010	624.4	495.1	(55.8)	1,221.1	487.3	(8.0)	(671.1)	2,093.0	35.5	2,128.5

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

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

Notes to the consolidated financial statements
December 31, 2011

Note 1 – Corporate information
SES ('the company') was incorporated on March 16, 2001 as a limited liability company (Société Anonyme) under Luxembourg law. References to the 'group' in the following notes are to the company and its subsidiaries, joint ventures and associates. SES trades under 'SESG' on the Luxembourg Stock Exchange and Euronext, Paris.

The consolidated financial statements of SES for the year ended December 31, 2011 were authorised for issue in accordance with a resolution of the directors on February 16, 2012. Under Luxembourg law the financial statements are approved by the shareholders at the annual general meeting.

Note 2 – Summary of significant accounting policies
Basis of preparation
The consolidated financial statements have been prepared on a historical cost basis, except where fair value is required by IFRS as described below. The carrying values of recognised assets and liabilities that are hedged items in fair value hedges, and are otherwise carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged.

Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') adopted by the International Accounting Standards Board, and endorsed by the European Union, as at December 31, 2011.

Basis of consolidation
Basis of consolidation as from January 1, 2010
The consolidated financial statements comprise the financial statements of the company and its controlled subsidiaries, after the elimination of all material inter-company transactions. Subsidiaries are consolidated from the date the company obtains control until such time as control ceases. Acquisitions of subsidiaries are accounted for using the purchase method of accounting. The financial statements of subsidiaries and affiliates are prepared for the same reporting period as the company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. For details regarding the subsidiaries included see Note 30.

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

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

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

Basis of consolidation prior to January 1, 2010
Certain of the above-mentioned requirements were applied on a prospective basis. The following difference, however, is carried forward in certain instances from the previous basis of consolidation:

- upon loss of control, the group accounted for the investment retained at its proportionate share of net asset value at the date control was lost. The carrying value of such investments at January 1, 2010 has not been restated.

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

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS and IFRIC interpretations effective as of 1 January 2011:

- IAS 24 Related Party Disclosures (amendment) effective 1 January 2011
- IAS 32 Financial Instruments: Presentation (amendment) effective 1 February 2010
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments effective 1 July 2010
- Improvements to IFRSs (May 2010)

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

IAS 24 Related Party Transactions (Amendment)
The IASB issued an amendment to IAS 24 that clarifies the definitions of a related party. The new definitions emphasise a symmetrical view of related party relationships and clarifies the circumstances in which persons and key management personnel affect related party relationships of an entity. In addition, the amendment introduces an exemption from the general related party disclosure requirements for transactions with government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity.

IAS 32 Financial Instruments: Presentation (Amendment)
The IASB issued an amendment that alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency.

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
The interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability qualify as consideration paid. The equity instruments issued are measured at their fair value. In case that this cannot be reliably measured, the instruments are measured at the fair value of the liability extinguished. Any gain or loss is recognised immediately in profit or loss.

Improvements to IFRSs

In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies, but no impact on the financial position or performance of the group.

- IFRS 3 Business Combinations: The measurement options available for non-controlling interest (NCI) were amended. Only components of NCI that constitute a present ownership interest that entitles their holder to a proportionate share of the entity's net assets in the event of liquidation should be measured at either fair value or at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. All other components are to be measured at their acquisition date fair value.

- IFRS 7 Financial Instruments — Disclosures: The amendment was intended to simplify the disclosures provided by reducing the volume of disclosures around collateral held and improving disclosures by requiring qualitative information to put the quantitative information in context.

- IAS 1 Presentation of Financial Statements: The amendment clarifies that an entity may present an analysis of each component of other comprehensive income maybe either in the statement of changes in equity or in the notes to the financial statements. The group provides this analysis in Note 11.

Other amendments resulting from Improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the group:

- IFRS 3 Business Combinations (Contingent consideration arising from business combination prior to adoption of IFRS 3 (as revised in 2008))
- IFRS 3 Business Combinations (Un-replaced and voluntarily replaced share-based payment awards)
- IAS 27 Consolidated and Separate Financial Statements
- IAS 34 Interim Financial Statements

Interests in joint ventures

The group has interests in joint ventures which are jointly controlled entities. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest. The group recognises its interest in the joint venture using proportional consolidation. The group combines its share of each of the assets, liabilities, income and expenses of the joint venture with the similar items, line by line, in its consolidated financial statements. The financial statements of the joint venture are prepared for the same reporting year as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

When the group contributes or sells assets to the joint venture, any portion of gain or loss from the transaction is recognised based on the substance of the transaction. When the group purchases assets from the joint venture, the group does not recognise its share of the profits of the joint venture from the transaction until it resells the assets to an independent party. The joint venture is proportionately consolidated until the date on which the group ceases to have joint control over the joint venture.

Investments in associates

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

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

In general the financial statements of associates are prepared for the same reporting year as the parent company, using consistent accounting policies. Adjustments are made to bring in line any dissimilar accounting policies that may exist. Where differences arise in the reporting dates the group adjusts the financial information of the associate for significant transactions in the intervening period.

Significant accounting judgements and estimates

1. Judgements

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

1.1. Treatment of orbital slot licence rights

The group's operating companies have obtained rights to operate satellites at certain orbital locations and using certain frequency bands. These licences are obtained through application to the relevant national and international regulatory authorities, and are generally made available for a defined period. On the expiry of such agreements, the operating company will generally be in a position to re-apply for the usage of these positions and frequency rights. Where the group has obtained such rights through the acquisition of subsidiaries and associates, the rights have been identified as an asset acquired and recorded at the fair value attributed to the asset at the time of the acquisition as a result of purchase accounting procedure. Such assets are deemed to have an indefinite life where the group has a high probability that it will be able to successfully re-apply for these rights as and when they expire. Hence these assets are not amortised, but rather are subject to regular impairment reviews to confirm that the carrying value in the group's financial statements is still appropriate. More details are given in Note 16.

1.2. Taxation

The group operates in numerous tax jurisdictions and management is required to assess tax issues and exposures across its entire operations and to accrue for potential liabilities based on its interpretation of country-specific tax law and best estimates. In conducting this review management assesses the materiality of the issue and the likelihood, based on experience and specialist advice, as to whether it will result in a liability for the group. If this is deemed to be the case then a provision is made for the potential taxation charge arising. These provisions are recorded as current liabilities in the consolidated balance sheet. As at December 31, 2011 an amount of EUR 160.5 million (2010: EUR 163.2 million) is disclosed under 'Income tax liabilities'.

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

2. Estimation uncertainty

One key assumption concerning the future and other key sources of estimation uncertainty at the balance sheet date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below.

– Impairment of goodwill

The group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Establishing the value in use requires the group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. More details are given in Note 16.

Business combinations

Business combinations as from January 1, 2010

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

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

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or a liability will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Business combinations prior to January 1, 2010

In comparison to the above-mentioned requirements, the following differences applied:

Business combinations were accounted for using the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest was measured at the proportionate share of the acquiree's identifiable net assets.

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

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

Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and their fair value less costs to sell.

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

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

Property, plant and equipment

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

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

Buildings	25 years
Space segment assets	10 to 16 years
Ground segment assets	3 to 15 years
Other fixtures, fittings, tools and equipment	3 to 15 years

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

The asset's residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

Assets in the course of construction

Amounts payable in respect of the purchase of future satellites, launch costs and other related expenses including ground segment expenditure and financing costs are included in the balance sheet when accepted and billed. When the asset is subsequently put into service, the expenditure is transferred to assets in use and depreciation commences.

Intangible assets

1) Goodwill

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

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

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

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

2) Other intangibles

Intangible assets, consisting principally of rights of usage of orbital frequencies and acquired transponder service agreements, are reviewed at acquisition to establish whether they represent assets with a definite or indefinite life. Those assessed as being definite life assets are amortised on a straight-line basis over a period not exceeding 21 years. Indefinite life intangible assets are held at cost in the balance sheet but are subject to impairment testing in line with the treatment outlined for goodwill above. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Impairment of non-financial assets

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

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

Borrowing costs

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

Investments and other financial assets

Financial assets in the scope of IAS 39 are classified as one of: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; or available-for-sale financial assets; as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

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

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

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

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

2) *Held-to maturity investments*

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

3) *Loans and receivables*

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

4) *Available-for-sale financial assets*

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

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

Inventories

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

Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Provision is made when there is objective evidence that the group will not be able to collect the debts. Bad debts are written off when identified. The group evaluates the credit risk of its customers on an on-going basis, classifiying them into three categories: prime, market and sub-prime.

Inter-company transactions

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

Treasury shares

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

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash on hand and in banks and short-term deposits which are held to maturity are carried at cost. For the purposes of the consolidated statement of cash flow, 'Net Cash' consists of cash and cash equivalents, net of outstanding bank overdrafts.

Revenue recognition

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

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

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

Dividends

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

Provisions

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

Current taxes

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

Deferred taxes

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

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

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

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

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

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

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

Income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

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

Translation of foreign currencies

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

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

Goodwill and fair value adjustments arising on the acquisition of a 100%-owned foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. In accordance with IFRS 1, the group has elected not to apply IAS 21 'The Effects of Changes in Foreign Currency Exchange Rates' (as revised in 2003) retrospectively to fair value adjustments and goodwill arising in business combinations that occurred before the date of transition to IFRS.

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

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

EUR 1 =	Average rate for 2011	Closing rate for 2011	Average rate for 2010	Closing rate for 2010
USD	1.4035	1.2939	1.3294	1.3362

Basic and diluted earnings per share

The company's capital structure consists of Class A and Class B shares, entitled to the payment of annual dividends as approved by the shareholders at their annual meetings. Holders of Class B shares participate in earnings and are entitled to 40% of the dividends payable per Class A share.

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

Derivative financial instruments and hedging

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

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

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

1) Fair value hedges

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

2) Cash flow hedges
In relation to cash flow hedges (forward foreign currency contracts and interest rate swaps on floating-rate debt) – to hedge firm commitments or forecasted transactions - which meet the conditions for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity and the ineffective portion is recognised in the income statement as finance revenue or cost.

When the hedged commitment results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses that had previously been recognised in equity are included in the initial measurement of the acquisition cost or carrying amount of the asset or liability.

3) Hedge of a net investment in a foreign operation
Changes in the fair value of a derivative or non-derivative instrument that is designated as and meets all the required criteria for a hedge of a net investment are recorded in the currency exchange reserve to the extent that it is deemed to be an effective hedge. The ineffective portion is recognised in the income statement as finance revenue or cost.

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

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

Derecognition of financial assets and liabilities

1) Financial assets
A financial asset is derecognised where:

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

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

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

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

Accounting for pension obligations

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

Share-based payments

Employees (including senior executives) of the group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ('equity-settled transactions').

1) Equity-settled transactions

The cost of equity-settled transactions is measured by reference to the fair value at the date on which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in Note 24. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the company's shares, if applicable.

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

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

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 12).

2) Cash-settled transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date using a binomial model taking into account the terms and conditions upon which the instruments were granted. This fair value is expensed over the period until settlement with recognition of a corresponding liability. The liability is remeasured at each balance sheet date up to and including the settlement date with changes in fair value recognised in the consolidated income statement.

Note that the last options under equity settled schemes were granted in 2005 and the exercise period for these options expired during 2010 such that at the balance sheet date the group has no options outstanding under cash-settled schemes.

Leases

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

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

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

IFRS standards and interpretations issued but not yet effective

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

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

The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has no impact on the group's financial position or performance.

IAS 27 Separate Financial Statements (as revised in 2011)
As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The group does not present separate financial statements.

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)
As a consequence of the new IFRS 11 and IFRS 12. IAS 28 has been renamed IAS 28 *Investments in Associates and Joint Ventures*, and describes the application of the equity method to investments in joint ventures in addition to associates. The group is currently assessing the impact that this standard will have on the financial position and performance.

IFRS 7 Financial Instruments: Disclosures — Enhanced Derecognition Disclosure Requirements
The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the group's financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. The amendment affects disclosure only and has no impact on the group's financial position or performance.

IFRS 9 Financial Instruments: Classification and Measurement
IFRS 9 as issued reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The completion of this project is expected over the course of the first half of 2012. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the group's financial assets, but will potentially have no impact on classification and measurements of financial liabilities. The group is currently assessing the impact that this standard will have on the financial position and performance.

IFRS 10 Consolidated Financial Statements
IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 Consolidation — Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in IAS 27. The group is currently assessing the impact that this standard will have on the financial position and performance.

IFRS 11 Joint Arrangements
IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The group is currently assessing the impact that this standard will have on the financial position and performance.

IFRS 12 Disclosure of Involvement with Other Entities
IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required.

IFRS 13 Fair Value Measurement
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The group is currently assessing the impact that this standard will have on the financial position and performance.

Note 3 – Business combinations and acquisition of non-controlling interests

1. Ciel Satellite Limited Partnership, Canada – Business combination

In 2010 the regulatory framework governing Canadian satellite operators was amended to allow control by non-resident shareholders. SES holds a 70% interest in Ciel Satellite Limited Partnership ('Ciel LP') but due to the previous regulations SES was not able to demonstrate control over the entity and hence it was reported as a joint venture with the group consolidating its 70% proportional share of Ciel LP's results.

Once the regulatory change was passed, the shareholder agreement of Ciel LP was amended to allow SES to exercise its voting rights over its full shareholding and hence to exercise control over Ciel LP's operations. Consequently Ciel LP has been fully consolidated from the effective date of this amendment, September 29, 2010.

The fair value of the identifiable assets and liabilities of Ciel LP at the effective date of control are set out below. Note that for the purposes of the transaction the book value of the assets and liabilities of Ciel LP were deemed to be fair values and no goodwill arose on the transaction.

In millions of euros	Fair value recognised on acquisition
Assets	
Property, plant and equipment	202.4
Intangible assets	3.1
Current assets	2.7
Total assets	*208.2*
Liabilities	
Current liabilities	0.8
Upfront payments	101.8
Total liabilities	*102.6*
Total identifiable net assets at fair value	**105.6**

2. Acquisition of additional interests in SES ASTRA AB, Sweden

On March 4, 2010, the group acquired the remaining 10% interest of the voting shares of SES ASTRA AB. A cash consideration of EUR 27.0 million was paid to the non-controlling interest shareholders. The carrying value of the additional interest acquired was EUR 9.5 million and the difference of EUR 17.5 million between the consideration and the carrying value of the interest acquired has been recognised in other reserves within equity.

Note 4 – Discontinued operation – disposal of controlling interest in ND SatCom

Since the second quarter of 2010, SES management publicly indicated its intention to dispose of its controlling interest in ND SatCom, which was for this reason, disclosed in the group's financial reporting as an 'Asset held for sale' beginning with the group's interim 2010 financial statements. From that time onwards, the impact of ND SatCom on the group's income statement was presented as a loss from discontinued operations in accordance with the provisions of IFRS 5.

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

Notes to the consolidated financial statements
December 31, 2011

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

In millions of euros	February 28, 2011	December 31, 2010
Revenue	5.7	59.8
Operating expenses	(8.6)	(64.5)
EBITDA	(2.9)	(4.7)
Depreciation	(0.3)	(1.9)
Amortisation	(0.7)	(21.0)
Operating profit	(3.9)	(27.6)
Net finance charges	1.2	(5.7)
Share of associate's result	0.1	2.0
Loss recognised on the re-measurement to fair value	–	(30.8)
Loss before tax for the period from discontinued operations	(2.6)	(62.1)
Tax income / (expense):		
Related to current pre-tax profit/(loss)	–	(0.3)
Related to measurement to fair value less cost to sell	–	26.1
	(2.6)	(36.3)
Loss for the period from discontinued operations:		
Loss on disposal of the discontinued operations	(4.3)	–
Attributable tax expense	(0.4)	–
	(4.7)	–
Loss after tax for the period from discontinued operations	(7.3)	(36.3)
Cash outflow on sale:		
Consideration received	5.0	–
Net cash disposed of with the discontinued operation	(14.3)	–
Net cash outflow	(9.3)	–
Net operating cash flow	(8.2)	20.5
Net cash generated by investing activities	12.5	1.8
Net cash generated by financing activities	7.3	(24.4)
Net foreign exchange movements	–	3.1
Net cash inflow / (outflow)	11.6	1.0
Earnings per share – A shares	(0.02)	(0.09)
Earnings per share – B shares	(0.01)	(0.03)

Note 5 – Interest in a joint venture

1. Ciel Satellite Limited Partnership, Canada

Until September 29, 2010, the group had a 70.0% economic interest in Ciel Satellite Limited Partnership, Canada ('Ciel LP'), an entity which is involved in similar business to the group's other main operational entities. As set out in Note 3 above, Ciel LP ceased to be presented as a joint venture with effect from the date of the change to the shareholder agreement dated September 29, 2010.

The share of income and expenses for the period prior to full control in 2010, which have been included in the consolidated financial statements of December 31, 2010, are as follows:

In millions of euros	2010
Non-current assets	–
Current assets	–
Non-current liabilities	–
Current liabilities	–
Revenue	18.5
Operating expenses	(3.3)
Depreciation and amortisation	(7.5)
Finance costs	(2.5)
Net income / (loss)	**5.2**

2. Solaris Mobile Limited, Ireland

In 2007, SES ASTRA and Eutelsat entered into a joint venture, Solaris Mobile Limited ('Solaris') based in Dublin, to develop using S-band frequencies next-generation entertainment services via satellite.

On April 6, 2009, the S-band payload was launched on board Eutelsat's W2A satellite. On May 14, 2009, the European Commission granted one of two 15 MHz blocks of S-band capacity for a European coverage to Solaris, subject to certain conditions, with the second block assigned to Inmarsat. On the same day Eutelsat and SES announced an anomaly in the functioning of the payload. On June 22, 2009, Solaris filed a constructive total loss insurance claim for the full insured value of the payload which was fully impaired on June 30, 2009. The insurance proceeds were collected in full towards the end of 2009.

The group, as well as the other shareholder, remains committed to establishing an economically viable business through the commercialisation of the awarded S-band frequencies. Solaris has worked to develop commercial offers as well as demonstration showcases with the residual capacity of the S-band payload, with the first network being launched in Paris in spring 2010 and subsequently extended to Rennes and Nancy as well as Brussels.

To date, Solaris has been granted licenses for mobile satellite services in 11 countries, and is in talks for these licenses in remaining E.U. member states. The company is currently in discussions with several potential partners to define an industrial plan for deployment of the Solaris S-band spectrum, with a focus on the complementary ground infrastructure as well as consideration of a follow-on S-band payload.

The share of assets, liabilities, income and expenses of the joint venture as at December 31, 2010 and 2011 and for the years then ended, which are included in the consolidated financial statements, are as follows:

In millions of euros	2011	2010
Non-current assets	2.0	2.0
Current assets	5.5	8.6
Non-current liabilities	–	–
Current liabilities	0.6	0.9
Revenue	–	–
Operating expenses	(2.8)	(2.8)
Depreciation and amortisation	(0.2)	(0.2)
Finance income, net	0.2	0.6
Net loss	**(2.8)**	(2.4)

Note 6 – Operating segments

For the two years covered by these financial statements, the group was divided into three operating segments, reflecting the group's internal reporting and responsibility structure, as well as its geographical regions of activity:

1) SES ASTRA served primarily European and Middle-Eastern markets, as well as the African market for certain products;
2) SES WORLD SKIES served the other regions, and Africa for those services not offered by SES ASTRA;
3) SES S.A. and other participations provided corporate services for the group.

As at December 31, 2011 In millions of euros	SES ASTRA	SES WORLD SKIES	SES S.A. and other participations	Elimination	Total
Segmental results					
Revenue					
With third parties	977.7	755.4	–	–	1,733.1
With other segments	13.1	1.3	–	(14.4)	–
Operating expenses	(228.9)	(211.3)	(32.7)	14.4	(458.5)
EBITDA	**761.9**	**545.4**	**(32.7)**	–	**1,274.6**
Depreciation expenses	(182.5)	(246.9)	(2.3)	–	(431.7)
Amortisation expenses	(31.9)	(2.8)	–	–	(34.7)
Operating profit	**547.5**	**295.7**	**(35.0)**	–	**808.2**
Finance revenue					14.9
Finance costs					(173.4)
Profit before tax					**649.7**
Segmental assets					
Property, plant and equipment	2,177.9	2,828.0	3.4	–	5,009.3
Intangible assets	419.6	2,493.8	–	–	2,913.4
Allocated non-current assets	**2,597.5**	**5,321.8**	**3.4**	–	**7,922.7**
Non-allocated assets					947.1
Total assets					**8,869.8**

As at December 31, 2010 *In millions of euros*	SES ASTRA	SES WORLD SKIES	SES S.A. and other participations	Elimination	Total
Segmental results					
Revenue					
With third parties	953.7	782.0	–	–	1,735.7
With other segments	11.3	2.3	–	(13.6)	–
Operating expenses	(224.1)	(191.9)	(36.9)	13.6	(439.3)
EBITDA	**740.9**	**592.4**	**(36.9)**	–	**1,296.4**
Depreciation expenses	(171.2)	(292.9)	(0.3)	–	(464.4)
Amortisation expenses	(31.6)	(3.0)	–	–	(34.6)
Operating profit	**538.1**	**296.5**	**(37.2)**	–	**797.4**
Finance revenue					5.6
Finance costs					(201.5)
Profit before tax					**601.5**
Segmental assets					
Property, plant and equipment	1,767.9	2,620.7	16.2	–	4,404.8
Intangible assets	448.5	2,417.4	0.1	–	2,866.0
Allocated non-current assets	**2,216.4**	**5,038.1**	**16.3**	–	**7,270.8**
Non-allocated assets					957.7
Total assets					**8,228.5**

In analysing the financial performance of these operating segments, the group's management follows in particular the development of revenue and EBITDA ('Earnings Before Interest, Taxation, Depreciation and Amortisation') of the segment as a whole, as well as in the 'Infrastructure' and 'Services' components of the segments' results. In this context 'Infrastructure' refers to the sale of satellite transponder capacity and directly attributable services. The 'Services' business refers to the provision of products such as engineering services, retail broadband two-way internet access, and playout and transmission services.

Sales between these two segments, primarily sales of infrastructure capacity through to the 'Services' businesses, are eliminated on consolidation. Start-up initiatives, that is to say new market initiatives in the pre-commercial phase, or initial phase of operations, are excluded from the 'Infrastructure' and 'Services' results analysis.

As at December 31, 2011 *In millions of euros*	SES ASTRA	SES WORLD SKIES	SES S.A. and other participations	Elimination	Total
Infrastructure					
Revenue	876.8	663.7	–	(13.4)	1,527.1
EBITDA	730.2	525.9	–	–	1,256.1
Margin	**83.3%**	**79.2%**	–	–	**82.3%**
Services					
Revenue	165.8	184.3	–	–	350.1
EBITDA	32.4	19.4	–	–	51.8
Margin	**19.5%**	**10.5%**	–	–	**14.8%**
Elimination/ start-up initiative/ other					
Revenue	(64.9)	(92.6)	–	13.4	(144.1)
EBITDA	(0.7)	0.1	(32.7)	–	(33.3)
Total					
Revenue	977.7	755.4	–	–	1,733.1
EBITDA	761.9	545.4	(32.7)	–	1,274.6
Total margin					**73.5 %**

As at December 31, 2010 *In millions of euros*	SES ASTRA	SES WORLD SKIES	SES S.A. and other participations	Elimination	Total
Infrastructure					
Revenue	868.6	677.2	–	(1.7)	1,544.1
EBITDA	721.1	561.1	–	–	1,282.2
Margin	**83.0%**	**82.9%**	–	–	**83.0%**
Services					
Revenue	121.2	190.0	–	–	311.2
EBITDA	26.7	31.0	–	–	57.7
Margin	**22.0%**	**16.3%**	–	–	**18.5%**
Elimination/ start-up initiative/ other					
Revenue	(36.1)	(85.2)	–	1.7	(119.6)
EBITDA	(6.9)	0.3	(36.9)	–	(43.5)
Total					
Revenue	953.7	782.0	–	–	1,735.7
EBITDA	740.9	592.4	(36.9)	–	1,296.4
Total margin					**74.7%**

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

In millions of euros	2011	2010
Luxembourg (SES country of domicile)	52.3	44.5
United States of America	505.3	456.7
Germany	415.9	374.9
United Kingdom	301.3	301.3
France	93.7	91.4
Others	364.6	466.9
Total	1,733.1	1,735.7

No single customer accounted for 10% or more of total revenue in 2011 or 2010.

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

In millions of euros	2011	2010
Luxembourg (SES country of domicile)	1,932.6	1,683.6
United States of America	3,217.3	3,091.1
The Netherlands	1,142.6	1,064.2
Isle of Man	1,194.3	1,074.0
Sweden	245.1	256.4
Others	190.8	101.5
Total	7,922.7	7,270.8

Note 7 – Operating expenses
The operating expense categories disclosed include the following types of expenditure:

1) Cost of sales (excluding staff costs and depreciation) represents cost categories which generally vary directly with revenue development. Such costs include the rental of third-party satellite capacity, the cost of goods sold (for example on the disposal of space segment assets), and costs directly attributable to the facilitation of customer contracts.
2) Staff costs includes gross salaries and employer's social security payments, payments into pension schemes for employees, and charges arising under share-based payment schemes.
3) Other operating expenses are by their nature less variable to revenue development. Such costs include facility costs, in-orbit insurance costs, marketing expenses, general and administrative expenditure, consulting charges, travel-related expenditure and movements on provisions for debtors.

Provision on deposits made to Sea Launch

On June 22, 2009, Sea Launch Company LLC, Sea Launch Limited Partnership – and their subsidiaries – filed voluntary petitions to reorganise under Chapter 11 in a U.S. Bankruptcy Court. Prior to this filing, SES had made deposits to Sea Launch, for an amount of USD 29.6 million in connection with a launch contract which was terminated by SES before the Sea Launch filing. Whilst SES actively pursued the repayment of this amount, management elected to make a full provision against this receivable as at December 31, 2009. This charge was disclosed as part of the 'Other operating expenses' of that year.

During 2010 this provision was reduced by USD 5.1 million reflecting the full and final settlement of the claim and payment that occurred at the beginning of 2011.

Notes to the consolidated financial statements
December 31, 2011

Note 8 – Audit fees
For the year ended December 31, the group has recorded charges – both billed and accrued – from its independent auditor and affiliated companies thereof, as set out below:

In millions of euros	2011	2010
Audit fees	1.6	1.2
Tax advisory fees	0.2	0.3
Other services	0.3	0.3
Total audit fees	2.1	1.8

Note 9 – Finance revenue and costs

In millions of euros	2011	2010
Finance revenue		
Interest income	5.3	5.6
Net foreign exchange gains	9.6	–
Total	14.9	5.6
Finance costs		
Interest expense on loans and borrowings (net of amounts capitalised)	(168.6)	(184.5)
Net foreign exchange charges	–	(17.0)
Value adjustments on financial assets	(4.8)	–
Total	(173.4)	(201.5)

Note 10 – Income taxes
Taxes on income comprise the taxes paid or owed on income in the individual countries, as well as deferred taxes. Current and deferred taxes can be analysed as follows:

In millions of euros	2011	2010
Consolidated income statement		
Current income tax		
Current income tax charge	(71.5)	(128.5)
Adjustments in respect of prior periods	(3.0)	18.0
Deferred income tax		
Relating to origination and reversal of temporary differences	31.7	8.5
Relating to tax losses brought forward	–	28.1
Change in tax rate	12.7	–
Adjustment of prior year	14.1	–
Income tax expense per consolidated income statement	(16.0)	(73.9)
Consolidated statement of changes in equity		
Deferred income tax related to items (charged) or credited directly in equity		
Net loss on revaluation of financial instruments – Cash flow hedge	(1.5)	(2.5)
Unrealised loss on loans and borrowings – Net investment hedge	25.8	21.4
Income taxes reported in equity	24.3	18.9

A reconciliation between tax expenses and the profit before tax of the group multiplied by theoretical tax rate of 29.55% which corresponds to the Luxembourg domestic tax rate for the year ended 31 December 2011 is as follows:

In millions of euros	2011	2010
Profit before tax from continuing operations	649.7	601.5
Loss before tax from discontinued operations	(2.6)	(64.1)
Profit before tax	647.1	537.4
Multiplied by theoretical tax rate of 29.55%	192.0	157.7
Investment tax credits	(60.2)	(42.4)
Tax exempt income	(22.3)	(5.3)
Deferred tax asset on previously unrecognised tax losses	1.4	(0.7)
Effect of different local tax rates	(88.8)	(72.4)
Taxes related to prior years	(11.1)	(18.0)
Non-deductible expenditures	10.5	29.1
Effects of change in tax rate	(12.7)	(2.0)
Reversal of previously recognised deferred tax assets	2.4	–
Other	4.8	2.1
Income tax attributable to discontinued operations	–	25.8
Income tax reported in the consolidated income statement	16.0	73.9

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

In millions of euros	Deferred tax assets 2011	Deferred tax assets 2010	Deferred tax liabilities 2011	Deferred tax liabilities 2010	Deferred tax in income 2011	Deferred tax in income 2010
Loss carried forward	133.4	89.9	–	–	115.0	(28.1)
Tax credits	40.2	–	7.6	–	29.5	–
Tax-based special depreciation	–	–	–	47.0	–	8.6
Intangible assets	–	–	72.1	150.7	22.6	(5.9)
Tangible assets	0.8	–	600.1	426.9	16.7	(40.1)
Retirement benefit obligation	10.2	–	–	2.1	–	(0.4)
Value adjustments on financial asset	–	–	26.6	6.3	–	–
Value adjustments on treasury shares	–	–	–	–	–	(0.2)
Measurement of financial instruments & cash flow hedges and net investment hedges	1.3	–	4.2	33.5	(4.2)	(6.5)
Receivables	–	–	15.7	0.7	1.6	(0.6)
Payables	–	–	0.9	20.5	(22.0)	6.1
Other provisions and accruals	–	–	82.4	119.1	(99.1)	(0.6)
Other	–	11.3	–	–	(1.6)	31.1
Subtotal	185.9	101.2	809.6	806.8	58.5	(36.6)
Offset of deferred taxes	(125.4)	(69.2)	(115.6)	(69.2)	–	–
Total	**60.5**	**32.0**	**694.0**	**737.6**	**58.5**	**(36.6)**

Deferred tax assets have been offset against deferred tax liabilities where they relate to the same taxation authority and the entity concerned has a legally enforceable right to set off current tax assets against current tax liabilities. Note that movements on deferred tax assets and liabilities reflect not only the impact of the charge or credit taken through the income statement, but also changes due to foreign currency translation and adjustments booked directly in equity.

In addition to the tax losses for which the group recognised deferred tax assets, the group has tax losses of EUR 192.3 million (2010: EUR 217.4 million) that are available indefinitely for offset against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the group and they have arisen in subsidiaries that are not expected to generate taxable profits against which these profits could be offset in the foreseeable future.

Notes to the consolidated financial statements
December 31, 2011

Note 11 – Components of other comprehensive income

In millions of euros	2011	2010
Cash flow hedges		
Gains (losses) arising during the year:		
On currency forward contracts	(10.9)	7.4
On interest rate swaps	8.0	7.5
Reclassification adjustments for (gains) / losses included in the fixed assets	2.7	(4.7)
Total	(0.2)	10.2

Note 12 – Earnings per share
Basic earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders of each class of shares by the weighted average number of shares outstanding during the year. Earnings per share calculated on a fully diluted basis are insignificantly different from the basic earnings per share.

For the year 2011, earnings per share of EUR 1.56 per A share (2010: EUR 1.24), and EUR 0.62 per B share (2010: EUR 0.50) have been calculated on the following basis:

In millions of euros	2011	2010
Profit attributable to equity holders of the parent	617.7	487.3

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

	2011	2010
Class A shares (in million)	330.1	327.2
Class B shares (in million)	166.5	166.5
Total	496.6	493.7

The weighted average number of shares is based on the capital structure of the company as described in Note 23.

Note 13 – Dividends paid and proposed
Dividends declared and paid during the year:

In millions of euros	2011	2010
Class A dividend for 2010: EUR 0.80 (2009: EUR 0.73)	266.4	243.1
Class B dividend for 2010: EUR 0.32 (2009: EUR 0.29)	53.3	48.6
Total	319.7	291.7

Dividends proposed for approval at the annual general meeting to be held on April 5, 2012, which are not recognised as a liability as at December 31, 2011.

In millions of euros	2011	2010
Class A dividend for *2011*: EUR 0.88	293.0	266.4
Class B dividend for 2011: EUR 0.35	58.6	53.3
Total	351.6	319.7

Note 14 – Property, plant and equipment

In millions of euros	Land and buildings	Space segment	Ground segment	Other fixtures and fittings, tools and equipment	Total
Movements in 2010 on cost					
As at January 1	166.8	5,823.5	371.7	212.2	6,574.2
Additions	1.1	62.3	13.1	27.2	103.7
Disposals	(1.2)	–	(2.7)	(0.8)	(4.7)
Retirements	(0.3)	(175.2)	(28.0)	(4.3)	(207.8)
Reclassifications	1.3	–	(2.4)	1.1	–
Transfers from assets in course of construction (Note 15)	–	452.2	7.4	4.4	464.0
Transfer to another heading	–	–	–	(10.8)	(10.8)
Impact of scope change	–	67.5	0.8	–	68.3
Reclassification to discontinued operations	(1.0)	–	–	(20.3)	(21.3)
Impact of currency translation	2.1	253.4	18.0	3.0	276.5
As at December 31	168.8	6,483.7	377.9	211.7	7,242.1
Movements in 2010 on depreciation					
As at January 1	(85.8)	(3,256.8)	(280.3)	(150.3)	(3,773.2)
Depreciation	(7.4)	(397.8)	(27.7)	(18.4)	(451.3)
Impairment on AMC-4 and AMC-16	–	(13.1)	–	–	(13.1)
Depreciation on disposals	0.1	–	0.2	0.8	1.1
Depreciation on retirements	0.3	175.2	28.0	4.3	207.8
Depreciation from discontinued operations	(0.1)	–	–	(1.8)	(1.9)
Transfers	(1.9)	–	1.9	–	–
Transfer to another heading	–	–	–	3.1	3.1
Impact of scope change	–	(7.4)	–	–	(7.4)
Reclassification to discontinued operations	–	–	–	15.3	15.3
Impact of currency translation	(0.9)	(112.5)	(14.1)	(1.8)	(129.3)
As at December 31	(95.7)	(3,612.4)	(292.0)	(148.8)	(4,148.9)
Net book value as at December 31, 2010	73.1	2,871.3	85.9	62.9	3,093.2

In millions of euros	Land and buildings	Space segment	Ground segment	Other fixtures and fittings, tools and equipment	Total
Movements in 2011 on cost					
As at January 1	168.8	6,483.7	377.9	211.7	7,242.1
Additions	0.9	270.3	13.6	12.2	297.0
Disposals	–	–	(2.3)	(3.7)	(6.0)
Retirements	–	–	(51.5)	(24.7)	(76.2)
Reclassifications	–	–	–	–	–
Transfers from assets in course of construction (Note 15)	2.1	643.1	10.4	4.1	659.7
Transfer to another heading	0.3	–	1.9	3.1	5.3
Impact of scope change	–	–	–	–	–
Impact of currency translation	0.9	157.5	5.2	1.4	165.0
As at December 31	173.0	7,554.6	355.2	204.1	8,286.9
Movements in 2011 on depreciation					
As at January 1	(95.7)	(3,612.4)	(292.0)	(148.8)	(4,148.9)
Depreciation	(6.6)	(373.8)	(27.2)	(24.1)	(431.7)
Depreciation on disposals	–	–	1.7	2.0	3.7
Depreciation on retirements	–	–	51.5	24.7	76.2
Transfer to another heading	–	–	(0.2)	2.2	2.0
Impact of currency translation	(0.5)	(73.1)	(4.6)	(1.1)	(79.3)
As at December 31	(102.8)	(4,059.3)	(270.8)	(145.1)	(4,578.0)
Net book value as at December 31, 2011	70.2	3,495.3	84.4	59.0	3,708.9

Note 15 – Assets in the course of construction

In millions of euros	Land and buildings	Space segment	Ground segment	Total
Cost and net book value as at January 1, 2010	0.5	991.3	28.8	1,020.6
Movements in 2010				
Additions	4.6	668.2	24.0	696.8
Transfers to assets in use (Note 14)	–	(452.2)	(11.8)	(464.0)
Transfers to current assets	–	(0.2)	(1.7)	(1.9)
Reclassification to discontinued operations	–	–	(0.1)	(0.1)
Transfer to another heading	–	–	(0.4)	(0.4)
Disposals	–	–	(0.4)	(0.4)
Impact of currency translation	–	59.8	1.2	61.0
Cost and net book value as at December 31, 2010	5.1	1,266.9	39.6	1,311.6

In millions of euros	Land and buildings	Space segment	Ground segment	Total
Cost and net book value as at January 1, 2011	**5.1**	**1,266.9**	**39.6**	**1,311.6**
Movements in 2011				
Additions	11.4	597.0	17.3	625.7
Transfers to assets in use (Note 14)	(2.1)	(643.1)	(14.5)	(659.7)
Transfers to current assets	(0.5)	–	–	(0.5)
Transfer to another heading	–	–	–	–
Disposals	–	–	(0.6)	(0.6)
Impact of currency translation	–	22.6	1.3	23.9
Cost and net book value as at December 31, 2011	13.9	**1,243.4**	**43.1**	**1,300.4**

Borrowing costs of EUR 57.6 million (2010: EUR 58.6 million) arising on financing specifically relating to satellite construction were capitalised during the year and are included in 'Space segment' additions in the above table.

A weighted average capitalisation rate of 5.08% (2010: 5.35%) was used, representing the borrowing group's average weighted cost of borrowing. Excluding the impact of the loan origination costs the average weighted interest rate was 4.65% (2010: 4.63%).

Note 16 – Intangible assets

In millions of euros	Indefinite life				
	Orbital slot licence rights	Goodwill	Other	Definite life intangibles	Total
Book value as at January 1, 2010	**696.5**	**1,679.5**	**2.9**	**387.2**	**2,766.1**
Movements in 2010 on cost					
As at January 1	696.5	1,679.5	2.9	706.5	3,085.4
Additions	0.2	0.4	–	2.7	3.3
Transfers	–	–	–	(0.1)	(0.1)
Transfers to another heading	–	–	(0.1)	–	(0.1)
Disposal	–	–	–	(0.2)	(0.2)
Impairment from discontinued operations	–	(15.7)	–	(5.2)	(20.9)
Impact of scope change	0.9	–	–	–	0.9
Reclassification to discontinued operations	–	(8.0)	(2.8)	(45.0)	(55.8)
Impact of currency translation	52.8	123.1	–	4.1	180.0
As at December 31	**750.4**	**1,779.3**	**–**	**662.8**	**3,192.5**
Movements in 2010 on amortisation					
As at January 1	–	–	–	(319.3)	(319.3)
Amortisation	–	–	–	(34.6)	(34.6)
Amortisation from discontinued operations	–	–	–	(5.3)	(5.3)
Transfers to another heading	–	–	–	8.5	8.5
Reclassification to discontinued operations	–	–	–	25.9	25.9
Impact of currency translation	–	–	–	(1.7)	(1.7)
As at December 31	**–**	**–**	**–**	**(326.5)**	**(326.5)**
Book value as at December 31, 2010	**750.4**	**1,779.3**	**–**	**336.3**	**2,866.0**
Movements in 2011 on cost					
As at January 1	750.4	1,779.3	–	662.8	3,192.5
Additions	0.2	–	–	2.5	2.7
Transfers	–	–	–	–	–
Transfers to another heading	(0.6)	–	–	–	(0.6)
Disposal	–	–	–	(0.4)	(0.4)
Impact of scope change	–	–	–	–	–
Impact of currency translation	22.3	56.2	–	1.9	80.4
As at December 31	**772.3**	**1,835.5**	**–**	**666.8**	**3,274.6**
Movements in 2011 on amortisation					
As at January 1	–	–	–	(326.5)	(326.5)
Amortisation	–	–	–	(34.7)	(34.7)
Transfers to another heading	–	–	–	0.6	0.6
Disposal	–	–	–	0.4	0.4
Impact of currency translation	–	–	–	(1.0)	(1.0)
As at December 31	**–**	**–**	**–**	**(361.2)**	**(361.2)**
Book value as at December 31, 2011	**772.3**	**1,835.5**	**–**	**305.6**	**2,913.4**

Indefinite life intangible assets

Effective January 1, 2010, the group combined its cash-generating units for SES AMERICOM and SES NEW SKIES. Both segments are now co-managed, being operated as one single segment. No results are reviewed by management at a lower level than SES WORLD SKIES segment. The indefinite life intangible assets as at December 31, 2011 have a net book value of EUR 2,607.8 million (2010: EUR 2,529.7 million) made up as set out per cash-generating unit in the table below.

In millions of euros	2011	2010
SES WORLD SKIES	2,466.0	2,363.5
SES ASTRA AB	87.8	87.7
ASTRA Platform Services	33.9	33.9
SES ASTRA SA	13.7	13.7
Others	6.4	30.9
Total	**2,607.8**	2,529.7

1) Orbital slot licence rights

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

2) Goodwill

Impairment procedures are performed at least once a year to assess whether the carrying value is still appropriate. The recoverable amount of the goodwill is determined based on a value-in-use calculation (Note 2) using the most recent business plan information approved by senior management which covers a period of up to seven years. This relatively long period for the business plan is derived from the long-term contractual base for the satellite business.

Discount rates in 2011 are between 7.20% and 7.40% (2010: 6.60% and 7.50%) and were selected to reflect market interest rates and commercial spreads; the capital structure of businesses in the group's business sector; and the specific risk profile of the businesses concerned. Terminal growth rates used in the valuations are set at 1%, which can be supported by reference to the trading performance of the companies concerned over a longer period.

Definite life intangible assets

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

Impairment testing of goodwill and intangibles with indefinite lives

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

For ASTRA Platform Services the company's operations as a whole are treated as a CGU.

The calculations of value in use are most sensitive to:

- movements in the underlying business plan assumptions for the satellites concerned;
- changes in discount rates; and
- the growth rate assumptions used to extrapolate cash flows beyond the business plan period.

Movements in the underlying business plan assumptions:
The group's subsidiaries draw up annually a business plan which generally provides an assessment of the expected developments for a seven-year period beyond the end of the year when the plan is drawn up. These business plans reflect both the most up-to-date assumptions concerning the CGU's markets and also developments and trends in the business of the CGU. For the provision of satellite capacity business these will particularly take account of the following factors:

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

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

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

As part of standard impairment testing procedures the company assesses the impact of changes in discount rates and growth assumptions on the valuation surplus, or deficit as the case may be. Both discount rates and terminal values are simulated up to 1% above and below the CGU specific rate used in the base valuation. In this way a matrix of valuations is generated which reveals the exposure to impairment charges for each CGU based on movements in the valuation parameters which are within the range of outcomes foreseeable at the valuation date.

The most recent testing showed that all three CGUs tested would have no impairment even in the least favourable case – a combination of lower terminal growth rates and higher discount rates. For this reason management believes that there is no combination of discount rates and terminal growth rates foreseeable at the valuation date which would result in the carrying value of intangible assets materially exceeding their recoverable amount.

Note 17 – Investment in associates
1) O3b
On November 16, 2009, SES made an initial investment of USD 75 million to acquire 25% of O3b Networks Limited ('O3b'), a company establishing a new Medium Earth Orbit satellite-based backbone for telecommunications operators and internet service providers in emerging markets. In addition to its cash investment, SES agreed to provide in-kind services, including technical and commercial services, to O3b in the pre-service commercialization period in return for additional shares.

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

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

After the full financing agreement and the additional USD 34.7 million investment, and reflecting the additional shares arising under those agreements, SES has an equity interest of 38.79% of the O3b group of companies, compared to 33.32%, including in-kind service shares, at the end of the previous year.

The carrying value of the O3b investment has risen from EUR 128.2 million to EUR 150.4 million in 2011, including a fair value of EUR 31.3 million placed on the contingent funding described above.

The share of assets, liabilities, income and expenses of O3b Networks Limited as at December 31, 2010 and 2011 and for the years then ended, which are included in the consolidated financial statements, are as follows:

In millions of euros	2011	2010
Non-current assets	178.9	74.5
Current assets	71.1	59.3
Non-current liabilities	102.9	35.7
Current liabilities	5.6	1.6
Revenue	–	–
Operating expenses	(4.8)	(3.1)
Depreciation and amortisation	–	–
Finance income, net	(0.1)	(0.7)
Income tax	(0.1)	–
Net loss	(5.0)	(3.8)

2) ND Satcom

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

The share of assets, liabilities, income and expenses of ND Satcom as at December 31, 2011 and the income and expenses for the period from March 1, 2011 to December 31, 2011 are as follows:

In millions of euros	2011	2010
Non-current assets	4.2	n / a
Current assets	24.3	n / a
Non-current liabilities	18.4	n / a
Current liabilities	12.6	n / a
Revenue	11.4	n / a
Operating expenses	(17.5)	n / a
Depreciation and amortisation	(3.2)	n / a
Finance income, net	(0.9)	n / a
Income tax	0.8	n / a
Share of associate	0.1	n / a
Net loss	(9.3)	n / a
Net loss attributed to associate	(3.4)	n / a

The investment in the group's interest in its 24.9% shareholding in ND SatCom was initially recorded at EUR 3.4 million. The share of losses taken for the ten month period from March to December 2011 has resulted in the group's interest being reduced to zero and additional losses have not been provided for from this point.

On December 31, 2011 like on December 31, 2010, the group held no other significant investments in associates.

Note 18 – Other financial assets

In millions of euros	2011	2010
Receivable from ND SatCom	27.0	–
Amounts receivable from associates	8.4	12.4
Sundry financial assets	12.6	12.7
Total other financial assets	48.0	25.1

The amount receivable from ND SatCom is the non-current portion of a financing loan in the amount of EUR 31.0 million arising in the framework of the sale of the group's controlling interest in ND SatCom in February 2011.

The amounts receivable from associates after one year are stated net of a value adjustment of EUR 4.8 million recorded in 2011 (see Note 9).

Sundry financial assets relate mainly to a loan made to QuetzSat S. de R. L. de C.V., a Mexican company in which the group has a participating interest.

Note 19 – Trade and other receivables

In millions of euros	2011	2010
Net trade debtors	180.6	152.5
Unbilled accrued revenue	128.5	82.4
Other receivables	119.0	42.1
Total trade and other receivables	428.1	277.0

Unbilled accrued revenue represents revenue for use of satellite capacity under long-term contracts but not billed. Billing will occur based on the terms of the contracts. An amount of EUR 6.0 million was recognised to income in 2011 concerning movement on debtor provisions (2010: EUR 2.4 million was recognised to income). This amount is disclosed in 'Other operating charges'.

Trade debtors and other receivables at December 31, 2011 included EUR 45.3 million (2010: EUR 15.9 million) of amounts becoming due and payable after more than one year.

As at December 31, 2011, trade receivables with a nominal amount of EUR 18.8 million (2010: EUR 20.7 million) were impaired and fully provided for. Movements in the provision for the impairment of receivables were as follows:

In millions of euros	2011	2010
As at January 1	20.7	25.5
Net charge to income for the year	6.0	2.4
Utilised	(7.8)	(10.3)
Impact of currency translation	(0.1)	3.5
Discontinued operations	–	(0.4)
As at December 31	18.8	20.7

Note 20 – Financial instruments

Fair values

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

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

In millions of euros	Carried at amortised cost		Carried at fair value	Total
	Carrying amount	Fair value	Carrying amount	Balance Sheet
As at December 31, 2010				
Financial assets				
Non-current financial assets:				
Loans and receivables	12.7	12.7	–	12.7
Other	12.4	12.4	–	12.4
Total other financial assets	**25.1**	**25.1**	–	**25.1**
Current financial assets:				
Valuation of financial derivatives	–	–	2.5	2.5
Trade & other receivables	277.0	277.0	–	277.0
Cash and cash equivalents	321.0	321.0	–	321.0
Total current financial assets	**598.0**	**598.0**	**2.5**	**600.5**
Financial liabilities				
Interest-bearing loans and borrowings:				
At floating rates:				
Syndicated loan 2015	97.2	97.2	–	97.2
Commercial papers	135.0	135.0	–	135.0
Uncommitted loans	179.6	179.6	–	179.6
COFACE	97.2	97.2	–	97.2
At fixed rates:				
Euro Private Placement 2016 (EUR 150 million) issued under EMTN	148.8	161.8	–	148.8
Eurobond 2020 (EUR 650 million)	643.3	658.0	–	643.3
Eurobond 2014 (EUR 650 million)	645.0	692.6	–	645.0
Eurobond 2013 (EUR 500 million)	500.0	526.1	–	500.0
Eurobond 2011 (EUR 650 million)	649.8	654.4	–	649.8
German Bond 2012 (EUR 100 million), non-listed	99.8	107.6	–	99.8
German Bond 2012 (EUR 100 million), non-listed	99.7	108.1	–	99.7
Series A (USD 400 million)	126.3	138.6	–	126.3
Series B (USD 513 million)	383.9	428.2	–	383.9
Series C (USD 87 million)	65.1	75.6	–	65.1
Series D (GBP 28 million)	13.9	15.2	–	13.9
European Investment Bank (EUR 200 million)	199.9	199.9	–	199.9
Total interest-bearing loans and borrowings:	**4,084.5**	**4,275.1**	–	**4,084.5**
Of which: Non-current	2,995.9	3,160.7	–	2,995.9
Of which: Current	1,088.6	1,114.4	–	1,088.6
Interest rate swaps	–	–	13.2	13.2
Forward currency contracts	–	–	0.9	0.9
Total valuation of financial derivatives	–	–	**14.1**	**14.1**
Of which: Non-current	–	–	14.1	14.1
Of which: Current	–	–	–	–
Trade & other payables	**348.9**	**348.9**	–	**348.9**

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

Analysis of financial derivatives	December 31, 2011		December 31, 2010	
In millions of euros	**Fair value asset**	**Fair value liability**	Fair value asset	Fair value liability
Derivatives held for trading:	**3.3**	**(0.9)**	**–**	**–**
Currency forwards, futures and swaps	3.3	(0.9)	–	–
Cash flow hedges:	**–**	**11.8**	**2.5**	**14.1**
Currency forwards, futures and swaps	–	6.6	2.5	0.9
Interest rate swaps	–	5.2	–	13.2
Net investment hedges:	**–**	**47.3**	**–**	**–**
Cross Currency swaps	–	47.3	–	–
Total valuation of financial derivatives	**3.3**	**58.2**	**2.5**	**14.1**
Of which: Non-current	3.3	1.3	–	14.1
Of which: Current	–	56.9	2.5	–

Fair value hierarchy

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

Level 1: quoted prices in active markets for identical assets or liabilities;

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

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

All financial instruments valued at fair value held by the group as at December 31, 2011 and December 31, 2010 fall under the level 2 category.

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

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

Note 21 – Financial risk management objectives and policies

The group's financial instruments, other than derivatives, comprise a syndicated loan, Eurobonds, EUR Private Placement, German Bonds, European Investment Bank loan, U.S.-dollar borrowings under a Private Placement issue, euro-denominated commercial papers, drawings under COFACE and US Ex-Im (Export-Import Bank of the United States) for specified satellites under construction, uncommitted loans with banks, cash and short-term deposits. The main purpose of these financial instruments is to raise cash to finance the group's day-to-day operations as well as the acquisition of satellites. The group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

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

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

The risks are managed on a weekly basis through a review of the risks and hedges in place. This review includes a market update and forecasting of interest and exchange rates which are important for the portfolio of the group.

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

Liquidity risk

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

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

Liquidity is monitored on a daily basis through a review of cash balances, the drawn and issued amounts and the availability of additional funding under credit lines, the commercial paper programme, US Ex-Im and COFACE (EUR 3,167.4 million as at December 31, 2011, EUR 3,258.0 million as at December 2010, more details in Note 25).

The table below summarises the projected contractual undiscounted cash flows (nominal amount plus interest charges) based on the maturity profile of the group's interest-bearing loans and borrowings as at December 31, 2011. The interest assumption for all floating debts is based on the interest rate of the last drawing.

In millions of euros	Within 1 year	Between 1 and 5 years	After 5 years	Total
Maturity profile:				
As at December 31, 2011	805.2	2,684.9	1,789.2	**5,179.3**
As at December 31, 2010	1,273.4	2,567.5	1,051.7	**4,892.6**

Foreign currency risk

The group's balance sheet can be impacted by movements in the U.S. dollar / euro exchange rate as the group has significant operations whose functional currency is the U.S. dollar, and liabilities denominated in U.S. dollar. To mitigate this exposure the group could enter into forward foreign exchange contracts or similar derivatives to hedge the exposure on financial debt or on the net assets. Currently SES holds cross currency swaps to hedge the net assets which amount to EUR 500 million and mature in 2012. This synthetic debt leads to a liability of USD 739.1 million and an asset of EUR 521.9 million including interest.

The group also has a corresponding exposure in the Income Statement. Approximately 43.6% (2010: 43.5%) of the group's sales and 46.9% (2010: 39.2%) of the group's operating expenses are denominated in U.S. dollars. The group does not enter into any hedging derivatives to cover this currency exposure.

The group uses predominately forward currency contracts to eliminate or reduce the currency exposure on single deals, such as satellite procurements, tailoring the maturities to each milestone payment. The foreign currency risk might be in EUR or USD. The forward contracts are in the same currency as the hedged item and can cover up to 100% of the total value of the contract. It is the group's policy not to enter into forward contracts until a firm commitment is in place, and to match the terms of the hedge derivatives to those of the hedged item to maximise effectiveness.

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

At December 31, 2011 and 2010, the group held forward exchange contracts designated as hedges of future contracted commitments to suppliers relating to satellite procurements.

The cash flow hedges were assessed to be highly effective and a net unrealised loss of EUR 6.0 million (2010: unrealised gain of EUR 1.2 million) net of deferred tax of EUR 0.6 million (2010: EUR 0.4 million) relating to the hedging instruments is included in equity. During the year 2011, EUR 2.7 million (2010: EUR 4.7 million) was removed from equity and included in the initial carrying value of the acquired satellites. As at December 31, 2011 the fair value of the contracts amounted to a liability of EUR 6.6 million (2010: a liability of EUR 0.9 million and an asset of EUR 2.5 million).

The USD portfolio was not hedged in 2010 and 2011 as all U.S. dollar procurements are currently located in entities which have the U.S. dollar as their functional currency.

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

In millions of euros	Within 1 year	Between 1 and 5 years	After 5 years	Total
As at December 31, 2011:				
Cash outflows for procurement	80.8	16.7	-	**97.5**
Amount covered by cash flow hedges	77.6	16.7	-	**94.3**
As at December 31, 2010:				
Cash outflows for procurement	73.1	45.2	–	**118.3**
Amount covered by cash flow hedges	73.1	45.2	–	**118.3**

2) Hedge of investment in foreign operations

At December 31, 2010, certain USD group borrowings were designated as a hedge of the net investments in SES AMERICOM, SES NEW SKIES, and SES Re International (Bermuda) to hedge the group's exposure to foreign exchange risk on these investments.

In August 2011 five cross currency swaps and additional group borrowings were designated as a hedge of the net investments in SES World Skies, SES Satellite Leasing and Ses Re International (Bermuda). As at December 31, 2011, the net investment hedges were assessed to be highly effective and an unrealised loss of EUR 33.4 million net of deferred tax of EUR 13.9 million relating to the hedging instruments is included in equity.

In millions of U.S. dollars	**December 31, 2011**	December 31, 2010
USD balance sheet exposure:		
SES WORLD SKIES	**6,346.2**	6,811.1
SES Satellite Leasing	**1,226.0**	1,112.2
SES Re International (Bermuda)	**45.9**	58.8
Total	**7,618.1**	**7,982.1**
Hedged with:		
Foreign exchange forward contracts	**-**	–
Cross currency swaps	**713.2**	–
Private Placement	**611.6**	771.4
External borrowings	**467.9**	240.0
Total	**1,792.7**	**1,011.4**
Hedged proportion	**24%**	**13%**

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

December 31, 2011	**Amount In USD million**	**Amount in euro at closing rate of 1.2939 EUR million**	Amount in euro at rate of 1.68 EUR million	Amount in euro at rate of 1.05 EUR million
USD balance sheet exposure:				
SES WORLD SKIES	6,346.2	4,904.7	3,777.5	6,044.0
SES Satellite Leasing	1,226.0	947.5	729.8	1,167.6
SES Re International (Bermuda)	45.9	35.5	27.3	43.7
Total	**7,618.1**	**5,887.7**	**4,534.6**	**7,255.3**
Hedged with:				
Foreign exchange forward contracts	-	-	-	-
Cross currency swaps	713.2	551.2	424.5	679.2
Private Placement	611.6	472.7	364.0	582.5
External borrowings	467.9	361.6	278.5	445.6
Total	**1,792.7**	**1,385.5**	**1,067.0**	**1,707.3**
Absolute difference without hedging			**(1,353.1)**	**1,367.6**
Absolute difference with hedging			**(1,034.6)**	**1,045.8**

3) Cash flow hedges in relation to U.S. dollar denominated borrowings
At December 31, 2011 and 2010 no cash flow hedges for U.S. dollar denominated borrowings were outstanding. The U.S. dollar borrowings were used as natural hedge for the net investment portfolio.

In millions of U.S. dollars	Within 1 year	Between 1 and 5 years	After 5 years	Total
As at December 31, 2011:				
USD debt exposure:				
External borrowings	252.7	170.8	44.4	**467.9**
Private Placement	159.7	451.9	-	**611.6**
Total	**412.4**	**622.7**	**44.4**	**1,079.5**
Hedged with:				
Foreign exchange forward contracts	-	-	-	-
Hedged proportion				**0 %**
As at December 31, 2010:				
USD debt exposure:				
External borrowings	240.0	–	–	**240.0**
Private Placement	159.7	611.7	–	**771.4**
Total	**399.7**	**611.7**	–	**1,011.4**
Hedged with:				
Foreign exchange forward contracts	–	–	–	–
Hedged proportion				**0%**

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

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

In millions of euros	At fixed rates	At floating rates	Total
Excluding the impact of interest rate swaps:			
Borrowings at December 31, 2011	**3,563.8**	**679.8**	**4,243.6**
Borrowings at December 31, 2010	3,591.3	544.5	**4,135.8**
Including the impact of interest rate swaps:			
Borrowings at December 31, 2011	**3,749.3**	**494.3**	**4,243.6**
Borrowings at December 31, 2010	3,770.9	364.9	**4,135.8**

During the year 2011 the group repaid the fixed EUR 650 million bond issued under the EMTN Programme (2010: EUR 100.0 million rate note) and three tranches of the U.S. Private Placement – USD 159.7 million and GBP 4.0 million (2010: USD 57.1 million and GBP 4.0 million), which is a fixed rate obligation. In March 2011 the group issued a fixed EUR 650.0 million Eurobond. Furthermore, in May 2011 SES started drawing fixed rate loans under the US Ex-Im facility.

1) Fair value hedges
The group had no fair value hedges in place, neither in 2010 nor in 2011.

2) Cash flow hedges in relation to interest commitments
At December 31, 2011, as in 2010, the group held four USD interest rate swaps, which were designated as hedges of expected future interest expenses on USD 240.0 million of uncommitted floating rate loans in 2010 and 2011.

The cash flow hedges of the expected future interest expense arising in 2011 were assessed to be highly effective and as at December 31, 2011 a net unrealised loss of EUR 3.7 million (2010: a net unrealised loss of EUR 9.3 million), stated net of deferred tax of EUR 1.5 million (2010: EUR 3.9 million), is included in equity in respect of these hedge instruments. The ineffective portion of this hedging relationship on December 31, 2010 and December 31, 2011 was nil.

Uncommitted loans (USD drawings) *In millions of U.S. dollars*	Within 1 year	Between 1 and 5 years	After 5 years	Total
As at December 31, 2011:				
Cash outflows for interest payments (floating)	(1.0)	-	-	(1.0)
Cash inflows from interest rate swap (floating)	1.5	-	-	1.5
Cash outflows from interest rate swap (fixed)	(9.3)	-	-	(9.3)
Total	**(8.8)**	-	-	**(8.8)**
As at December 31, 2010:				
Cash outflows for interest payments (floating)	(0.7)	-	-	(0.7)
Cash inflows from interest rate swap (floating)	0.7	0.5	-	1.2
Cash outflows from interest rate swap (fixed)	(12.3)	(9.3)	-	(21.6)
Total	**(12.3)**	**(8.8)**	-	**(21.1)**

At December 31, 2011 and 2010 the group had no EUR interest rate swaps outstanding.

The following table demonstrates the sensitivity of the group's pre-tax income to reasonably possible changes in interest rates affecting the interest charged on the floating rate borrowings (after excluding those floating-rate borrowings swapped to fixed through interest rate swaps). All other variables are held constant. The group believes that a reasonably possible development in euro-zone interest rates would be an increase of 100 basis points or decrease of 25 basis points (2010: an increase of 100 or decrease of 25 basis points). In the U.S. dollar zone the group does not consider a fall below current interest levels as likely but management believes an increase of up to 75 basis points to be possible (2010: an increase of up to 75 basis points and no possible decrease).

U.S. dollar interest rates *In millions of U.S. dollars*	Floating Rate borrowings	Increase in rates Pre-tax impact	Decrease in rates Pre-tax impact
Borrowings at December 31, 2011	**120.0**	**(0.9)**	-
Borrowings at December 31, 2010	-	-	-

Euro interest rates *In millions of euros*	Floating Rate borrowings	Increase in rates Pre-tax impact	Decrease in rates Pre-tax impact
Borrowings at December 31, 2011	**401.5**	**(4.0)**	**1.0**
Borrowings at December 31, 2010	364.9	(3.6)	0.9

Credit risk

It is the group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the group's exposure to bad debts is historically not significant.

The carrying value of unprovided net debtors of continuing operations at December 31, 2011 is EUR 180.6 million (2010: EUR 152.5 million). The group's largest customers are substantial media companies and government agencies and the credit risk associated with these contracts is assessed as low.

Aging of net trade debtors *In millions of euros*	Neither past due nor impaired	Less than 1 month	Between 1 and 3 months	More than 3 months	Total
2011	**131.4**	**18.5**	**14.0**	**16.7**	**180.6**
2010	124.9	8.2	11.4	8.0	152.5

Financial credit risk

With respect to the credit risk relating to financial assets (cash and cash equivalents, held for trading financial assets, loans receivable and derivative instruments), this exposure relates to the potential default of the counterparty, with the maximum exposure being equal to the carrying amount of these instruments.

The counterparty risk from a cash management perspective is reduced by the implementation of several cash pools, accounts and related paying platforms with different counterparties.

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

Satellite in-orbit insurance

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

Capital management

The group's policy is to attain, and retain, a stable BBB rating with Standard & Poors and Fitch, and a Baa2 rating with Moody's. This investment grade rating serves to maintain investors, creditors, rating agency and market confidence. Within this framework, the group manages its capital structure and liquidity in order to reflect changes in economic conditions to keep its cost of debt low, maintain the confidence of debt investors at a high level and to create added value for the shareholder.

Note 22 – Cash and cash equivalents

In millions of euros	**2011**	2010
Cash at bank and in hand	**123.6**	211.4
Short-term deposits	**94.4**	109.6
Cash and cash equivalents from continuing operations	**218.0**	321.0
Cash at bank and in hand attributable to discontinued operations	**–**	2.7
Total cash and cash equivalents	**218.0**	323.7

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the group, and earn interest at the respective short-term deposit rates.

Note 23 – Issued capital and reserves

The company has share capital of EUR 624.4 million (2010: EUR 624.4 million), represented by Class A and Class B shares with no par value. The movement between the opening and closing number of shares issued per class of share can be summarised as follows:

	Class A shares	Class B shares	**Total shares**
As at January 1, 2011	**332,985,130**	**166,492,565**	**499,477,695**
Cancellation of A and B shares	–	–	–
As at December 31, 2011	**332,985,130**	**166,492,565**	**499,477,695**

FDRs with respect to Class A shares are listed on the Luxembourg Stock Exchange and on Euronext Paris. They can be traded freely and are convertible into Class A shares at any time at the option of the holder under the conditions applicable in the company's articles of association and in accordance with the terms of the FDRs.

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

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

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

	2011	2010
FDRs held as at December 31	1,725,058	4,254,011
Carrying value of FDRs held (in millions of euros)	25.9	55.8

In accordance with Luxembourg legal requirements, a minimum of 5% of the yearly net profit (statutory) is transferred to a legal reserve from which a distribution is restricted. This requirement is satisfied when the reserve reaches 10% of the issued share capital. As at December 31, 2011 an amount of EUR 62.4 million (2010: EUR 62.4 million) is included within other reserves. Other reserves include a further undistributable amount of EUR 381.8 million (2010: EUR 385.7 million) linked to local tax legislation in Luxembourg (Net worth tax).

Note 24 – Share-based payment plans

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

1. IPO plan

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

	2011	2010
Outstanding options at the end of the year	475,250	628,641
Weighted average exercise price in euro	12.64	12.64

2. The Stock Appreciation Rights Plan ('STAR Plan')

The STAR Plan, initiated in 2000, is an equity-settled scheme available to non-executive staff of controlled group subsidiaries. Under the plan employees are granted rights to receive remuneration payments reflecting the movement of the share price in relation to the strike price. A third of the STAR Plan rights vest each year over a three-year period and the rights have a two-year exercise period once fully vested.

In January 2011, the STAR Plan was amended. For all options granted 2011 onwards a third of the STAR Plan rights vest and can be exercised each year. After fully vested, the rights have a four-year exercise period.

	2011	2010
Outstanding options at the end of the year	2,677,604	3,177,700
Weighted average exercise price in euros	16.10	15.20

3. Executive Incentive Compensation Plan ('EICP')

The EICP, initiated in 2002, is available to group executives. Under the plan, options are granted with an effective date of January 1. One quarter of the entitlement vests on each anniversary date of the original grant. Once vested, the options can be exercised until the tenth anniversary of the original grant.

	2011	2010
Outstanding options at the end of the year	5,518,673	5,778,291
Weighted average exercise price in euros	15.48	14.41

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

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

	2011	2010
Restricted and performance shares granted at the end of the year	1,200,075	1,291,501
Weighted average fair value in euros	13.68	13.12

The fair value of equity-settled share options granted is estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the average value of inputs to the model used for the years ended December 31, 2011, and December 31, 2010.

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

2010	EICP	STARs	LTI
Dividend yield (%)	5.16%	5.76%	4.66%
Expected volatility (%)	35.68%	36.30%	42.18%
Risk-free interest rate (%)	2.27%	1.76%	1.02%
Expected life of options (years)	9.75	5	3
Share price at inception (EUR)	18.55	16.95	17.20

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

The last cash-settled options expired in June 2010 such that the company now only has equity-settled options in place. Up to this time, the fair value of the cash-settled options was measured at the grant date using a binomial model which took into account the terms and conditions upon which the instruments were granted. The services received, and a liability to pay for those services, are recognised over the expected vesting period. Until the liability is settled it is remeasured at each reporting date with changes in fair value recognised in the income statement.

The total charge for the period for share-based compensation payments amounted to EUR 11.9 million (2010: EUR 11.4 million).

Note 25 – Interest-bearing loans and borrowings

As at December 31, 2011 and 2010, the group's interest-bearing loans and borrowings were:

			Carried at amortised cost	
In millions of euros	**Effective interest rate**	**Maturity**	**Amounts outstanding 2011**	**Amounts outstanding 2010**
Non-current				
U.S. Private Placement				
Series A (USD 400 million)	5.29%	September 2013	42.2	83.5
Series B (USD 513 million)	5.83%	September 2015	237.9	307.1
Series C (USD 87 million)	5.93%	September 2015	67.2	65.1
Series D (GBP 28 million)	5.63%	September 2013	4.7	9.3
Euro Privat Placement 2016 (EUR 150 million) issued under EMTN	5.05%	August 2016	149.0	148.8
Eurobond 2021 (EUR 650 million)	4.75%	March 2021	643.8	-
Eurobond 2020 (EUR 650 million)	4.625%	March 2020	644.0	643.3
Eurobond 2014 (EUR 650 million)	4.875%	July 2014	646.4	645.0
Eurobond 2013 (EUR 500 million)	4.375%	October 2013	500.0	500.0
European Investment Bank (EUR 200 million)	3.618%	May 2017	166.7	199.9
German bond (EUR 100 million), non-listed	5.75%	November 2012	-	99.8
German bond (EUR 100 million), non-listed	6.00%	November 2012	-	99.7
Syndicated loan 2015	EURIBOR/USLIBOR + 0.95%	April 2015	195.8	97.2
COFACE	EURIBOR + 1.7%	2022	210.8	97.2
US Ex-Im	3.11%	June 2020	71.3	-
Total non-current			**3,579.8**	**2,995.9**
Current				
U.S. Private Placement				
Series A (USD 400 million)	5.29%	September 2012	44.3	42.8
Series B (USD 513 million)	5.83%	September 2012	79.3	76.8
Series D (GBP 28 million)	5.63%	September 2012	4.8	4.6
Eurobond 2011 (EUR 650 million)	4.00%	March 2011	-	649.8
European Investment Bank (EUR 200 million)	3.618%	May 2012	33.3	-
German bond (EUR 100 million), non-listed	5.75%	November 2012	99.9	-
German bond (EUR 100 million), non-listed	6.00%	November 2012	99.9	-
Commercial paper	1.061%	January 2012	60.0	135.0
Uncommitted loans	1.576%	February 2012	185.5	179.6
US Ex-Im	3.11%	June 2012	9.8	-
Total current			**616.8**	**1,088.6**

U.S. Private Placement

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

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

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

European Medium-Term Note Programme (EMTN)

On December 6, 2005, SES put in place a EUR 2,000.0 million EMTN enabling SES, or SES GLOBAL-Americas Holdings GP, to issue as and when required notes up to a maximum aggregate amount of EUR 2,000.0 million. In May 2007, this programme was increased to an aggregate amount of EUR 4,000.0 million. On September 19, 2011 this programme has been extended for one further year.

As of December 31, 2011, SES has issued EUR 2,600.0 million (2010: EUR 2,600.0 million) under the EMTN Programme with maturities ranging from 2013 – 2021.

– EUR 150.0 million Private Placement (2016)

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

– EUR 650.0 million Eurobond (2021) issue

On March 11, 2011 (pricing March 2, 2011), SES issued a EUR 650.0 million bond under the company's European Medium-Term Note Programme. The bond has a 10-year maturity and bears interest at a fixed rate of 4.75%.

– EUR 650.0 million Eurobond (2020)

On March 9, 2010 (pricing March 1, 2010), SES issued a EUR 650.0 million bond under the company's European Medium-Term Note Programme. The bond has a 10-year maturity and bears interest at a fixed rate of 4.625%.

– EUR 650.0 million Eurobond (2014)

On July 9, 2009 (pricing June 30, 2009), SES issued a EUR 650.0 million bond under the company's European Medium-Term Note Programme. The bond has a 5-year maturity and bears interest at a fixed rate of 4.875%.

– EUR 500.0 million Eurobond (2013)

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

– EUR 650.0 million Eurobond (2011) repayment

On March 15, 2006, SES issued a EUR 650.0 million bond under the company's European Medium-Term Note Programme. The bond has a 5-year maturity and bears interest at a fixed rate of 4.0%. The bond was repaid on March 15, 2011.

EUR 200.0 million European Investment Bank funding

On April 21, 2009, SES signed a financing agreement with the European Investment Bank concerning the investment by the group in certain satellite investment projects. This facility, bearing interest at a fixed rate of 3.618%, is repayable in six annual instalments between May 2012 and May 2017.

German Bond issue of EUR 200.0 million

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

Syndicated loan 2015

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

EUR 522.9 million COFACE facility

On December 16, 2009, SES signed a financing agreement with COFACE (Compagnie Française d 'Assurance pour le Commerce Extérieur) in respect of the investment in four geostationary satellites (Astra 2E, Astra 2F, Astra 2G, Astra 5B). The facility is divided into five loans. The drawings under the facility are based on invoices from the supplier of the satellites. The first drawing was done on April 23, 2010. Each loan will be repaid in 17 equal semi-annual instalments starting the earlier of the in-orbit date of the satellite being financed by such loan and April 1, 2014 and the estimated final maturity of the facility will be by the end of 2022. The facility bears interest at a floating rate of six month EURIBOR plus a margin of 1.7%.

USD 158 million US Ex-Im facility (new)

In April 2011, SES signed a financing agreement with Ex-Im Bank (Export-Import Bank of the United States) over USD 158 million for the investment in one geostationary satellite (Quetzsat). On May 19, 2011, SES drew the first tranche of USD 107.8 million. The loan will be repaid in 17 equal semi-annual instalments starting (i) the earlier of six month after the in-orbit acceptance date of the satellite and (ii) June 20, 2012. The final maturity will be eight years after the initial repayment date. The facility bears interest at a fixed rate of 3.11%.

Commercial paper programme

On October 25, 2005, SES put in place a EUR 500.0 million 'Programme de Titres de Créances Négociables' in the French market where the company issued 'Billets de Trésorerie' (commercial paper) in accordance with articles L.213-1 to L.213-4 of the French Monetary and Financial Code and decree n°92.137 of February 13, 1992 and all subsequent regulations. The maximum outstanding amount of 'Billet de Trésorerie' issuable under the programme is EUR 500.0 million or its counter value at the date of issue in any other authorised currency. On May 9, 2011, this programme was extended for one further year. As of December 31, 2011 borrowings of EUR 60.0 million (2010: EUR 135.0 million) were outstanding under this programme. The average rate of the outstanding commercial paper amounts to 1.06% (2010: 0.95%) for the drawdown period.

Note 26 – Provisions and deferred income

In millions of euros	Provisions	Deferred income	Total
As at January 1, 2011	**81.6**	**216.4**	**298.0**
Increase in provisions	4.6	–	**4.6**
Decrease in provisions	(15.6)	–	**(15.6)**
Movement on deferred income	–	(20.2)	**(20.2)**
Impact of currency translation	1.6	3.3	**4.9**
As at December 31, 2011	**72.2**	**199.5**	**271.7**

In millions of euros	Provisions	Deferred income	Total
As at January 1, 2010	**65.3**	**246.0**	**311.3**
Increase in provisions	59.6	–	**59.6**
Decrease in provisions	(27.6)	–	**(27.6)**
Movement on deferred income	–	(13.1)	**(13.1)**
Discontinued operations	(18.0)	(24.4)	**(42.4)**
Impact of currency translation	2.3	7.9	**10.2**
As at December 31, 2010	**81.6**	**216.4**	**298.0**

Provisions relate primarily to liabilities arising for withholding taxes, for post-retirement benefit schemes and other items arising in the normal course of business.

In U.S. operations, certain employees benefit from a post-retirement health benefits programme which is externally insured. As at December 31, 2011, accrued premiums of EUR 10.9 million (2010: EUR 8.9 million) are included in this position.

Contributions made in 2011 to group pension schemes totalled EUR 7.6 million (2010: EUR 8.3 million), which are recorded in the income statement under 'staff costs'.

Note 27 – Trade and other payables

In millions of euros	2011	2010
Trade creditors	126.3	58.1
Payments received in advance	5.7	61.9
Interest on loans	86.7	81.3
Personnel-related liabilities	30.2	25.4
Tax liabilities other than for income tax	8.4	5.3
Other liabilities	187.2	116.9
Total	**444.5**	**348.9**

In the framework of receivables securitisation transaction completed in June 2010, the group received a net cash amount of EUR 50.6 million from a financial institution as advance settlement of future receivables arising between 2011 and 2013 under contracts with a specific customer. A corresponding liability of EUR 36.2 million (2010: EUR 52.8 million), representing SES' obligation towards the financial institution to continue to provide services to the customer in accordance with the terms of the customer contract, is recorded in the Statement of Financial Position as at December 31, 2011 under 'Other long-term liabilities', for EUR 18.2 million (2010: EUR 36.2 million), and 'Trade and other payables' for EUR 18.0 million (2010: EUR 16.6 million).

Note 28 – Commitments and contingencies

Capital commitments

The group had outstanding commitments in respect of contracted capital expenditure totalling EUR 670.8 million at December 31, 2011 (2010: EUR 820.4 million). These commitments largely reflect the purchase and launch of future satellites for the expansion and replacement of the group satellite system, together with the necessary expansion of the associated ground station and control facilities. In the case of termination by the group of these contracts, contractual penalty provisions apply.

Operating lease commitments

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

In millions of euros	2011	2010
Within one year	11.2	9.0
After one year but not more than five years	28.6	23.5
More than five years	22.5	3.4
Total	**62.3**	**35.9**

Commitments under transponder service agreements

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

In millions of euros	2011	2010
Within one year	42.3	43.7
After one year but not more than five years	22.0	61.5
After more than five years	2.1	2.0
Total	**66.4**	**107.2**

Other commitments

Under the O3b Networks Limited ('O3b') full financing agreement, SES entered in 2010 into commitments to provide, if needed in the pre-commercialisation phase, additional shareholder loans to O3b totalling USD 66 million. See Note 17.

Litigation

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

There were no other significant litigation claims against the group as of December 31, 2011.

Guarantees

On December 31, 2011 the group had outstanding bank guarantees for an amount of EUR 2.7 million (2010: EUR 1.2 million) with respect to performance and warranty guarantees for services of satellite operations. As at December 31, 2010 SES had issued a bank guarantee towards ND Satcom for EUR 15.0 million.

Restrictions on use of cash

At the year-end, there were no restricted cash balances (2010: nil).

Note 29 – Related parties

The state of Luxembourg holds a direct 11.58% voting interest in the company and two indirect interests, both of 10.88%, through two state owned banks, Banque et Caisse d'Epargne de l'Etat and Société Nationale de Crédit et d'Investissement. These shares constitute the company's Class B shares, which are described in more detail in Note 23.

The total payments to directors for attendance at board and committee meetings in 2011 amounted to EUR 1.3 million (2010: EUR 1.3 million). These payments are computed on a fixed and variable basis, the variable part being based upon attendance at board and committee meetings.

There were no other significant transactions with related parties.

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

In millions of euros	2011	2010
Remuneration including bonuses	4.3	4.2
Pension benefits	0.5	0.5
Share-based payments	2.8	6.6
Other benefits	0.1	0.2
Total	7.7	11.5

Total share-based payment instruments allocated to key management as at December 31, 2011 were 1,512,603 (2010: 1,638,239).

Note 30 – Consolidated subsidiaries, joint ventures and affiliates

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

	Effective interest (%) 2011	Effective interest (%) 2010	Method of consolidation 2011
Held directly by SES:			
SES ASTRA S.A., Luxembourg	100.00	100.00	Full
SES GLOBAL-Americas Inc., U.S.A.	100.00	100.00	Full
SES GLOBAL Americas Holdings General Partnership, U.S.A.	100.00	100.00	Full
SES GLOBAL-Americas Finance Inc., U.S.A.	100.00	100.00	Full
SES GLOBAL Africa S.A., Luxembourg	100.00	100.00	Full
SES Participations S.A., Luxembourg	100.00	100.00	Full
SES Finance S.à r.l., Switzerland	100.00	100.00	Full
SES Holdings (Netherlands) B.V., Netherlands	100.00	100.00	Full
SES ASTRA Services Europe S.A., Luxembourg	100.00	100.00	Full
SES Latin America S.A., Luxembourg	100.00	100.00	Full
SES Belgium S.p.r.l, Belgium	100.00	100.00	Full
Held through SES Participations S.A., Luxembourg:			
Ciel Satellite Holdings Inc., Canada	100.00	100.00	Full
Ciel Satellite Limited Partnership, Canada	70.00	70.00	Full
Northern Americas Satellite Ventures, Inc., Canada	100.00	100.00	Full
Held through SES ASTRA Services Europe S.A., Luxembourg:			
Glocom (Communications and Images) Limited (Isle of Man)	75.00	75.00	Full
SES ASTRA TechCom S.A., Luxembourg	100.00	100.00	Full
SES ASTRA TechCom Belgium S.A., Belgium	100.00	100.00	Full
Astralis S.A., Luxembourg	51.00	51.00	Full
ASTRA Broadband Services S.A., Luxembourg	100.00	100.00	Full
SES Digital Distribution Services AG, Switzerland	100.00	100.00	Full
SES Digital Distribution Services S.à r.l., Luxembourg	100.00	100.00	Full
Redu Operations Services S.A., Belgium	48.00	48.00	Equity
Redu Space Services S.A., Belgium	52.00	52.00	Full
HD Plus GmbH, Germany	100.00	100.00	Full
SES ASTRA Real Estate (Betzdorf) S.A., Luxembourg	100.00	100.00	Full
SES Capital Belgium S.A., Belgium	100.00	100.00	Full
ND SatCom GmbH, Germany[1]	24.9	100.00	Equity[1]
ND SatCom Defence GmbH, Germany[1]	–	100.00	–
ND SatCom Inc., U.S.A.[1]	–	100.00	–
ND SatCom Products GmbH, Germany[1]	–	100.00	–
ND Satcom FZE, (United Arab Emirates)[1]	–	100.00	–
ND SatCom Satellite Comm. Systems (Beijing) Co. Ltd, China[1]	–	100.00	–
ND SatCom Grintex Communications Ltd, India[1]	–	25.00	–
ND SatCom o.o.o., Russia[1]	–	100.00	–
Milsat Services GmbH, Germany[1]	–	25.10	–
ASTRA Platform Services GmbH, Germany	100.00	100.00	Full
SES Digital Distribution Services GmbH, Germany	100.00	100.00	Full
Virtual Planet Group GmbH, Germany	90.00	90.00	Full

	Effective interest (%) 2011	Effective interest (%) 2010	Method of consolidation 2011
Held through SES ASTRA S.A.:			
ASTRA Deutschland GmbH, Germany	100.00	100.00	Full
ASTRA (UK) Ltd, United Kingdom	100.00	100.00	Full
ASTRA Iberica S.A., Spain	100.00	100.00	Full
ASTRA France S.A., France	100.00	100.00	Full
ASTRA (GB) Limited, United Kingdom	100.00	100.00	Full
ASTRA Benelux B.V., The Netherlands	100.00	100.00	Full
SES ASTRA CEE Sp. z o.o, Poland	100.00	100.00	Full
SES ASTRA Italia S.r.l.	100.00	100.00	Full
SES ENGINEERING (Luxembourg) S.à r.l., Luxembourg	100.00	100.00	Full
New Skies Investments S.à r.l, Luxembourg	100.00	100.00	Full
SES ASTRA AB, Sweden	100.00	100.00	Full
Sirius Satellite Services SIA, Latvia	100.00	100.00	Full
SES SIRIUS Ukraine, Ukraine	100.00	100.00	Full
SES ASTRA 1KR S.à r.l., Luxembourg	100.00	100.00	Full
SES ASTRA 1L S.à r.l., Luxembourg	100.00	100.00	Full
SES ASTRA 1M S.à r.l., Luxembourg	100.00	100.00	Full
SES ASTRA 3B S.à r.l., Luxembourg	100.00	100.00	Full
SES ASTRA 5B S.à r.l., Luxembourg	100.00	100.00	Full
SES ASTRA 1N S.à r.l., Luxembourg	100.00	100.00	Full
Solaris Mobile Limited, Ireland	50.00	50.00	Proportional
SES ASTRA 2E S.à r.l., Luxembourg	100.00	100.00	Full
SES ASTRA 2F S.à r.l., Luxembourg	100.00	100.00	Full
SES ASTRA 2G S.à r.l., Luxembourg	100.00	100.00	Full
SES Astra (Romania) S.à r.l. [2]	100.00	–	Full
Held through SES Finance S.à r.l.:			
SES Re International (Bermuda) Ltd, Bermuda	100.00	100.00	Full
SES Satellite Leasing Ltd, Isle of Man	100.00	100.00	Full
Al Maisan Satellite Communications (YahSat) LLC, UAE	35.00	35.00	Full
SES Satellites (Bermuda) Ltd, Bermuda	100.00	100.00	Full
Held through SES GLOBAL Africa S.A.:			
SES ASTRA Africa (Proprietary) Ltd, South Africa	100.00	100.00	Full
ODM (Proprietary) Ltd, South Africa	20.00	20.00	Equity
Held through SES GLOBAL-Americas Inc.:			
SES AMERICOM, Inc., U.S.A.	100.00	100.00	Full
SES AMERICOM PAC, Inc., U.S.A.	100.00	100.00	Full
Communications Satellite Int. Marketing Inc., Barbados [3]	–	100.00	–
SES AMERICOM International Holdings, Inc., U.S.A.	100.00	100.00	Full
SES AMERICOM Canada, Inc., Canada [3]	–	100.00	–
SES AMERICOM (Brazil) Holdings, LLC, U.S.A.	100.00	100.00	Full
SES AMERICOM do Brasil Servicos de Telecomunicacoes, Ltda, Brazil	100.00	100.00	Full
SES AMERICOM (Singapore) Pty, Ltd, Singapore [3]	–	100.00	–
AMERICOM Government Services, Inc., U.S.A.	100.00	100.00	Full
Sistemas Satelitales de Mexico S. de R.L. de C.V., Mexico	49.00	49.00	Equity
Socios Aguila S.de R.L de C.V., Mexico	49.00	49.00	Equity
Columbia Communications Corporation, U.S.A.	100.00	100.00	Full
Columbia / WIGUSA Communications, Inc., U.S.A.	100.00	100.00	Full

	Effective interest (%) 2011	Effective interest (%) 2010	Method of consolidation 2011
SES Satellites International, Inc., U.S.A.	100.00	100.00	Full
SES Satellites (Gibraltar) Ltd, Gibraltar	100.00	100.00	Full
SES AMERICOM Colorado, Inc., U.S.A.	100.00	100.00	Full
AMC-1 Holdings LLC, U.S.A.	100.00	100.00	Full
AMC-2 Holdings LLC, U.S.A.	100.00	100.00	Full
AMC-3 Holdings LLC, U.S.A.	100.00	100.00	Full
AMC-5 Holdings LLC, U.S.A.	100.00	100.00	Full
AMC-6 Holdings LLC, U.S.A.	100.00	100.00	Full
AMC-8 Holdings LLC, U.S.A.	100.00	100.00	Full
AMC-9 Holdings LLC, U.S.A.	100.00	100.00	Full
AMC-10 Holdings LLC, U.S.A.	100.00	100.00	Full
AMC-11 Holdings LLC, U.S.A.	100.00	100.00	Full
SES AMERICOM (Asia 1A) LLC, U.S.A.	100.00	100.00	Full
AMERICOM Asia Pacific LLC, U.S.A.	100.00	100.00	Full
AMC-12 Holdings LLC, U.S.A.	100.00	100.00	Full
SES AMERICOM California, Inc., U.S.A.	100.00	100.00	Full
AMC-4 Holdings LLC, U.S.A.	100.00	100.00	Full
AMC-7 Holdings LLC, U.S.A.	100.00	100.00	Full
AMC-15 Holdings LLC, U.S.A.	100.00	100.00	Full
AMC-16 Holdings LLC, U.S.A.	100.00	100.00	Full
SES-1 Holdings, LLC, U.S.A.	100.00	100.00	Full
Starsys Global Positioning Inc., U.S.A.	80.00	80.00	Full
QuetzSat Directo, S. de R.L. de C.V., Mexico	49.00	49.00	Equity
Safe Sat of New York Inc., U.S.A.	100.00	100.00	Full
SES ENGINEERING (U.S.) Inc., U.S.A.	100.00	100.00	Full
AGS Acquisition Corp., U.S.A.[3]	–	100.00	–
AOS Inc., U.S.A.	100.00	100.00	Full
IP Prime, Inc., U.S.A.[4]	–	100.00	–
SES-2 Holdings LLC[2]	100.00	–	Full
SES-3 Holdings LLC[2]	100.00	–	Full
Held through SES Latin America S.A.:			
QuetzSat S. de R.L. de C.V., Mexico	49.00	49.00	Equity
Satellites Globales S. de R.L. de C.V., Mexico	49.00	49.00	Equity
SES Satelites Directo Ltda, Brazil	100.00	100.00	Full
SES DTH do Brasil Ltda, Brazil	100.00	100.00	Full
SES Global South America Holding S.L., Spain	100.00	100.00	Full
Held through SES Holdings (Netherlands) B.V.:			
New Skies Investments Holding B.V., The Netherlands	100.00	100.00	Full
New Skies Holding B.V., The Netherlands	100.00	100.00	Full
New Skies Satellites B.V., The Netherlands	100.00	100.00	Full
SES Holdings (Bermuda) Ltd, Bermuda[4]	–	100.00	–
New Skies Satellites, Inc., U.S.A.	100.00	100.00	Full
New Skies Satellites de Mexico S.A. de C.V., Mexico	49.00	49.00	Equity
New Skies Satellites Mar B.V., The Netherlands	100.00	100.00	Full
New Skies Satellites Ltda, Brazil	100.00	100.00	Full

	Effective interest (%) 2011	Effective interest (%) 2010	Method of Consolidation 2011
Morharras B.V., The Netherlands[3]	–	100.00	–
New Skies Networks, Inc., U.S.A.	100.00	100.00	Full
New Skies Networks (UK) Ltd, U.K.	100.00	100.00	Full
SES ENGINEERING (Netherlands) B.V., The Netherlands	100.00	100.00	Full
New Skies Asset Holdings, Inc., U.S.A.	100.00	100.00	Full
New Skies Carrier Services, Inc., U.S.A.[4]	–	100.00	–
SES NEW SKIES Marketing B.V., The Netherlands	100.00	100.00	Full
New Skies Satellites India B.V., The Netherlands	100.00	100.00	Full
New Skies Satellites Argentina B.V., The Netherlands	100.00	100.00	Full
New Skies Networks Australia B.V., The Netherlands	100.00	100.00	Full
New Skies Networks Australia Pty Ltd, Australia	100.00	100.00	Full
New Skies Satellites Australia Pty Ltd, Australia	100.00	100.00	Full
New Skies Satellites Licensee B.V., The Netherlands	100.00	100.00	Full
SES NEW SKIES Singapore B.V., The Netherlands	100.00	100.00	Full
NSS Latin America Holdings S.A., Luxembourg	100.00	100.00	Full
SES Asia S.A., Luxembourg	100.00	100.00	Full
SES Finance Services AG, Switzerland	100.00	100.00	Full
O3B Networks Ltd, Jersey Island[5]	38.79	33.32	Equity
SES World Skies Singapore Pte Ltd, Singapore	100.00	100.00	Full
New Skies Satellites Collections Private Ltd, India[4]	–	100.00	–

[1] See Note 4. Full consolidation until February 28, 2011. Equity accounting from March 31, 2011.
[2] New entities created in 2011
[3] Dissolved in 2011
[4] Entities which were merged in 2011
[5] See Note 17

Short biographies of the Board candidates

Mr Hadelin de Liedekerke Beaufort

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

Mr de Liedekerke Beaufort is an independent director.

Mr Conny Kullman

Born July 5, 1950. Mr Kullman graduated with a Master of Science in Electronic Engineering from the Chalmers University of Technology in Gothenburg. After having worked as a Systems Engineer for Saab-Ericsson Space AB, he joined Intelsat in Washington DC, where he held several positions before becoming its Director General and CEO. Mr Kullman became the CEO of Intelsat Ltd. in Bermuda in 2001 and its Chairman in 2005, position from which he retired in 2006.

Mr Kullman would be an independent Director

Pr. Dr. Miriam Meckel,

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

Pr. Dr. Miriam Meckel would be an independent Director.

Mr Marc Speeckaert

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

Mr Speeckaert is an independent Director.

Mr Serge Allegrezza

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

Mr Allegrezza is not an independent director, because he represents an important shareholder.

Mr Victor Rod

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

Mr Rod is not an independent director because he represents an important shareholder.