

**SES S.A.**  
**Société Anonyme**  
**Château de Betzdorf**  
**L-6815 Betzdorf**

**R.C.S. Luxembourg B 81267**

**Annual accounts as at and for the year ended**  
**31 December 2018**

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## **Audit report**

To the Shareholders of  
**SES S.A.**

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### **Report on the audit of the annual accounts**

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#### *Our opinion*

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of SES S.A. (the “Company”) as at 31 December 2018, 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.

Our opinion is consistent with our additional report to the Audit and Risk Committee.

#### *What we have audited*

The Company’s annual accounts comprise:

- the balance sheet as at 31 December 2018;
  - the profit and loss account for the year then ended; and
  - the notes to the annual accounts, which include a summary of significant accounting policies.
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#### *Basis for opinion*

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the annual accounts” section of our report.

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

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014.

The non-audit services that we have provided to the Company and its controlled undertakings, if applicable, for the year then ended, are disclosed in Note 20 to the annual accounts.

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## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period, and include the most significant assessed risks of material misstatement (whether or not due to fraud).

These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
<p><b>Valuation of the shares in affiliated undertakings</b></p> <p>The Company has investments in shares in affiliated undertakings of 8,056.4 million EUR.</p> <p>Management's assessment of the recoverable amount of investments in shares in affiliated undertakings requires significant judgement in the determination of the level at which these investments are tested for impairment taking into account the substance of their business activity, the interdependency of their cash flows and their level of integration.</p> <p>Moreover, the determination of the recoverable value of these investments requires significant estimates as it relates to the determination of the forecasted cash flows, the discount rates and the long-term growth rates.</p> <p>We focused on this area due to the inherent complexity and judgement in the estimates for the recoverable amount of the investments in affiliated undertakings and the materiality of the balance.</p>	<ul style="list-style-type: none"> <li>• We obtained an understanding of Management's process and controls related to the identification of the impairment indicators and the impairment test of the investments in affiliated undertakings;</li> <li>• We evaluated Management's methodology used to estimate the recoverable amount of the investments in affiliated undertakings, including the grouping of certain investments in order to appropriately reflect the substance of their activity, interdependency of their cash flows and the level of integration of their operations;</li> <li>• We agreed the forecasted cash flows used for the determination of the recoverable value to the 2019 Business Plan as approved by the Board of Directors and challenged the different assumptions based on our expectations in terms of significant developments during the forecast period and evaluated whether these were appropriately reflected in the cash flows;</li> <li>• We involved valuation specialists and independently recalculated the weighted average cost of capital based on the use of market data and challenged the long-term growth rate applied;</li> <li>• We considered the appropriateness of the disclosures in Note 3 to the annual accounts.</li> </ul>

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### *Other information*

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report including the management report and the Corporate Governance Statement but does not include the annual accounts and our audit report thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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### *Responsibilities of the Board of Directors for the annual accounts*

The Board of Directors is responsible for the preparation and fair presentation of the 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 of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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### *Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts*

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.



As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit 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 Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

## **Report on other legal and regulatory requirements**

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the management report. The information required by Article 68ter Paragraph (1) Letters c) and d) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We have been appointed as “Réviseur d’Entreprises Agréé” of the Company by the General Meeting of the Shareholders on 5 April 2018 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 6 years.

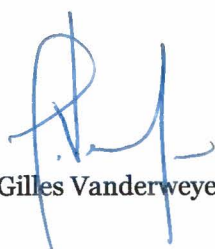
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### *Other matter*

The Corporate Governance Statement includes, when applicable, the information required by Article 68ter Paragraph (1) Letters a), b), e), f) and g) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended.

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 26 February 2019

A handwritten signature in blue ink, appearing to be 'Gilles Vanderweyen', with a stylized 'G' and 'V'.

Gilles Vanderweyen

**SES**  
**Société Anonyme**  
Balance sheet  
**As at 31 December 2018**

**Assets**

	Note	2018 EUR million	2017 EUR million
<b>Fixed Assets</b>			
Intangible assets		1.6	0.7
Financial assets			
Shares in affiliated undertakings	3	8,056.4	8,034.9
Loans to affiliated undertakings	3	2,275.6	1,994.8
		10,333.6	10,030.4
<b>Current Assets</b>			
<b>Debtors</b>			
Amounts owed by affiliated undertakings			
becoming due and payable within one year	4	2,323.0	2,014.1
becoming due and payable after one year	4	174.1	-
Other debtors			
becoming due and payable within one year		4.3	4.6
Investments			
Own shares	5	93.4	85.0
Cash at bank and cash in hand		825.2	172.7
		3,420.0	2,276.4
<b>Prepayments</b>			
becoming due and payable within one year		10.7	14.5
becoming due and payable after one year		38.1	38.1
<b>Total assets</b>		<b>13,802.4</b>	<b>12,359.4</b>

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



**SES**  
**Société Anonyme**  
Balance sheet  
**As at 31 December 2018**

<b>Liabilities</b>	<b>Note</b>	<b>2018</b> <b>EUR million</b>	<b>2017</b> <b>EUR million</b>
<b>Capital and reserves</b>			
Subscribed capital	6	719.0	719.0
Share premium account	6	1,890.2	1,890.2
Reserves			
Legal reserve	7	70.0	70.0
Reserve for own shares	8	93.4	85.0
Other reserves, including the faire value reserve			
Profit brought forward		1,284.7	1,680.5
Profit for the financial year		1,172.3	(19.8)
		5,229.6	4,424.9
<b>Creditors</b>			
Debtenture loans - Non convertible loans	10		
becoming due and payable within one year		576.3	634.1
becoming due and payable after more than one year		5,000.0	4,457.7
Amounts owed to credit institutions	10		
becoming due and payable within one year		42.0	41.9
becoming due and payable after more than one year		122.1	163.6
Trade creditors			
becoming due and payable within one year		0.7	1.7
Amounts owed to affiliated undertakings	10		
becoming due and payable within one year		2,569.8	2,079.2
becoming due and payable after more than one year		68.0	532.6
Other creditors			
Tax authorities	11	11.5	19.6
Social security authorities		0.3	0.3
Other creditors			
becoming due and payable within one year		8.0	3.8
payable after more than one year	12	174.1	-
		8,572.8	7,934.5
<b>Total liabilities</b>		<b>13,802.4</b>	<b>12,359.4</b>

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

**SES**  
**Société Anonyme**  
Profit and loss account  
**For the year ended 31 December 2018**

<b>Profit and loss account</b>	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>EUR million</b>	<b>EUR million</b>
Other operating income	13	16.8	15.2
Raw material and consumables and other external expenses			
Other external expenses		(25.4)	(31.6)
Staff costs	14		
Wages and salaries		(18.7)	(11.4)
Social security costs			
relating to pensions		(1.1)	(1.2)
other social security costs		(0.4)	(0.1)
Other staff costs		(0.1)	(0.2)
Other operating expenses		(8.5)	(3.1)
Income from participating interest			
concerning affiliated undertakings	15	1,354.7	255.2
Income from other investments and loans forming part of fixed assets			
concerning affiliated undertakings	16	25.9	59.8
Other interest receivable and similar income			
other interest and similar income	17	55.4	2.8
Value adjustment in respect of financial assets and of investments held as current assets	18	5.7	(136.0)
Interest payable and similar expenses			
concerning affiliated undertakings	19	(35.2)	(34.7)
other interest and similar expenses	19	(254.6)	(237.0)
Tax on profit or loss		59.3	104.5
Taxes other		(1.5)	(2.0)
		<b>1,172.3</b>	<b>(19.8)</b>

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

**SES**  
**Société Anonyme**  
Statement of changes in shareholders' equity  
**As at 31 December 2018**

	<b>Subscribed capital</b>	<b>Share premium</b>	<b>Legal reserve</b>	<b>Other reserves*</b>	<b>Result for the year</b>	<b>Total</b>
	<b>EUR million</b>	<b>EUR million</b>	<b>EUR million</b>	<b>EUR million</b>	<b>EUR million</b>	<b>EUR million</b>
At 1 January 2017	719.0	1,890.2	64.4	2,276.2	111.5	<b>5,061.3</b>
Allocation of result	-	-	5.6	105.9	(111.5)	-
Distribution of dividends	-	-	-	( 616.6)	-	<b>( 616.6)</b>
Other movements	-	-	-	-	-	-
Loss for the financial year	-	-	-	-	(19.8)	<b>(19.8)</b>
<b>At 31 December 2017</b>	<b>719.0</b>	<b>1,890.2</b>	<b>70.0</b>	<b>1,765.5</b>	<b>(19.8)</b>	<b>4,424.9</b>
At 1 January 2018	719.0	1,890.2	70.0	1,765.5	(19.8)	<b>4,424.9</b>
Allocation of result	-	-	-	(19.8)	19.8	-
Distribution of dividends	-	-	-	(367.6)	-	<b>(367.6)</b>
Other movements	-	-	-	-	-	-
Profit for the financial year	-	-	-	-	1,172.3	<b>1,172.3</b>
<b>At 31 December 2018</b>	<b>719.0</b>	<b>1,890.2</b>	<b>70.0</b>	<b>1,378.1</b>	<b>1,172.3</b>	<b>5,229.6</b>

\* Including reserves for own shares, other non available reserves and profit brought forward.

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

**SES**  
**Société Anonyme**  
Notes to the annual accounts  
**As at 31 December 2018**

***Note 1 - General Information***

SES S.A. (hereafter 'SES' or 'the Company') was incorporated on 16 March 2001 as a limited liability company (Société Anonyme) under the laws of the Grand-Duchy of Luxembourg for an unlimited period.

The registered office of the Company is established at the Château de Betzdorf, L-6815 Betzdorf, Luxembourg.

The purpose of 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 1 January to 31 December.

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

In 2013 the Company established a branch in Switzerland in order to centralise the cash pooling mechanism in place for the Company and its subsidiaries ('the SES Group'). The annual accounts of the branch are also integrated into those of the Company.

The Company prepares consolidated financial statements for the SES Group which are drawn up in accordance with International Financial Reporting Standards as endorsed by the European Union ('IFRS'), and are published according to the provisions of the Luxembourg law.

The Company's Fiduciary Deposit Receipts ('FDRs') have been listed on the Luxembourg Stock Exchange since 1998 and on Euronext Paris since 2004 under the symbol SESG. FDRs can be traded freely, and are convertible into an equal number of Class A shares at any time, and at no cost, 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.

***Note 2 - Summary of significant accounting policies and valuation rules***

**2.1. Basis of preparation**

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

Accounting policies and valuation rules are, besides the ones laid down by the amended Law of 19 December 2002, determined and applied by the Board of Directors.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions are changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

**SES**  
**Société Anonyme**  
Notes to the annual accounts (continued)  
**As at 31 December 2018**

***Note 2 - Summary of significant accounting policies and valuation rules (continued)***

**2.1. Basis of preparation (continued)**

Management makes estimates and assumptions that may affect the reported amounts of assets and liabilities in the next financial year(s). Estimates and judgments are regularly reevaluated, and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**2.2. Significant accounting policies**

The main accounting policies and valuation rules applied by the Company are the following:

**2.2.1. Financial assets**

Shares in affiliated undertakings held by the Company are recorded at acquisition cost.

In the case of a permanent diminution in the value of a financial fixed asset in the opinion of the Board of Directors, a value adjustment is made such that the investment is valued at the lower figure. Value adjustments are not maintained if the reasons for which they were made have ceased to apply.

In some instances, where the Board of Directors believes that it is more appropriate under the circumstances and better reflects the substance of the activity, the interdependency of cash flows between SES subsidiaries, and their level of integration, have been taken into account in assessing the carrying value of the financial assets.

In those instances, investments in certain undertakings have been grouped together for the purposes of testing them for impairment - similarly to cash generating units ('CGUs') as defined in IAS 36 "Impairment of Assets" under IFRS.

Loans to affiliated undertakings are valued at their nominal value. Value adjustments are recorded on loans which appear to be partly or wholly irrecoverable. These value adjustments are not maintained if the reasons for which they were made have ceased to apply.

**2.2.2. Investments - own shares**

Own shares are recorded at acquisition cost, including expenses incidental thereto. At the balance sheet date, own shares are valued at the lower of acquisition cost and a valuation calculated on the basis of weighted average cost or market value.

A value adjustment is recorded where the market value is lower than the acquisition cost. These value adjustments are not maintained if the reasons for which the value adjustments were made have ceased to apply.

**2.2.3. Prepayments**

Loan origination costs are recorded at their nominal value, and are presented as prepayments. These costs are amortised over the remaining estimated loan periods based on the Company's financing strategy.

**SES**  
**Société Anonyme**  
Notes to the annual accounts (continued)  
**As at 31 December 2018**

***Note 2 - Summary of significant accounting policies and valuation rules (continued)***

**2.2.4. Dividends paid and received**

Dividends are declared after the annual accounts for the year have been approved. Accordingly, dividends payable are recorded in the subsequent year's annual accounts. Dividends receivable on own shares are recorded as income in the year in which the dividend is approved.

Dividends receivable from affiliated undertakings are recorded as income in the year in which they are approved by the subsidiary.

**2.2.5. Profit Participating Convertible Certificates**

Profit Participating Convertible Certificates ('PPC Certificates') were securities issued by SES's subsidiary SES Finance S.à r.l. ('the Issuer') and subscribed by the Company, representing a claim of principal amount and profit participating interest ('PPI') on that principal amount. The PPI amounts were payable at maturity date, unless the Issuer elected to convert the principal amount of the PPC Certificates into shares.

The PPI on the PPC Certificates was calculated based on the cumulative profits of the Issuer over the term of the agreement. The Company's entitlement to a return, in the form of PPI, therefore only crystallised at the date of maturity, or at the time of an election by the Issuer to convert its PPC Certificate obligation into equity if earlier.

In November 2018, the Issuer elected to convert the principal amount into shares and issued new share capital in December 2018 to effect this resolution. The election to convert the PPL obligation into shares resulted in the extinguishment of the Issuers obligation to settle the accrued PPI on the PPC Certificates. See also Note 3 (b).

**2.2.6. Debtors**

Debtors are recorded at their nominal value. They are subject to value adjustments where their recovery is uncertain. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

**2.2.7. Foreign currency translation**

The Company maintains its books and records in euro (EUR). Transactions expressed in currencies other than the euro are translated into euros at the exchange rates effective at the time of the transaction.

With the exception of fixed assets, all assets and liabilities denominated in foreign currencies are converted at the rate of exchange ruling at the balance sheet date. Realised and unrealised gains and losses are recognised in the profit and loss account.

Fixed assets acquired in currencies other than euro are translated into euro at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historical exchange rates.

The foreign exchange result for the year has been presented on a net basis.

***Note 2 – Summary of significant accounting policies and valuation rules (continued)***

**2.2.8. Derivative financial instruments**

The Company may enter into contracts for derivative instruments, for example forward currency contracts, in order to manage the exchange rate exposure on the Company's, and SES Group's, assets, liabilities and financial operations.

Such financial instruments are used to reduce the SES Group's exposure to risks in connection with operating liabilities denominated in US dollars, such as milestone payments to satellite manufacturers. Such instruments are denominated in the same currency as the hedged item and can cover up to 100% of the total value of the hedged item. It is the Company's policy not to enter into such forward contracts until a firm commitment is in place, and to match the terms of hedge derivatives to those of the hedged item.

Additionally, the Company has significant debenture loans denominated in US dollars. The Company may enter into derivatives, such as forward currency contracts or cross-currency swaps, in order to manage exchange rate exposure on foreign currency debt.

Financial derivatives are revalued at the year-end using forward rates. Both unrealised gains and losses resulting from the revaluation of these contracts are recognised in the profit and loss account under "other interest and similar income" or "other interest and similar expenses" respectively. SES does not use derivative financial instruments for speculative purposes.

Assets or liabilities generated by unrealised gains or losses are recognised and recorded under "amounts owed to/by affiliated undertakings" where the counterparty is a member of the SES Group.

**2.2.9. Creditors**

Debenture loans and amounts owed to credit institutions are recorded at their reimbursement value. Where the amount repayable is greater than the amount received, then the difference is shown as an asset and is written off over the period of the debt based on a straight-line basis over the term of the borrowing.

**2.2.10. Share-based compensation**

Employees of the Company receive remuneration in the form of share-based compensation payments, whereby employees render services to the Company as consideration for equity instruments.

Four share-based payment schemes have been established by the Company and are available to members of the Company's staff and to employees of the SES Group:

- The Stock Appreciation Rights Plan ('STAR Plan')
- Simulated Restricted Stock Units plan ('SRSU Plan')
- Executive Incentive Compensation Plan ('EICP')
- Long-Term Incentive Programme ('LTIP')

A charge, representing the difference between the acquisition cost of own shares and exercise price is recognised in the profit and loss account on the exercising of share option/shares.

The SRSU Plan was inaugurated in 2017 and is replacing prospectively the Star Plan. SRSUs are delivered on 1 June following a three-year vesting period. Delivery occurs through a gross cash payment in the June payroll cycle instead of in SES FDR's.

A charge corresponding to the number of SRSUs outstanding at the share price on 31 December 2018 is recognised in the profit and loss account on a pro-rata basis over the vesting period and is presented as wages and salaries in the profit and loss account. A corresponding liability is recorded and presented in the balance sheet as other creditors.

**SES**  
**Société Anonyme**  
Notes to the annual accounts (continued)  
**As at 31 December 2018**

**Note 3 - Financial assets**

a) Shares in affiliated undertakings

	2018 EUR million	2017 EUR million
Historic cost:		
As at 1 January:	8,120.3	7,833.5
Increase <sup>1</sup>	40.8	286.8
As at 31 December	<b>8,161.1</b>	<b>8,120.3</b>
Accumulated value adjustments		
As at 1 January	(85.4)	-
Increase <sup>2</sup>	(19.3)	(85.4)
As at 31 December	<b>(104.7)</b>	<b>(85.4)</b>
Net book value:		
As at 1 January	<b>8,034.9</b>	<b>7,833.5</b>
As at 31 December	<b>8,056.4</b>	<b>8,034.9</b>

<sup>1</sup> The increase of EUR 40.8 million in the net book value of SES Finance S.à r.l. represents the net impact of a non-cash share premium contribution from SES Finance S.à r.l. to the Company in December 2018 of EUR 850.8 million and a capital reduction of EUR 810.0 million.

<sup>2</sup> The increase of million EUR 19.3 million represents a value adjustment recorded in connection with the investment in SES Networks Lux S.à r.l. (formerly SES NL Finance S.à r.l.) (2017: 85.4 million). This value adjustment was recorded at the time of the transfer of this shareholding to SES Holdings (Netherlands) B.V. in March 2018.

As at 31 December 2018, the Company held the following investments:

Net book value			2018	2017
	Incorporation in:		EUR million	EUR million
SES Global – Americas, Inc.	United States	99.94%	3,477.6	3,477.6
SES Finance S.à r.l (formerly Switzerland) <sup>2</sup>	Luxembourg	100%	1,543.0	-
SES Holdings (Netherlands) B.V. <sup>1</sup>	Netherlands	100%	1,241.4	350.8
SES Astra S.A.	Luxembourg	100%	1,046.8	1,046.8
SES Participations S.A.	Luxembourg	100%	206.8	206.8
SES Insurance International Re (Luxembourg) S.A.	Luxembourg	100%	90.3	90.4
SES Astra A.B.	Sweden	32.34%	50.1	50.1
SES Insurance International (Luxembourg) S.A.	Luxembourg	100%	15.2	15.2
SES Finance S.à r.l <sup>2</sup>	Switzerland	100%	-	1,502.2
SES Astra Services Europe S.A.	Luxembourg	100%	366.6	366.6
SES Latin America S.A	Luxembourg	100%	18.6	18.6
SES Networks Lux S.à r.l. (formerly SES NL Finance S.à r.l.) <sup>1</sup>	Luxembourg	100%	-	909.8
SES Belgium S.p.r.l	Belgium	99%	-	-
<b>Total</b>			<b>8,056.4</b>	<b>8,034.9</b>

<sup>1</sup> SES Holdings (Netherlands) B.V. has a 100% direct ownership of the entity New Skies Satellites B.V. and 100% indirect ownership of the entity O3b Networks Limited. Therefore for impairment testing purposes the investment is allocated between the SES GEO and SES MEO cash generating units.

<sup>2</sup> SES Finance S.à r.l (Switzerland) was redomiciled to Luxembourg as of 1 December 2018.



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**Note 3 - Financial assets (continued)**

a) Shares in affiliated undertakings (continued)

Management identified the following CGUs for the purpose of impairment testing: SES GEO operations ('SES GEO'), SES MEO operations ('SES MEO'), MX1 and other, included under "Services".

The investment in SES Holdings (Netherlands) B.V., amounting to EUR 1,241.4 million, includes both SES GEO and SES MEO operations and was considered accordingly for impairment testing purposes.

Impairment testing for SES GEO operations

Affiliated undertakings part of the "SES GEO operations" business of the SES Group are aggregated into one CGU for the purpose of testing their carrying values for impairment, considering the interdependency of their cash flows and their level of integration (see Note 2). Loans to/from affiliated undertakings which are part of SES GEO have also been added to the carrying values of the affiliated undertakings.

The value-in-use of this CGU is determined based on a value-in-use calculation using the most recent business plan information approved by the Board of Directors which covers a period of five years. This period reflects the long-term contractual base for the satellite business. The pre-tax discount rate used was 8.40% (2017: 8.10%) and was selected to reflect market interest rates and commercial spreads; the capital structure of businesses in the SES Group's business sector, and the specific risk profile of the businesses concerned. The terminal growth rate used in the valuation was 2.0% (2017: 2.0%), which reflects the most recent long-term planning assumptions approved by the Board, and can be supported by reference to the trading performance of the companies concerned over a longer period.

An impairment test performed on each investment taken individually (the "line-by-line method"), would potentially lead to a different conclusion, in particular, for the investment held by the Company in SES Global-Americas, Inc. However, for the reasons stated above and as described in Note 2.2.1., the Board of Directors of the Company does not believe that the "line-by-line method" is appropriate considering the integrated nature of the SES GEO operations business and the interdependency of its cash flows.

Impairment testing for SES MEO operations

SES MEO operations, representing the O3b Networks business acquired in 2016, is considered a separate CGU, as the business currently generates cash inflows that are independent from SES GEO operations.

For the MEO CGU, the impairment test period was extended beyond the five-year business plan period, to 2034. This extension was deemed necessary to fully capture the contracted capital expenditure and expected growth of the business in connection with the O3b mPOWER constellation, which is expected to launch in 2021, as well as to properly reflect the timing of replacement capital expenditure.

The pre-tax discount rate applied for 2018 was 10.21% (2017: 10.37%) and was 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. The terminal growth rate used in the valuations was 2.0% (2017: 2.0%), which reflects the most recent long-term planning assumptions approved by the Board of Directors and can be supported by reference to the trading performance of the companies concerned over a longer period.

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***Note 3 - Financial assets (continued)***

Affiliated undertakings representing services companies of the SES Group are tested for impairment individually unless their carrying value is insignificant.

Based on this impairment testing, the Board of Directors believes that no value adjustment should be recorded on the carrying values of the shares in affiliated undertakings except for a charge of EUR 19.3 million (2017: EUR 85.4 million) in connection with the investment in 'Services' company SES Networks Lux S.à r.l. (formerly SES NL Finance S.à r.l. until 28.03.2018).

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

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**Note 3 - Financial assets (continued)**

b) Loans to affiliated undertakings

Loans to affiliated undertakings as of 31 December 2018 consist of:

<b>Counterparty</b>	<b>Principal and accrued interest 31 December 2018 (EUR million)</b>	<b>Maturity</b>	<b>Interest rate</b>
SES Americom Inc.	259.5	June-22	2.93%
SES-15 S.à r.l	173.4	January-33	1.55%
SES Astra 5B S.à r.l.	178.6	June-29	1.11%
SES Astra 2G S.à r.l.	132.0	June-30	1.19%
SES Astra 2F S.à r.l.	106.7	November-27	0.95%
SES Astra 3B S.à r.l.	84.0	June-25	0.67%
SES-10 S.à r.l.	80.0	January-32	2.29%
SES Astra 2E S.à r.l.	25.0	February-29	1.06%
SES Astra 1N S.à r.l.	25.4	November-26	0.80%
SES Finance Services A.G.	8.8	March-25	0.80%
SES Finance Services A.G.	8.8	March-25	0.80%
SES Finance Services A.G.	5.5	March-25	0.80%
New Skies Satellites B.V.	182.3	November-23	4.16%
New Skies Satellites B.V.	334.5	November-23	4.16%
New Skies Satellites B.V.	4.9	December-24	4.16%
New Skies Satellites B.V.	231.2	December-32	4.16%
SES Holdings (Netherlands) B.V.	164.8	October-24	4.16%
SES Holdings (Netherlands) B.V.	88.4	December-24	4.16%
SES Holdings (Netherlands) B.V.	35.4	December-24	4.16%
SES Media Solutions GmbH	140.0	November-21	0.41%
SES DTH do Brasil Ltda	1.2	May-23	2.76%
SES DTH do Brasil Ltda	0.6	May-23	4.38%
SES DTH do Brasil Ltda	0.5	May-22	4.10%
SES DTH do Brasil Ltda	1.2	June-22	3.97%
SES DTH do Brasil Ltda	1.2	September-22	4.23%
SES DTH do Brasil Ltda	0.6	June-23	5.01%
SES DTH do Brasil Ltda	0.6	August-23	5.32%
SES DTH do Brasil Ltda	0.5	November-23	5.48%
<b>Total</b>	<b>2,275.6</b>		

**SES**  
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Notes to the annual accounts (continued)  
**As at 31 December 2018**

**Note 3 - Financial assets (continued)**

b) Loans to affiliated undertakings (continued)

Loans to affiliated undertakings as of 31 December 2017 consist of:

Counterparty	Principal and accrued interest 31 December 2017 (EUR million)	Maturity	Interest rate
SES Finance S.à r.l.	673.2	December-22	Profit participating convertible certificates, no interest
SES Finance S.à r.l.	140.0	December-18	Profit participating convertible certificates, no interest
SES Americom Inc.	247.7	June-22	2.93%
SES-15 S.à r.l.	186.7	January-33	1.55%
SES Astra 5B S.à r.l.	196.4	June-29	1.11%
SES Astra 2G S.à r.l.	144.0	June-30	1.19%
SES Astra 2F S.à r.l.	120.1	November-27	0.95%
SES Astra 3B S.à r.l.	98.0	June-25	0.67%
SES-10 S.à r.l.	86.8	January-32	2.29%
SES Astra 2E S.à r.l.	27.5	February-29	1.06%
SES Astra 1N S.à r.l.	29.1	November-26	0.80%
SES Finance Services A.G.	8.5	March-25	0.80%
SES Finance Services A.G.	8.5	March-25	0.80%
SES Finance Services A.G.	5.2	March-25	0.80%
SES Asia S.A.	23.1	December-19	0.72%
<b>Total</b>	<b>1,994.8</b>		

With effect from 1 December 2018, SES Finance S.à r.l. ('SES Finance') was redomiciled from Zurich in Switzerland to Betzdorf in Luxembourg. SES Finance is now registered as a 'Société à responsabilité limitée' at the Registre de Commerce et des Sociétés de Luxembourg. The two Profit Participating Convertible Certificates issued by SES Finance to SES in February 2007, of USD 807.4 million and EUR 140.0 million respectively, were converted into SES Finance equity in December 2018 through the issuance of new shares.

In December 2018, SES Finance reduced its share premium by EUR 810.0 million through the assignment to SES of loans granted by SES Finance to SES Holdings (Netherlands) B.V. and SES Media Solutions GmbH and with a cash payment settled within the framework of the cash management agreement between the parties.

In December 2018, SES Finance also paid a dividend to SES of EUR 1,000.0 million. This dividend was settled through the assignment of loans granted by SES Finance to New Skies Satellites B.V. as well as a cash payment settled within the framework of the cash management agreement between the parties.

During the year, new loans of USD 7.4 million (EUR 6.4 million) have been granted to SES DTH do Brasil Ltda.

The Company does not consider any balances on its loans to affiliates as being irrecoverable as at 31 December 2018.

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**Note 4 - Debtors**

Amounts owed by affiliated undertakings

The SES Group operates a centralised treasury function at the level of the Company which manages, among others, liquidity to optimise funding costs. This is supported by a daily cash pooling mechanism.

Amounts owed by affiliated undertakings of EUR 2,323.0 million (2017: EUR 2,014.1 million) consist of :

	2018 EUR million	2017 EUR million
Intercompany current accounts	1,460.8	1,162.5
Short term loan to O3b Networks Limited	709.2	786.8
Short term loan to Luxembourg satellite companies	83.3	20.4
Short term loan to SES Asia S.A.	23.1	
Short term loan to SES Networks Lux S.à r.l. (formerly SES NL Finance S.à r.l.)	46.6	44.4
<b>Total</b>	<b>2,323.0</b>	<b>2,014.1</b>
Forward Sale Agreement with SES mPower S.à r.l.	174.1	-

Intercompany current accounts represent short-term advances bearing interest at market rates. The Company performed an analysis of the amounts owed by affiliated undertakings and does not consider their recoverability to be uncertain.

In 2018, SES entered into a forward sale agreement with SES mPower S.à r.l (see Note 12). As at 31 December 2018, SES had a receivable from SES mPower S.à r.l of USD 199.4 million (EUR 174.1 million) in the framework of this agreement.

**Note 5 - Investments - own shares**

Own shares refer to the Company's own Fiduciary Deposit Receipts. All FDRs in respect of Class A shares owned by the Company are for use in connection with the share-based compensation plans for executives and staff of the SES Group. FDRs are valued at the lower of the weighted average cost and the market price.

As at 31 December 2018, the Company owned 5,589,589 FDRs (2017: 6,535,320) representing EUR 93.4 million (2017: EUR 85.0 million).

**Note 6 - Subscribed capital and share premium account**

SES has a subscribed capital of EUR 719.0 million (2017: EUR 719.0 million), represented by 383,457,600 Class A shares (2017: 383,457,600) and 191,728,800 Class B shares (2017: 191,728,800) with no par value.

Although they constitute separate classes of shares, Class A and Class B shares have the same rights except that the shares of Class B, which are held by the State of Luxembourg and by two entities wholly-owned by the State of Luxembourg, entitle their holders to only 40% of the dividend, or in case the Company is dissolved, to 40% of the net liquidation proceeds paid to shareholders of Class A. Class B shares are not freely traded. Each share, whether of Class A or Class B, is entitled to one vote.

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**Note 6 - Subscribed capital and share premium account (continued)**

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
<b>As at 1 January 2018</b>	<b>383,457,600</b>	<b>191,728,800</b>	<b>575,186,400</b>
Shares issued during the year	-	-	-
<b>As at 31 December 2018</b>	<b>383,457,600</b>	<b>191,728,800</b>	<b>575,186,400</b>
	Class A shares	Class B shares	Total shares
<b>As at 1 January 2017</b>	<b>383,457,600</b>	<b>191,728,800</b>	<b>575,186,400</b>
Shares issued during the year	-	-	-
<b>As at 31 December 2017</b>	<b>383,457,600</b>	<b>191,728,800</b>	<b>575,186,400</b>

**Note 7 - Legal reserve**

In accordance with Luxembourg legal requirements, a minimum of 5% of the annual net profit is transferred to a legal reserve. This requirement is satisfied when the reserve reaches 10% of the issued share capital. This reserve may not be distributed.

**Note 8 - Reserve for own shares**

In accordance with the law, the Company has created a non-distributable "reserve for own shares" for an amount of EUR 93.4 million (2017: EUR 85.0 million), corresponding to the balance of the own shares held as of year end.

Acquisition of treasury shares

SES has historically, in agreement with its shareholders, purchased FDRs in connection with executives' and employees' share-based payments plans, as well as for cancellation.

**Note 9 - Other reserves, including the fair value reserve**

Other non-distributable reserves

In 2017 the Company released its remaining Net Wealth Tax liability in the amount of EUR 61.8 million, representing the reserve for 2011, in accordance with Paragraph 8a of the Luxembourg Net Wealth Tax law. The Company had allocated under "Other non-distributable reserves" an amount that corresponded to five times the amount of reduction of the Net Wealth Tax.

In order to benefit from the Net Wealth Tax reduction, the Company had to maintain this reserve for a period of five years. Were the reserve to have been distributed before the end of this five year period, then Net Wealth Tax would have become due for an amount of up to 20% of the distributed amount.

Since 2012 the Net Wealth Tax reserve is recorded at the level of SES ASTRA S.A. This entity forms part of the tax unity.

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**Note 10 - Creditors**

a) Debenture loans - Non convertible loans

The maturity profile of notes and bonds is as follows as at 31 December 2018.

			<b>2018</b>
<b>Creditors - Financial liabilities</b>	Interest rate	Maturity	EUR million
<b>a) Debenture loans - Non convertible loans</b>			<b>5,576.3</b>
<b>becoming due and payable within one year*</b>			<b>576.3</b>
Non convertible bonds due >1 Y: Accrued interest			139.6
144A Bond USD 500.0 million (2019)	2.50%	March-19	436.7
<b>becoming due and payable between 1 and 2 years</b>			<b>650.0</b>
EUR 650 million Eurobond (2020)	4.625%	March-20	650.0
<b>becoming due and payable between 3 and 5 years</b>			<b>650.0</b>
EUR 650 million Eurobond (2021)	4.75%	March-21	650.0
<b>becoming due and payable after 5 years</b>			<b>3,700.0</b>
EUR 140.0 million Private Placement (2027)	4.00%	May-27	140.0
144A Bond USD 750.0 million (2023)	3.60%	April-23	655.0
144A Bond USD 250.0 million (2043)	5.30%	April-43	218.3
144A Bond USD 500.0 million (2044)	5.30%	March-44	436.7
German Bond issue of EUR 50.0 million (2032)	4.00%	November-32	50.0
EUR 750 million deeply subordinated fixed rate resettable securities	4.625%	January-22**	750.0
EUR 550 million deeply subordinated fixed rate resettable securities	5.625%	January-24**	550.0
EUR 500 million Eurobond (2026)	1.625%	March-26	500.0
German Bond issue of EUR 150.0 million (2024)	Floating	June-24	150.0
German Bond issue of EUR 250.0 million (2025)	1.71%	December-25	250.0

\* Includes accrued interest of EUR 139.6 million at year-end 2018 (2017: EUR 134.1 million).

\*\* Representing first reset date

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**Note 10 - Creditors (continued)**

a) Debenture loans - Non convertible loans (continued)

The maturity profile of notes and bonds is as follows as at 31 December 2017.

			<b>2017</b>
<b>Creditors - Financial liabilities</b>	Interest rate	Maturity	EUR million
<b>a) Debenture loans - Non convertible loans</b>			<b>5,091.8</b>
<b>becoming due and payable within one year*</b>			<b>634.1</b>
Non convertible bonds due >1 Y: Accrued interest			134.1
EUR 500.0 million Eurobond (2018)	1.875%	October-18	500.0
<b>becoming due and payable between 1 and 2 years</b>			<b>416.9</b>
144A Bond USD 500.0 million (2019)	2.50%	March-19	416.9
<b>becoming due and payable between 3 and 5 years</b>			<b>1,300.0</b>
EUR 650 million Eurobond (2020)	4.625%	March-20	650.0
EUR 650 million Eurobond (2021)	4.75%	March-21	650.0
<b>becoming due and payable after 5 years</b>			<b>2,740.8</b>
EUR 140.0 million Private Placement (2027)	4.00%	May-27	140.0
144A Bond USD 750.0 million (2023)	3.60%	April-23	625.4
144A Bond USD 250.0 million (2043)	5.30%	April-43	208.5
144A Bond USD 500.0 million (2044)	5.30%	March-44	416.9
German Bond issue of EUR 50.0 million (2032)	4.00%	November-32	50.0
EUR 750 million deeply subordinated fixed rate resettable securities	4.625%	January-22**	750.0
EUR 550 million deeply subordinated fixed rate resettable securities	5.625%	January-24**	550.0

\* Includes accrued interest of EUR 134.1 million at year-end 2017 (2016: EUR 95.4 million).

\*\* Representing first reset date



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**Note 10 - Creditors (continued)**

a) Debenture loans - Non convertible loans (continued)

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

On 6 December 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 12 March 2018 this programme has been extended for one further year.

As at December 31, 2018, SES had issued EUR 1,940.0 million (2017: EUR 1,940.0 million) under the EMTN Programme with maturities ranging from 2020 to 2027.

**EUR 500.0 million Eurobond (2018)**

In October 2013, SES issued a EUR 500.0 million bond under the Company's European Medium-Term Note Programme. The bond had a 5-year maturity and bears interest at a fixed rate of 1.875%. This Bond has been fully repaid in October 2018.

**144A Bond USD 500.0 million (2019)**

In March 2014, SES completed a 144A offering in the US market issuing USD 500.0 million 5-year bond with a coupon of 2.50% and a final maturity date of 25 March 2019.

**EUR 650.0 million Eurobond (2020)**

In March 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 (2021)**

In March 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 750.0 million Deeply Subordinated Fixed Rate Resettable Securities (2022)**

On 10 June 2016 SES issued EUR 750.0 million Deeply Subordinated Fixed Rate Resettable Securities ('perpetual bond') at a coupon of 4.625% to the first call date, a price of 99.666 % and a yield of 4.7%. SES is entitled to call the securities on 2 January 2022 and on subsequent coupon payment dates.

**144A Bond USD 750.0 million (2023)**

On 4 April 2013, SES completed a 144A offering in the US market issuing a USD 750.0 million 10-year bond with a coupon of 3.60% and a final maturity date on 4 April 2023.

**EUR 500.0 million Eurobond (2026)**

On 22 March 2018, SES issued a EUR 500.0 million 8-year bond under the Company's European Medium-Term Note Programme. The bond bears interest at a fixed rate of 1.625% and has a final maturity date on 22 March 2026.

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**Note 10 - Creditors (continued)**

a) Debenture loans - Non convertible loans (continued)

**EUR 550.0 million Deeply Subordinated Fixed Rate Resettable Securities (2024)**

In November 2016 SES issued a second perpetual bond of EUR 550.0 million at a coupon of 5.625% to the first call date, a price of 99.304% and a yield of 5.75%. SES is entitled to call the second perpetual bond on 29 January 2024 and on subsequent coupon payment dates.

**EUR 140.0 million Private Placement (2027)**

Between May and July 2012, SES issued to ING Bank N.V. three individual tranches of a total EUR 140.0 million Private Placement under the company's European Medium-Term Note Programme. The Private Placement has a 15-year maturity, beginning 31 May 2012, and bears interest at a fixed rate of 4.00%.

**German bond issue of EUR 50.0 million (2032)**

In October 2012, the Company issued EUR 50.0 million in the German bond ('Schuldschein') market. The bond bears a fixed interest rate of 4.00% and matures on 12 November 2032.

**144A Bond USD 250.0 million (2043)**

In April 2013, SES completed a 144A offering in the US market issuing a USD 250.0 million 30-year bond with a coupon of 5.30% and a final maturity date on 4 April 2043.

**144A Bond USD 500.0 million (2044)**

In March 2014, SES completed a 144A offering in the US market issuing a USD 500.0 million 30-year bond with a coupon of 5.30% and a final maturity date of 25 March 2044.

**German bond issue of EUR 400.0 million (2024/2025)**

On 5 December 2018, the Company closed the issuance of an aggregated amount of EUR 400 million in the German bond ('Schuldschein') market.

The transaction consists of two tranches:

- a EUR 150 million tranche with a floating interest rate (six-month EURIBOR plus a 0.8% margin) maturing on 18 June 2024;
- a EUR 250 million tranche with a fixed interest rate of 1.71% maturing on 18 December 2025.

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**Note 10 - Creditors (continued)**

b) Amounts owed to credit institutions

Amounts owed to credit institutions as of 31 December 2018 were:

Creditors - Financial liabilities			2018
	Interest rate	Maturity	EUR million
<b>b) amounts owed to credit institutions</b>			
<b>becoming due and payable within one year</b>			<b>42.0</b>
COFACE facility	EURIBOR +1.70%	various from 2019	42.0
<b>becoming due and payable after more than one year</b>			<b>122.1</b>
COFACE facility	EURIBOR +1.70%	various from 2020 to 2022	122.1

Amounts owed to credit institutions as of 31 December 2017 were:

Creditors - Financial liabilities			2017
	Interest rate	Maturity	EUR million
<b>b) amounts owed to credit institutions</b>			
<b>becoming due and payable within one year</b>			<b>41.9</b>
COFACE facility	EURIBOR +1.70%	various from 2018	41.9
<b>becoming due and payable after more than one year</b>			<b>163.6</b>
COFACE facility	EURIBOR +1.70%	various from 2019 to 2022	163.6

**Syndicated loan (2021)**

In January 2014, the Company updated its previous syndicated loan facility ('Syndicated loan 2015'). The updated facility is being provided by 20 banks and has been structured as a 5 year multicurrency revolving credit facility with two one-year extension options at the discretion of the lenders. The facility is for EUR 1,200.0 million and the interest payable is linked to a ratings grid. At the current SES rating of BBB / Baa2, the interest rate is 45 basis points over EURIBOR/LIBOR. On 13 November 2015 and 23 November 2015 respectively, the facility agreement was amended and extended by one year to 13 January 2021. As at 31 December 2018 and 2017, no amount has been drawn under this facility.

**EUR 522.9 million COFACE facility**

On 16 December 2009, SES signed a financing agreement with the Compagnie Française d'Assurance pour le Commerce Extérieur ('Coface') in respect of the investment in four geostationary satellites (ASTRA 2E, ASTRA 2F, ASTRA 2G, ASTRA 5B). The facility was divided into five loans. Drawings under the facility were based on invoices from the supplier of the satellites. The first draw-down was in April 2010 and all loan tranches became fully drawn in November 2014.

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**Note 10 - Creditors (continued)**

b) Amounts owed to credit institutions (continued)

Each Coface tranche is repayable in 17 equal semi-annual instalments where Coface A has a final maturity date of 1 August 2022, Coface F will mature on 21 May 2021 and Coface C and D will mature on 3 October 2022. The entire facility bears interest at a floating rate of six-month EURIBOR plus a margin of 1.7%. In November 2017, SES opted to execute voluntary prepayment clauses pursuant to the Agreement and repaid the remaining outstanding amount of Coface tranche B as per 21 November 2017. All other Coface tranches remain in place as contracted.

**European Commercial paper programme**

In July 2012, SES established a joint EUR 1,000.0 million guaranteed European commercial paper programme of SES S.A. and SES Global Americas Holdings GP. Any issuances under the programme represent senior unsecured obligations of the issuer and are guaranteed by the non-issuing entity. The programme is rated by Moody's Investors Services and is compliant with the standards set out in the STEP Market Convention. On 4 July 2017, this programme was updated and extended. As at 31 December 2018 and 2017, no borrowings were outstanding under this programme.

**Negotiable European Commercial Paper "NEU CP" (formerly French Commercial paper programme)**

On 25 October 2005, SES put in place a EUR 500.0 million NEU CP programme in accordance with articles L.213-1 to L.213-4 of the French Monetary and Financial Code and article 6 of the order of 30 May 2016 and subsequent amendments. The maximum outstanding amount of 'NEU CP' issuable under the programme is EUR 500.0 million or its counter value at the date of issue in any other authorised currency. On 18 May 2018, this programme was extended for one further year. As at 31 December 2018 and 2017, no borrowings were outstanding under this programme.

The aggregate maturity profile of amounts drawn from credit institutions and becoming due and payable after more than one year is as follows as at 31 December 2018 and 2017:

	<b>2018</b>	<b>2017</b>
	<b>EUR million</b>	<b>EUR million</b>
Between one and two years	82.4	82.0
Between two and five years	39.7	81.6
After five years	-	-
<b>Total</b>	<b>122.1</b>	<b>163.6</b>

During the year 2018, SES repaid floating rate obligations totaling EUR 41.5 million (2017: EUR 54.2 million) related to various Coface instalments.

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**Note 10 - Creditors (continued)**

**Committed and uncommitted loan facilities**

As at 31 December 2017 and as at 31 December 2018, the Company had no outstanding balances under uncommitted loan facilities.

c) Amounts owed to affiliated undertakings

Amounts owed to affiliated undertakings of EUR 2,637.8 million (2017: EUR 2,611.8 million) include the following:

	2018	2017
	EUR million	EUR million
Long-term loans (maturity after five years)	68.0	66.0
Term loans (between one and five years)	-	466.6
Current accounts	2,569.8	2,079.2
Total	<u>2,637.8</u>	<u>2,611.8</u>

As at 31 December 2018 long-term loans included:

- A loan for a total amount of USD 51.2 million from SES Satellites Gibraltar Ltd. with a maturity date of May 2025 and bearing interest at a rate of 4.2%;
- A loan for a total amount of EUR 23.3 million from SES ASTRA Real Estate S.A. with a maturity date of May 2025 and bearing interest at a rate of 2%.

“Current accounts” are linked to the daily cash pooling mechanism and represent short-term debts bearing interest at market rates.

The loan between the Company and SES Americom was terminated as of 24 October 2018.

**Note 11 - Other creditors - tax authorities**

The Company is subject to the tax regulations in Luxembourg, in Switzerland for the Swiss branch, and in the U.S. for the partnership. In accordance with Article 164bis of the Luxembourg income tax law, SES S.A. is the head of the Luxembourg tax unity with its subsidiaries as follows:

- SES Astra S.A.;
- SES Asia S.A.;
- SES-15 S.à r.l. (formerly SES Broadband Services S.A.);
- SES-10 S.à r.l.;
- SES Participations 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 Engineering S.à r.l.;
- SES Astra 1N S.à r.l..

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***Note 11 - Other creditors - tax authorities (continued)***

- SES Astra 5B S.à r.l.;
- SES Astra 2E S.à r.l.;
- SES Astra 2F S.à r.l.;
- SES Astra 2G S.à r.l.;
- SES Astra Services Europe S.A.;
- SES Lux Finance S.à r.l.;
- SES Networks Lux S.à r.l. (formerly SES NL Finance S.à r.l.);
- SES Astra Real Estate (Betzdorf) S.A.;
- SES Techcom S.A.;
- SES Latin America S.A.;
- SES Insurance International (Luxembourg) S.A.;
- SES Insurance International Re (Luxembourg) S.A.;
- SES-17 S.à r.l.;
- SES mPower S.à.r.l. (formerly O3b Lux S.à r.l.);
- SES Networks Satellites S.à.r.l. (formerly O3bNext Lux S.à r.l.).

The balance sheet position takes into consideration the net tax payable or receivable by the tax unity to the Luxembourg tax authorities, which is due by the Company as head of the tax unity. The respective tax charge/income of each subsidiary is computed on a stand-alone basis and recharged via intercompany accounts.

***Note 12 - Other creditors - payable after more than one year***

As at 31 December 2018 an amount of EUR 174.1 million (USD 199.4 million) was due to the Company from SES mPower S.à r.l. under a forward purchase agreement, corresponding to the constructive obligation recorded by the Company towards the financial institution procuring the satellites. This corresponding obligation to the financial institution is disclosed under the caption 'Amounts due in connection with satellite procurements' on the balance sheet.

**Acquisition of SES mPower medium-Earth orbit constellation**

In September 2017, the Company, jointly with O3b Networks Limited, entered as Procurement Agents into a Master Procurement Agency and Option Agreement with a financial institution in connection with the procurement by that financial institution of seven medium-Earth orbit satellites from The Boeing Company.

At the end of the satellite construction period, which is foreseen in 2021, the SES Group will have the right to acquire, or lease, the satellites from the financial institution- or to direct their sale to a third-party.

Since the underlying Satellite Purchase and Sale Agreement is directly between the financial institution and The Boeing Company then there is no contractual obligation on the side of the Procurement Agents during the satellite construction process.

However SES management takes the view that there is a constructive obligation arising over the construction period and hence the SES Group is accruing for the costs of this programme.

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**Note 12 - Other creditors - payable after more than one year (continued)**

SES has the right to nominate the entity within the SES Group which will acquire or lease those assets shortly before the end of the construction period.

SES management expects that the satellites will be acquired or leased in due course by the company SES mPower S.à r.l. in Luxembourg. To this end the Company entered into a forward sale agreement with that entity as at 29 May 2018 whereby as the satellite construction process proceeds, and the Procurement Agents confirm that construction milestones are achieved, then the underlying asset-under-construction is transferred by the Company to that entity against an intercompany receivable.

**Note 13 - Other operating income**

Other operating income of EUR 16.8 million (2017: EUR 15.2 million) consists mainly of intra-group recharge income from advisory support services rendered to various affiliates.

**Note 14 - Staff costs**

As at 31 December 2018, the number of full time equivalent employees was 57 (2017: 65) and the average number of employees in the workforce for 2018 was 61 (2017: 67). Staff costs can be analysed as follows:

	<b>2018</b>	<b>2017</b>
	<b>EUR million</b>	<b>EUR million</b>
Wages and salaries	18.7	11.4
Social security costs and other staff costs	1.6	1.5
Total	<u>20.3</u>	<u>12.9</u>

The remuneration for the existing Executive Committee is complemented by EUR 4.4 million total gross remuneration paid to the two departing Executive Committee members.

**Note 15 - Income from participating interests**

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

	<b>2018</b>	<b>2017</b>
	<b>EUR million</b>	<b>EUR million</b>
Dividends received from affiliated undertakings	1,354.7	255.2
Total	<u>1,354.7</u>	<u>255.2</u>

Dividends received on own shares in the amount of million EUR 4.7 million (2017: EUR 8.2 million). Dividend received from affiliated undertakings EUR 1,350.0 million (2017: EUR 247.0 millions).

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**Note 16 - Income from other investments and loans**

Income from other investments and loans forming part of fixed assets:

	<b>2018</b>	<b>2017</b>
	<b>EUR million</b>	<b>EUR million</b>
Interest income from affiliated undertakings	25.9	37.3
Total	<u>25.9</u>	<u>37.3</u>

**Note 17 - Other interest receivable and similar income**

Other interest receivable and similar income includes the following:

	<b>2018</b>	<b>2017</b>
	<b>EUR million</b>	<b>EUR million</b>
Interest income from current account	3.1	0.5
Other interest income from affiliated undertakings	45.0	22.5
Income from external Swap	7.3	-
Foreign exchange gains, net	-	2.3
Total	<u>55.4</u>	<u>25.3</u>

**Note 18 - Value adjustments in respect of financial assets and investments held as current assets**

The gain of EUR 25.0 million (2017: EUR 50.6 million) is composed of a loss on disposal of the Company's FDRs for EUR -11.2 million (2017: EUR 12.3 million) and a value adjustment on outstanding FDRs as of 31 December 2018 for EUR 36.2 million (2017: EUR 38.3 million).

A value adjustment has been recorded to account for the FDRs at the lower of their weighted average cost and market price. The value of the SES's share listed on Euronext Paris was EUR 16.71 as at 31 December 2018 (2017: EUR 13.01) which results in a total value adjustment of EUR 36.2 million (2017: EUR 38.3 million).

The loss of EUR 19.3 million (2017: EUR 85.4 million) represents the provision for impairment on shares in affiliated undertakings (see Note 3).



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**Note 19 - Interest payable and similar expenses**

a) Concerning affiliated undertakings

	<b>2018</b>	<b>2017</b>
	<b>EUR million</b>	<b>EUR million</b>
Interest charges from current account	35.2	34.7
Total	<u>35.2</u>	<u>34.7</u>

b) Other interest and similar expenses

Other interest and similar financial expenses include the following:

	<b>2018</b>	<b>2017</b>
	<b>EUR million</b>	<b>EUR million</b>
Interest charges	233.4	221.9
Loan origination costs	12.9	13.9
Loss on disposal on own shares	0.4	1.2
Foreign exchange gains, net	7.9	-
Total	<u>254.6</u>	<u>237.0</u>

**Note 20 - Audit fees**

Art. 65 Paragraph (1) 16° of the Law of December 19, 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings (the "Law") requires the disclosure of the independent auditor fees.

In conformity with the law these details have been omitted as the Company prepares consolidated accounts in which this information is disclosed and these consolidated accounts and the related consolidated management report and auditors' report thereon have been lodged with the Luxembourg Trade Registry.

Fees incurred in connection with non-audit services rendered by independent auditor to the Company and its controlled undertakings as defined by the Regulation (EU) N ° 537/2014, amounted to EUR 0.2 million, and represent primarily interim dividends reviews, contractual audits, comfort letters issued in connection to the Company's financial transactions and tax compliance services.

**Note 21 - Board of Directors' remuneration**

Total payments to directors for attendance at the board and committees meetings in 2018 amounted to EUR 1.3 million (2017: EUR 1.4 million). These payments are computed on a fixed and variable basis, the variable part being based upon attendance at board and committee meetings.

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***Note 22 - Off balance sheet commitments***

**Guarantees**

On 31 December 2018 the Company had outstanding bank guarantees for an amount of EUR 118.0 million (2017: EUR 130.4 million) with respect to performance and warranty guarantees for services of satellite operations.

**Corporate guarantees**

In 2018, the Company has given several corporate guarantees to space and ground segment suppliers for the provision of communications spacecraft and related equipment contracted by fully-owned subsidiaries of the SES Group for EUR 0.5 million (2017: EUR 0.5 million).

**Parental guarantees**

SES S.A. issued a letter of guarantee to one of its subsidiaries to provide sufficient financial support to meet its obligations in full for at least two years after the issuance date of the 31 December 2017 stand alone financial statements of the subsidiary.

**Litigation**

SES S.A. is not currently subject to any material legal proceedings or litigation arising in the normal course of business.

***Note 23 - Subsequent events***

There were no significant events between the balance sheet date and the approval of the financial statements which would have influenced the results of the Company as at 31 December 2018.