

# PROSPECTUS

## SES

(incorporated as a société anonyme under the laws of Luxembourg)

## SES GLOBAL AMERICAS HOLDINGS GP

(established as a general partnership under the laws of the State of Delaware)

€4,000,000,000

### Euro Medium Term Note Programme

This document comprises two base prospectuses (together, the **Prospectus**): (i) the base prospectus for SES in respect of non-equity securities within the meaning of Article 22 no. 6(4) of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of 4 November 2003 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as amended (the **Notes**) to be issued by it under this €4,000,000,000 Euro Medium Term Note Programme (the **Programme**) and (ii) the base prospectus for SES Global Americas Holdings GP (**SES Americas**) in respect of Notes to be issued by it under this Programme. Under the Programme, SES and SES Americas (each an **Issuer** and, together, the **Issuers**) may from time to time issue Notes denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined below).

The payment of all amounts due in respect of the Notes issued by SES Americas will be unconditionally and irrevocably guaranteed by SES and the payment of all amounts due in respect of the Notes issued by SES will be unconditionally and irrevocably guaranteed by SES Americas (each in its capacity as guarantor, the **Guarantor**).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €4,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under “*Overview of the Programme*” and any additional Dealer appointed under the Programme from time to time by the relevant Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Prospectus to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

**An investment in Notes issued under the Programme involves certain risks.** For a discussion of these risks, see “*Risk Factors*” on pages 5 to 25.

Application has been made to the *Commission de Surveillance du Secteur Financier* (the **CSSF**) in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities, as amended (the **Prospectus Law**), for the approval of this Prospectus comprising two base prospectuses for the purposes of Article 5.4 of Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU) (the **Prospectus Directive**). Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme described in the Prospectus to be listed on the official list of the Luxembourg Stock Exchange (the **Official List**) and admitted to trading on the regulated market of the Luxembourg Stock Exchange (the **Regulated Market**). References in this Prospectus to Notes being **listed** (and all related references) shall mean that such notes have been listed on the Official List and admitted to trading on the Regulated Market. The Luxembourg Stock Exchange’s Regulated Market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC). Pursuant to Article 7(7) of the Luxembourg Prospectus Law, by approving this prospectus, the CSSF gives no undertaking as to the economic and financial soundness of the Notes to be issued hereunder or the quality or solvency of the Issuers.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any final terms not contained herein which are applicable to each Tranche (as defined under “*Terms and Conditions of the Notes*”) of Notes will be set out in a final terms document (the **Final Terms**). The minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the relevant Issuer, the relevant Guarantor and the relevant Dealer. The Issuers may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The rating of a certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to the relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009 (as amended) (the **CRA Regulation**) will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation (and such registration has not been withdrawn or suspended).

The Notes of each Tranche will initially be represented by a temporary global Note which will be deposited on the issue date thereof with a common depositary or a common safekeeper, as the case may be, on behalf of Euroclear Bank SA/NV (**Euroclear**), and Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**) and/or any other agreed clearance system which will be exchangeable, as specified in the applicable Final Terms, for either a permanent global Note or Notes in definitive form, in each case upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations. A permanent global Note will be exchangeable for definitive Notes, either upon request or in certain limited circumstances, all as further described in “*Form of the Notes*” below.

*Arranger*

**BNP PARIBAS**

*Dealers*

Banca IMI  
Banque et Caisse d’Epargne de l’État  
BayernLB  
BofA Merrill Lynch  
Crédit Agricole CIB  
Deutsche Bank  
Goldman Sachs International  
ING Commercial Banking  
Mitsubishi UFJ Securities  
Société Générale Corporate & Investment Banking

Banco Bilbao Vizcaya Argentaria, S.A.  
Barclays  
BNP PARIBAS  
Commerzbank  
Credit Suisse  
DnB Nor Bank ASA  
HELABA  
J.P. Morgan  
Mizuho Securities  
The Royal Bank of Scotland

The date of this Prospectus is 15 November 2012

Each of SES and SES Americas (the Responsible Persons) accepts responsibility for the information contained or incorporated by reference in this Prospectus (including, for the avoidance of doubt, any information contained in the Final Terms relating to an issue of Notes). To the best of the knowledge of each of SES and SES Americas (each having taken all reasonable care to ensure that such is the case) the information contained or incorporated by reference in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The only persons authorised to use this Prospectus in connection with an offer of Notes are the persons named as the relevant Dealer or the Managers in relation to the offer of Notes.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*” below). This Prospectus shall be read and construed on the basis that such documents are incorporated in and form part of this Prospectus.

Neither the Arranger, nor the Dealers have independently verified the information contained or incorporated by reference herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger or the Dealers as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by SES or SES Americas in connection with the Programme. To the fullest extent permitted by law, none of the Dealers or the Arranger accept any responsibility for the contents of this Prospectus or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuers, the Guarantors, or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement.

No person is or has been authorised to give any information or to make any representation not contained or incorporated by reference in or not consistent with this Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by SES or SES Americas or the Arranger or any of the Dealers.

Neither this Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by SES or SES Americas or the Arranger or any of the Dealers that any recipient of this Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of SES and/or SES Americas. Neither this Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of SES or SES Americas or the Arranger or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained or incorporated by reference herein concerning SES or SES Americas is correct at any time subsequent to the date hereof or

that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Arranger and the Dealers expressly do not undertake to review the financial condition or affairs of SES or SES Americas during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. The Notes and the guarantees have not been and will not be registered under the United States Securities Act of 1933, as amended, (the *Securities Act*) and the Notes are in bearer form and are subject to U.S. tax law requirements unless such Notes are considered issued in registered form for U.S. federal income tax purposes (except with respect to Notes intended to be issued in compliance with U.S. Treasury Regulation section 1.871-14(e) and U.S. Internal Revenue Service (“IRS”) Notice 2012-20 as specified in the applicable Final Terms) (see “*Form of the Notes*”). Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see “*Subscription and Sale*”).

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. SES, SES Americas, the Arranger and the Dealers do not represent that this Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by SES, SES Americas, the Arranger or the Dealers which is intended to permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom) and Japan (see “*Subscription and Sale*” below).

All references in this document to *U.S. dollars*, *U.S.\$* and *\$* refer to United States dollars and to *euro* and *€* refer to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended.

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**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.**

## RISK FACTORS

*Any investment in the Notes involves a high degree of risk. Prospective investors should carefully consider, in light of their own financial circumstances and investment objectives, the following risks before making an investment decision with respect to the Notes. If any of the following risks actually occurs, these could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects and the market value of the Notes may be adversely affected.*

*The risks discussed below are those that the Issuer believes are material, but these risks and uncertainties may not be the only risks that the Issuer and the Group face. Additional risks that are not known to the Issuer or the Group at this time, or that are currently believed to be immaterial, could also have a material adverse effect on the Issuer's and/or the Group's business, financial condition, results of operations, future prospects and the value of the Notes. The order in which the following risks are presented is not intended to be an indication of the probability of their occurrence or the magnitude of their potential effects.*

*For purposes of the Risk Factors, references to SES and to the Group are to SES and its subsidiaries.*

### **Risks Relating to the Group's Business**

***The Group may experience a launch delay or failure or other satellite damage or destruction during launch, which could lead to a total or partial loss of the satellite.***

Including predecessor companies, since 1988, the Group has launched more than 50 satellites, three of which resulted in launch failures and some of which experienced launch delays. SES is planning to launch five satellites between the date of this Prospectus and the end of 2014, each of which is subject to the risk of launch delay or failure. Launches may be delayed 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. Launch failures can occur due to a number of factors, including technical failure of the launch vehicle and human error.

A launch delay or failure could result in significant delays in the deployment of satellites because of the need to secure another launch opportunity and, in the case of failure, to construct a replacement satellite, which involves significant replacement cost (which may or may not be covered by insurance) and may take two years or longer. Moreover, while it may be possible in some cases to transfer the launch to another launch provider, the limited number of launch service providers and the process of scheduling a replacement launch may involve further delay and limit SES's options. Failures or delays could also potentially cause the loss of frequency rights at certain orbital positions, reduced satellite lifetime in the case of an incorrect orbit injection, reduced functionality of the satellite, total loss of a mission and, to the extent that there are no other satellites that can be readily redeployed to carry the traffic that had been contracted for the satellite that was lost, delays in the onset of projected revenue streams.

In addition, since satellite capacity agreements signed ahead of launch generally include provisions allowing a customer to terminate the agreement if the launch fails or delays or failures are not remedied before an agreed date, any launch failure or delay could cause the Group to lose customers to competing satellite operators. Even where launch failures or delays are remedied, such failures or delays could damage the Group's reputation. Satellite launch and in-orbit insurance policies generally do not compensate for lost revenue due to the loss of customers to competitors.

because of the interruption to services or for consequential losses resulting from any launch delay or failure.

The occurrence of any of these risks could have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group's satellites may experience in-orbit destruction, damage or other failures or degradations in performance that could impair the satellites' commercial performance.***

Due to the nature of the environment in which they operate, satellites are subject to significant operational risks while in orbit. One or more of the Group's satellites may suffer an in-orbit failure ranging from a partial impairment of commercial capabilities to a total loss of the asset. Satellite malfunctions, commonly referred to as anomalies, can occur as a result of:

- the satellite manufacturer's error, including an undetected design, manufacturing or assembly defect, or the use of a new technology that proves to be faulty;
- problems with the satellite's power systems, including circuit failures or other array degradation causing reductions in the power output of the solar arrays on the satellites;
- problems with the satellite's control systems; or
- general failures, including premature component failure.

Certain of the Group's satellites have experienced and may in the future experience anomalies or failures, which could lead to:

- a degradation in commercial performance,
- a reduction in transmission capacity;
- a reduction in the satellite's operational life;
- outages;
- a reduction in the quantity of operating transponders; or
- a total loss of a satellite,

any of which could result in lost revenue until a replacement satellite is launched or in increased expenses to replace the satellite. In addition to the extent that the Group has multiple satellites with similar designs, problems experienced with one satellite may be experienced with other satellites.

In addition, in the event of a failure, the Group may not be able to continue to provide service to its customers from the same orbital position or at all, which could harm the Group's reputation and adversely affect its ability to retain existing customers or attract new customers. Although the Group has an in-orbit backup strategy at certain key orbital positions where customers of an impaired satellite can be transferred to another satellite in the Group's fleet, there is no guarantee that this strategy will be effective, especially in the event of failure of several satellites.

The occurrence of any of the risks above could have a material adverse effect on the Group's business, financial condition and results of operations.

***The actual lives of the Group's satellites may be shorter than their estimated design lives.***

The expected design life of a satellite is typically 15 years. The value of a satellite is normally depreciated on a straight line basis over this period. In the event of changes in the expected fuel life of the satellite, in-orbit anomalies or other technical factors, its actual life may be shorter than its design life. Depreciation may be accelerated and the lifetime revenue generated reduced, leading to a reduction in the return on investment for the asset.

***The Group relies on a limited number of launch providers to launch its satellites.***

There is a limited number of commercial launch providers. Historically, SES has been reliant on two key launch providers, Arianespace S.A. (the **Arianespace**) and International Launch Services Inc. (the **ILS**). The Group also recently expanded its agreement with Space Exploration Technologies (the **SpaceX**) to cover the launch of four satellites. Relying on a limited number of launch providers exposes the Group to certain risks. In particular, the Group may experience significant delays in launching new satellites in the event of a prolonged unavailability of a launch provider. The prolonged unavailability of a launch provider could cause a global shortage in launch service capacity, which in turn could have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group is primarily dependent on a small number of satellite manufacturers and secondary suppliers.***

SES is primarily dependent on six major satellite manufacturers for the construction of its satellites and a small number of suppliers of key components of communications satellites ("secondary suppliers"). Dependency on a small number of satellite manufacturers and secondary suppliers may reduce the Group's negotiating power. This dependence may also result in a higher concentration of risk; SES may incur significant delays in procuring new satellites in the event of prolonged problems, operational difficulties or financial difficulties 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 is a limited number of secondary suppliers. SES may experience significant delays in acquiring and launching new satellites in the event of prolonged problems at one of these secondary suppliers.

The occurrence of the defects or delays described above could have a material adverse effect on the Group's business, financial condition and results of operations.

***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, as well as third party liability insurance for its satellites. SES also maintains in-orbit insurance for its satellites that have book value. 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 by the insured causing the loss or failure of satellites; and
- terrorism.

These insurance policies do not provide compensation for business interruption, loss of market share, reputational damage, 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, and the in-orbit insurance only covers losses in excess of the (potentially high) risk retention level or deductible selected by SES, which self-insures for the remainder. In addition, the Group's third party liability insurance, which covers losses arising from, among others, launch failures and satellite collisions, is subject to an annual single limit of €500 million overseas.

SES's insurance policies do not cover loss of revenue, with the exception of a single loss of profit insurance policy procured by SES ASTRA SA for up to €40 million per year that covers the reimbursement of payments already paid by customers following a satellite partial or total failure. Furthermore, SES will not be fully reimbursed if the cost of a replacement satellite exceeds the sum insured. As a result of such exclusions and compensation and risk level arrangements, SES could be exposed to significant losses under any of the circumstances above or if it has inaccurately estimated the appropriate risk retention level.

These insurance policies may also exclude from coverage failures arising from pre-existing defects. For example, defects in solar arrays of some existing satellites are currently excluded, up to a certain deductible. In general, SES will not be reimbursed other than for a major event because smaller incidents relating to defects fall within the deductible.

Losses arising from any of the factors above could result in material increases in costs or reductions in expected revenue and profits, either of which could have a material adverse effect on the Group's business, financial condition and results of operations.

***Certain of the Group's in-orbit insurance policies are maintained through self-insurance.***

SES has adopted a policy of limited self-insurance for in-orbit insurance. Premiums are paid to a wholly-owned subsidiary, which reduces the amount of insurance premiums paid to external insurance companies, but leaves the Group with exposure in the event of loss. Although SES self-insures only a chosen deductible and external insurance covers losses in excess of the deductible, the Group retains significant risk below that threshold.

If any event occurs that is covered by the in-orbit self-insurance deductible, the payment of the sum insured could result in material increases in the Group's costs, which would decrease profits and could have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group may not always be able to obtain adequate insurance or the desired level of coverage, and insurance premiums may increase.***

Satellite insurance is a cyclical market dominated by the law of supply and demand. The price, terms and availability of satellite insurance has fluctuated in recent years. The amount of capacity currently available in the market is adequate to cover SES's satellite programmes. However,



events outside the Group's 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, which would increase the Group's costs and have an adverse effect on its financial condition and results of operations.

***The Group may not be successful in renewing its existing satellite capacity agreements, or in renewing them on terms that are similar to their current terms.***

The Group's satellite capacity contracts vary in length depending on the type of customer. Contracts with broadcasters are generally long-term, with typical durations of ten years (and up to 15 years in certain cases), for customers in North America and Europe, and between five and ten years for customers in emerging markets. Contracts with commercial enterprises are typically three to five years in length, and contracts with governmental customers are typically one year. If SES is unsuccessful in obtaining the renewal of its satellite capacity agreements when they come up for renewal or is unable to obtain commercial terms similar to those currently reflected in its agreements, revenue could be adversely affected for some time, which could have a material adverse effect on the Group's business, financial condition and results of operations.

In particular, following the switch-off of analog services in Germany, as of the date of this Prospectus, 13 of the 32 transponders that carried these services at the end of 2011 have been recontracted for digital television services in Germany and other Western European markets. Although the Group's objective is to wholly recontract the remaining capacity by 2016, the Group may not be able to recontract the remaining capacity as quickly as expected, or on comparable terms.

***The Group has several large customers, the loss of any of which could materially reduce the Group's revenue and materially adversely affect the Group's business.***

The Group generates its revenue primarily from service agreements to provide satellite transponder capacity to its customers. Certain customers have major or significant contracts with the Group. The Group's five largest customers represented 22.7 per cent. and 22.2 per cent. of its revenue in the first half of 2012 and the year ended 31 December 2011, respectively. Direct contracts with the U.S. government accounted for 4.5 per cent. and 4.0 per cent., respectively, of total Group revenue for the same periods. The combined revenue generated from contracts with the U.S. government and customers serving the U.S. government represented 9.4 per cent. and 9.5 per cent., respectively, of total Group revenue for the same periods. The Group's customer base is subject to constant change. Some of the Group's major customers could decide to terminate their contracts, not to renew them, or to renew them on terms that are less favourable to the Group. Moreover, because of the typically long-term nature of satellite capacity contracts and the costs to customers of switching providers, if a customer decides not to renew an agreement, it may be a number of years before the Group has the opportunity to win or replace back the business. Key customers may go bankrupt or combine with other customers in mergers and acquisitions. Consolidation in the industries in which the Group's customers operate may increase their bargaining power and leverage when negotiating agreements with the Group, leading to pressure on pricing. The loss of customers or reduction in demand for services from customers could have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group's operations and systems are subject to the risk of sabotage, including terrorist attacks, and natural disasters.***

In common with other satellite operators, SES is subject to a number of risks that could impair its operations and systems, including sabotage, terrorist acts, piracy, attack by anti-satellite devices, jamming and natural disasters.

SES has been the target of cyberattacks in the past. While the effect of such attacks has not been material to date, there can be no assurance that any future attacks would not have a material effect on the Group's business. Any inability to prevent the occurrence of cyberattacks could result in a disruption to services or malfunctions and inadvertent violations of data protection and other relevant laws and regulations. For further information on risks relating to the Group's information systems and satellite control and operations networks, see *"Risk Factors – The Group relies on information systems, satellite control and operations networks and other technology, and a disruption or failure of such systems, networks or technology as a result of unauthorised access, misappropriation of data or other malfeasance may disrupt the Group's business"* below. In addition, satellite companies have been the victim of a number of attempts to intentionally jam broadcasts from their satellites. Such attempts could lead to disruptions in service, which could have a material effect on revenue and/or cause reputational damage.

The risks of terrorist attacks is beyond SES's control and could cause substantial damage to the Group's network. In addition, natural disasters could damage or destroy the Group's earth stations, resulting in a disruption or termination of service to its customers. Although the Group takes measures to prevent the effects of such natural disasters, such as technology to safeguard antennas and protect earth stations during natural disasters such as a hurricane, there is no guarantee that the measures will be effective.

Such occurrences are generally excluded from the Group's insurance coverage. For further information, see *"Risk Factors — Satellites may be subject to damage or loss from events that might not be covered by insurance policies"* above.

The occurrence of any of these risks could result in a loss of customers, reputational damage or reduced revenue, any of which could have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group relies on information systems, satellite control and operations networks and other technology, and a disruption or failure of such systems, networks or technology as a result of unauthorised access, misappropriation of data or other malfeasance may disrupt the Group's business.***

Because information systems, satellite control and operations networks and other technologies are critical to the Group's operating activities, shutdowns caused by events such as computer hacking, dissemination of computer viruses, worms and other destructive or disruptive software and other malicious activity pose significant risks. Due to the fast-moving pace of technological advancements and the high sophistication of certain attackers, it may be difficult to detect, determine the scope of, contain and remediate every such event. Any such event could have an adverse impact on the Group's operations, including service disruption, loss of customers, damage to the Group's reputation, or result in damage to the Group's properties, equipment and data. Such an event also could result in large expenditures necessary to repair or replace such networks or information systems or to protect them from similar events in the future. Third parties may also experience errors or disruptions that could adversely impact the Group's business operations and over which the Group has limited control.

The amount and scope of insurance the Group maintains against losses resulting from these events may not be sufficient to cover its losses or otherwise adequately compensate it for any disruptions to its business that may result. Furthermore, the Group's operating activities could be subject to risks caused by misappropriation, misuse, leakage, falsification and accidental release or loss of information maintained in the Group's information technology systems and networks, including customer, personnel and vendor data. The Group could be exposed to significant costs if such risks were to materialize, and such events could damage the Group's reputation and credibility and have a negative impact on its revenue. The occurrence of any such events or security breaches

could have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group's international operations are subject to a number of risks that could negatively affect future operating results or subject the Group to criminal and civil enforcement actions.***

SES conducts business around the world. International business is subject to a variety of risks, including:

- lack of developed legal systems to enforce contractual rights;
- greater risk of uncollectible accounts and longer collection cycles;
- foreign currency exchange volatility;
- inflation;
- increased risk of fraud and political corruption;
- uncertain and changing tax rules, regulations, and rates;
- logistical and communication challenges; and
- general economic, political, and financial conditions in foreign markets.

In addition, SES is subject to civil or criminal liability under the U.S., U.K., EU and other regulations in relation to economic sanctions, export controls and anti-bribery requirements. SES has procedures, policies and controls in place that are designed to detect and prevent instances of non-compliance with such requirements. There have nonetheless been a few minor instances when SES's monitoring systems have revealed activities by third parties that may have constituted violations of applicable requirements. In such circumstances, SES has taken prompt action to investigate and remediate such activities and to adjust its controls to prevent such occurrences in the future. Any failure by SES to obtain or maintain required authorisations or failure to comply with sanctions, export control and anti-bribery laws and regulations may render it impossible for SES to provide satellite capacity and related services to certain countries that are subject to sanctions or to purchase satellites and equipment from certain vendors (including U.S. manufacturers and suppliers), and/or expose the Group to significant fines and penalties and/or reputational damage. Additionally, the failure of the Group's vendors or suppliers to obtain the necessary export authorisations could affect SES's ability to acquire, launch or operate satellites. See "*Risk Factors — The Group is subject to export control laws including those of the United States, which may preclude exporting satellites for launch, satellite-related hardware, technology, data and services or preclude sourcing these items in the United States*" below for further information.

International risks and violations of international regulations may negatively affect future operations or subject the Group to criminal or civil enforcement actions. Although the Group has policies and procedures to monitor legal and regulatory compliance, there can be no guarantee that the Group's employees or agents will not violate these requirements. The occurrence of any of the risks above could have a material adverse effect on the Group's business, financial condition and results of operations.

***The development of national satellite programmes may hinder the Group's ability to compete in such countries.***

The development of national satellite programmes may hinder the Group's ability to compete in such countries on normal economic terms. The new capacity (which may be significant) may also negatively impact the transponder supply/demand dynamics in those markets and result in lower transponder pricing than elsewhere. Any of these risks could have a material adverse effect on the Group's business, financial condition and results of operations.

## **Risks Relating to the Group's Strategic Development**

### ***The Group is exposed to risks inherent in doing business in emerging markets.***

The Group's development strategy involves targeting new geographical areas and emerging markets, such as in Latin America and Asia and potentially developing joint ventures or partnerships with local telecommunications, media and financial businesses in such markets in order to improve market access for its services.

SES is exposed to the inherent risks of doing business in those regions, such as instability arising from political or economic factors or differences in legal and regulatory regimes. See "*Risk Factors — The Group's international operations are subject to a number of risks that could negatively affect future operating results or subject the Group to criminal and civil enforcement actions*" above. Such instability could cause difficulties in the Group's ability to operate, increase costs or lead to unexpected reduction in the demand for the Group's services. In addition, 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 to make payments for the Group's services or honour its agreements would lead to a reduction in the Group's revenue.

The occurrence of any of the risks above could have a material adverse effect on the Group's business, financial condition and results of operations.

### ***The Group has earmarked funds to invest in new and innovative projects, the success of which is not guaranteed.***

SES has earmarked certain funds for investment, such as the replacement of existing satellites (often with increased capacity) and the launching of new satellites. For example, the Group plans to launch five additional satellites between the date of this Prospectus and the end of 2014. The successful marketing and sale of new capacity is dependent on the underlying demand for satellite capacity in the targeted regional markets. If that demand does not materialise as planned or competitors introduce greater than expected competing supply, the Group's financial forecasts may not be met.

SES also invests in new and innovative projects such as O3b, which often feature new technology or uncertain market demand. If the technology is not successful or if there is less demand than expected, the value of the Group's investment may be impaired. Failure to meet financial forecasts or realise investments as a result of the foregoing risks could have a material adverse effect on the Group's business, financial condition and results of operations.

For further risks in relation to the Group's investments and O3b, see "*Risk Factors—The Group is subject to general risks associated with its strategic investments*" and "*Risk Factors—The Group's investment in O3b may not yield the expected benefits, may require further funding and could substantially increase the Group's obligations*" below.

***The Group is subject to general risks associated with its strategic investments.***

The Group has a number of strategic investments that it does not control or that are jointly controlled and may enter into similar arrangements in the future. As a result, the Group is dependent in part on the co-operation of other investors and partners in protecting and realising the full potential of certain investments. The Group may not be able to prevent strategic partners from taking actions that are contrary to the Group's business interests or objectives or are inconsistent with the Group's views of what is the best strategy for the investment. In certain circumstances, it may become necessary for the Group to invest further funds to protect its investment or fulfil its contractual obligations, or the Group may be restricted from realising the value of its investment. Any of these risks could have a material adverse effect on the Group's financial condition and/or results of operations.

***The Group's investment in O3b may not yield the expected benefits, may require further funding and could substantially increase the Group's obligations***

The Group has a 46.88 per cent. interest in O3b Networks Limited (the **O3b**) (43.29 per cent. on a fully diluted basis), a start-up company proposing to provide high-speed broadband connectivity across the developing world by building a new kind of satellite system. The Group accounts for O3b's results using the equity method. To date, the Group has contributed approximately \$200 million along with certain in-kind services in exchange for this interest.

Although O3b has a substantial contract backlog, the satellites for which it has pre-sold capacity remain under construction and are not due to be launched until 2013. There can be no assurance that these satellites will be successfully launched and become operational, that there will be no delay in launching or that the new satellite technology will be successfully deployed and will not experience in-orbit failures or anomalies, or, even if so, that O3b will meet the targets set out in its business plan or that the Group will be able to realize the value of its investment or to protect the amount of its contract backlog. As the Group does not control O3b, the Group's ability to influence O3b's development is limited.

There also can be no assurance that O3b will not require further funding. Although the Group does not have an obligation to provide additional funding beyond already committed financing (see "*Description of SES and the Group – O3b*" below), it may determine that further funding is necessary to preserve the value of its existing investment and realize the expected benefits of its O3b investment. If the other shareholders of O3b are unwilling or unable to contribute additional equity financing, it may be difficult for the Group to do so without increasing its ownership beyond the 50 per cent., threshold.

In addition, if the Group were to increase its investment in O3b to over 50 per cent., and thereby control it, O3b's indebtedness would be included in the Group's balance sheet and its results of operations would be fully consolidated in the Group's income statement, either of which could have a negative impact on the Group's credit rating and financial covenant ratios. If the Group were to obtain control of O3b and it did not provide O3b's minority shareholders with an exit by means of an IPO within 12 months of obtaining that control, those minority shareholders would have the right to put their equity interests to the Group for their then fair market value as determined pursuant to an agreed valuation process. In such circumstances the Group would need to obtain funds to meet this obligation. There can be no assurance that such funding would be available on acceptable terms or at all at such time. Depending on the nature and the amount of the financing, this could further adversely effect the Group's credit rating and financial covenant ratios.

The occurrence of any of the above could have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group may not be able to retain and/or attract personnel who are critical to the Group's business.***

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. Although SES operates retention programmes, succession planning and development plans, there can be no assurance that SES would be successful in hiring and training suitable replacements without undue costs or delays. If SES is unable to retain key employees or attract new highly-qualified employees, it could have a material adverse effect on the Group's business, financial condition and results of operations.

***Pursuing external growth opportunities may not yield the expected benefits.***

As part of its strategy, the Group regularly evaluates opportunities to make strategic acquisitions or to increase its stake in ventures in which it currently has an interest. Such growth opportunities may not yield the expected benefits due to a number of factors, some of which are not entirely within the Group's control, such as associated costs, regulatory approvals, antitrust reviews, diversion of management time and challenges posed by integration operations. In addition, the Group may fail to obtain, in a timely manner, the necessary financing on satisfactory terms to allow the transaction to proceed. Acquisitions also may adversely effect the Group's financial ratios as a result of related financing incurred or the performance of the acquired business following the acquisition. The Group may incur significant costs arising from its efforts to pursue strategic acquisitions which exceed the returns realised. Failure to pursue or complete strategic growth opportunities may prevent the Group from growing the business, which could in turn result in a material adverse effect on the Group's business, financial condition and results of operations.

## **Risks Relating to the Satellite Communications Market**

***The telecommunications market is highly competitive and SES faces competition from satellite, terrestrial and wireless networks.***

The Group is subject to a number of risks relating to competition. The Group's main competitors are the other major international satellite operators, Intelsat, Eutelsat and Telesat. The Group also faces significant and increasing competition in different regions around the world from an increasing number of national and regional satellite operators and vertically integrated very small aperture terminal (VSAT) providers and may face competition from new market entrants in the future. Some national operators enjoy advantages in their domestic markets, such as tax and regulatory advantages or government funding that are not available to SES. These or other competitive advantages could result in a reduction in the Group's business in such regions. In addition, the significant competition between satellite operators both regionally and internationally could lead to oversupply, greater pressure on prices or a reduction in the demand for the Group's services, which could negatively impact its profits or revenue.

SES also faces competition from other forms of communications technology, such as providers of mobile satellite communications services as well as terrestrial and wireless networks, including cable, fibre optic, DSL, radio relay broadcasting, VHF/UHF transmission, WiMax and LTE. Any increase in the technical effectiveness or geographic spread of these competing operators and technologies could result in a reduction in demand for the Group's satellite capacity and could make it more difficult for the Group to retain or develop its customer portfolio. Some terrestrial and wireless operators may receive state aid and subsidies not available to SES, which could give them a competitive advantage over the Group.

The occurrence of any of the risks above could have a material adverse effect on the Group's business, financial condition and results of operations.

***Changes in technology or the satellite communications market could make the Group's satellite telecommunications system obsolete or subject to lower or reduced demand.***

Although, on the whole, the fixed satellite services (FSS) market has experienced growth over the past few years, in the future the market may not grow or it may shrink. Technological innovations that serve as alternatives to satellites could render satellite technology obsolete or less cost-effective, and consumer viewing preferences may shift in a way that makes other technologies better suited to delivering the broadcast content that currently accounts for most of the demand for the Group's satellite capacity. The use of new technology to improve signal compression rates, or changes in consumer preferences, for example increased demand for new forms of video distribution, could lead to a reduction in demand for the Group's satellite capacity. Existing technologies, such as fiber optic cable, are currently competing with satellite technology and expanding their geographic reach and may experience innovations that make them more effective competition for satellites. See "Risk Factors — The telecommunications market is highly competitive and SES faces competition from satellite, terrestrial and wireless networks" above.

Similarly, demand for the current generation and future generations of high definition television (HDTV) which the Group expects to be a major driver of demand for satellite capacity in future periods, may fail to reach the levels the Group currently expects, which could lead to lower than expected demand of the Group's capacity. If the Group cannot quickly and efficiently adapt to these changes, its satellites could become obsolete or less competitive, leading to an inability to retain existing customers or attract new customers, a reduction in demand for its services, and a negative impact on revenue. Any of these risks could have a material adverse effect on the Group's business, financial condition and results of operations.

**Risks Relating to Regulation**

The telecommunications industry is highly regulated. As a result, SES is subject to a number of risks, as described below.

***If the Group or its customers fail to obtain and maintain required regulatory approvals, it may not be able to operate its existing satellites or expand its operations.***

The Group must obtain and maintain approvals from authorities to operate or offer satellite capacity, which often involves significant time and expense. For example, the Group must obtain authorisation or landing rights (i.e., permission to broadcast in a particular jurisdiction) in certain countries for satellites to be able to transmit signals to or receive signals from these countries. The failure to obtain the necessary authorisations to operate satellites or to obtain the requisite landing rights or approvals to provide services in certain countries could lead to loss of revenue. In addition, licensing authorities may revoke rights to use frequencies at an orbital location if that orbital location is left vacant beyond the period permitted by such regulator. If the Group cannot obtain, is delayed in obtaining or does not maintain in good standing the required regulatory approvals, it may not be able to provide existing or future services to customers or expand into new services or customers.

In addition, customers are responsible for obtaining certain regulatory approvals for their operations. The Group could lose revenue if customers fail to comply with such approvals, if regulations are changed and customers are unable to satisfy the terms of any new regulations, or if necessary approvals are not granted on a timely basis, or at all, in any jurisdictions in which customers wish to operate or provide services or if applicable restrictions in those jurisdictions become unduly burdensome.

The occurrence of any of the risks above could have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group's business is subject to extensive regulation and is sensitive to regulatory changes in each of the countries in which it provides services.***

The operation of the Group's business is and will continue to be subject to the laws and regulations of the governmental authorities of the countries where the Group operates or uses radio spectrum, offers satellite services or capacity, and also to the frequency coordination process of the International Telecommunication Union (the **ITU**). Regulation and legislation is extensive and outside the Group's direct control. New or modified rules, regulations, legislation or decisions by a relevant governmental entity or the ITU could materially and adversely affect operations.

The operations of the Group's existing satellites are also regulated by, among others, the U.S. Federal Communications Commission (the **FCC**), the Institut Luxembourgeois de Régulation of the Grand Duchy of Luxembourg, the Radiocommunications Agency of the Netherlands, the Gibraltar Regulatory Authority (the **GRA**), Industry Canada and the Swedish Post and Telecom Authority (the **PTS**). Although SES believes that the Group is in compliance with regulatory requirements in the countries in which it operates, there can be no assurance that the Group will maintain the authorisations necessary to operate its existing satellites or obtain required authorisations in the future, which would affect future prospects.

In addition, the Group may in the future become subject to regulations of which it is not presently aware. If the Group fails to comply with all applicable laws and regulations, it could lose revenue from services provided to the countries covered by those laws and regulations and subject the Group to criminal or civil penalties.

Failure to obtain or maintain required authorisations described above could have a material adverse effect on the Group's business, financial condition and results of operations.

***The ITU may not allocate orbital slots and associated frequencies to permit the Group to maintain or augment its satellite system.***

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 spectrum for particular uses, and the allocation to particular national administrations 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 and national regulators may reallocate spectrum from satellite to terrestrial uses. National administrations are increasingly charging for access to spectrum by the use of fees and auctions. In addition, national administrations may revoke SES's rights to use frequency spectrum, even when SES has an established business at a particular orbital location.

Any reallocation of spectrum from satellite to terrestrial uses or charging by national administrations may have a significant adverse effect on the Group's business, financial condition and results of operations.



***The Group's ability to use a satellite at a given orbital location for its proposed service or coverage area may be adversely affected by coordination issues.***

In common with other satellite operators, SES is required to record frequencies and orbital locations used by its satellites with the ITU and to coordinate the operation of its satellites with the satellite networks filed with the ITU through other national administrations so as to prevent interference between satellites. In certain cases, SES might also be required to coordinate any replacement satellite that has performance characteristics which differ from those of the satellite that it replaces.

As a result of such coordination, SES may be required to modify the proposed satellite coverage areas 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 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 the Group's satellite network to generate revenue due to the operational restrictions that the country may impose. Such operational restrictions include not allowing transponders to be operated at the maximum power over the intended area, requiring receiving or transmitting earth stations to use a minimum antenna size or using steerable coverage to avoid a specific geographical area.

Similarly, if and to the extent that ITU regulations or other contractual or regulatory constraints fail to prevent competing satellite operators from operating their satellites in a manner that causes interference with existing or future satellites operated by the Group, the performance of the Group's satellites in the effected areas could be adversely affected.

Co-ordination issues with other satellite operators may arise from time to time, and the Group may not always be able to resolve such issues quickly, or at all, which could lead to reputational harm, potential loss of customers, litigation and/or deterioration of the Group's relationships with other operators, degradation or signal quality resulting from interference from satellites of other operators, operating or design restrictions that make the Group's services in a particular region less competitive or non-economic or limit the ability to fully utilize the capabilities of a particular satellite, and, to the extent an issue is not resolved in the Group's favour, potential loss of rights.

Any of the factors above could have a material adverse effect on the Group's business, financial condition and results of operations.

***If the Group does not occupy unused orbital locations by specified deadlines, or does not maintain satellites in the orbital locations the Group currently uses, those orbital locations may become available for use by other satellite companies.***

Orbital locations or frequency bands that SES uses or is planning to use may become available for other satellite operators to use if SES does not:

- occupy unused orbital locations by specified deadlines;
- maintain satellites in their orbital locations; and/or
- operate in all the frequency bands for which a license has been received.

SES has access to orbital locations that have been filed at the ITU through various national administrations. For each filing, the ITU and the national regulators impose various conditions that must be met in order to secure use of the spectrum and SES must determine, based on those conditions, which frequencies it will invest in to bring into use on what schedule. Operational issues like satellite launch failure, launch delay or in-orbit failure can 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, the Group's large fleet permits the relocation of in-orbit satellites in order to meet the regulatory conditions in most of the cases. However, there is no guarantee that SES will always be able to prevent this risk and the loss of an orbital location could have an adverse effect on SES's business, financial condition and results of operations.

***The Group is subject to export control laws including those of the United States, which may preclude exporting satellites for launch, satellite-related hardware, technology, data and services or preclude sourcing these items in the United States.***

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

- export licenses or approvals cannot be or are not obtained but later withdrawn due to breach;
- export licenses or approvals are not obtained in a timely fashion;
- export licenses or approvals do not permit transfer of some or all items requested; or
- the requisite license, when granted, contains conditions or restrictions that pose significant commercial or technical issues.

Such occurrences could impede construction and delay the launch of any future satellites, negatively impacting current or future revenue, which could have a material adverse effect on the Group's business, financial condition and results of operations.

## **Risks Relating to Finance**

***Each of SES and SES Americas is a holding entity.***

SES and SES Americas are holding entities, and each of them conducts substantially all of its operations through subsidiaries. As a result, the right to receive payments under the notes and the guarantee will be structurally subordinated to the liabilities of SES's subsidiaries other than SES Americas. The ability of SES or SES Americas to meet their respective financial obligations is dependent upon the availability of cash flows from their domestic and foreign subsidiaries and affiliated companies through dividends, intercompany advances, management fees and other payments.

The notes are obligations of SES or SES Americas, as the case may be, and are guaranteed exclusively by either SES Americas or SES, as the case may be. The other subsidiaries of SES and SES Americas are separate and distinct legal entities and have no obligation to pay any amounts due on the notes or the guarantee or to provide SES or SES Americas with funds for its payment obligations thereunder. As holding entities, the rights of SES and SES Americas to receive any assets of any of their subsidiaries upon liquidation or reorganization, and therefore the right of the holders of the notes to participate in those assets, will be structurally subordinated to those claims (including trade payables) of those subsidiaries' creditors. The notes and the guarantee do not restrict the ability of those subsidiaries to incur additional indebtedness or other liabilities. Even if SES or SES Americas were a creditor of any of its subsidiaries, its rights as a creditor would be subordinate to any

security interest in the assets of its subsidiaries and any indebtedness of its subsidiaries might be senior to its rights as a creditor.

***Failure to generate cash flow or access other capital resources could force the Group to reduce its operations or default on debt service obligations.***

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, forego investments in joint ventures, sell assets, obtain additional equity capital or refinance or restructure its debt. Any such action could have a material adverse effect on the Group's business, financial condition and results of operations.

***Negative changes in SES's debt rating may have a material adverse effect on the Group's financial condition.***

A change in the SES's debt rating could affect the cost and terms of its debt as well as its ability to raise finance. SES currently has and seeks to retain a stable BBB rating with Standard and Poor's Ratings Services (**S&P's**) and Fitch Ratings Ltd. (**Fitch**), and a Baa2 rating with Moody's Investors Service (**Moody's**). Among other things, increases in leverage ratios beyond the thresholds recommended by the rating agencies could result in a downgrade. If SES's credit rating were to be downgraded, it would affect SES's ability to obtain financing and the terms associated with that financing. SES cannot guarantee that it will be able to maintain its credit ratings.

S&P's, Fitch and Moody's are established in the European Union and is registered under the CRA Regulation. S&P's, Fitch and Moody's also appear on the latest available update (as of 30 July 2012) of the European Securities and Markets Authority's list of credit rating agencies currently available on its website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>).

***Compliance with financial ratios under the Group's debt agreements and guidelines set by rating agencies may limit the Group's flexibility.***

A significant number of the Group's financing agreements require it to maintain a net debt to EBITDA ratio of not more than 3.5 to 1, and several of the major rating agencies have indicated that failure to comply with the Group's publicly announced policy of maintaining a ratio of not more than 3.3 to 1 could result in a review of the Group's credit rating. Complying with this ratio may limit the Group's flexibility, including by limiting capital expenditures and the pursuit of certain acquisitions or investments to the extent such items would increase the leverage ratio beyond the relevant limit.

***The Group's 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. 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, which could lead to retroactive tax claims.

Although SES has implemented a tax risks mitigation charter based (among others) on a framework of tax opinions for the financially material tax positions taken by SES, transfer pricing documentation for the important intra-Group transactions of SES, and a transfer pricing policy and procedures for accurate tax compliance in all taxing jurisdictions, there is no guarantee that the charter will be effective. If the Group becomes subject to a significant amount of unanticipated tax liabilities or has its transfer pricing arrangements successfully challenged, it could have a material adverse effect on the Group's effective tax rate, business, financial condition and results of operations.

***The Group is exposed to liquidity, currency and foreign exchange, interest rate and counterparty risks.***

The Group is exposed to risks in relation to liquidity, foreign exchange rates, interest rates and counterparties. For further details, see note 21 to the SES Annual Report for the year ended 31 December 2011. Failure to adequately manage these risks could have a material adverse effect on the Group's business, financial condition and results of operations.

***The Group is exposed to risks associated with macroeconomic conditions in the global economy, both in emerging markets and developed markets.***

The global financial system, both in emerging markets and developed markets, has suffered considerable turbulence and uncertainty in recent years. Expectations concerning the performance of the global economy in the short to medium term remain uncertain. Furthermore, the global financial system has not yet overcome the difficulties that began in August 2007, and has suffered a particularly negative period during, and in the period following, the second half of 2008, when several leading international financial institutions were declared insolvent or subject to government bailouts. These economic conditions led to severe distortions in the financial markets in a number of the countries in which the Group operates, including in Europe, the United States and certain emerging markets.

The ongoing difficult economic context, the large-scale bailouts of financial and other institutions by governments and fiscal packages aimed at stimulating the economy have led to a significant increase in the debt levels of certain countries. This is in addition to other negative trends, such as a decline in confidence in financial institutions, rising unemployment and austerity measures designed to reduce budget deficits. These factors, in turn, have contributed to a general economic slowdown in many of the countries where the Group operates.

The economic slowdown in the countries where the Group operates may have a negative effect on the Group's performance if potential customers face difficulties funding their business plans which could in turn delay the onset of new revenue. This situation could be further affected by measures concerning the currencies adopted in the countries where the Group operates, as well as by political instability and governments' inability to take timely action to deal with the crisis. All this could, in turn, result in decreased profitability, with significant negative consequences on the Group's business, financial condition and results of operations.

***The Group is exposed to risks associated with the Eurozone debt crisis.***

The ongoing deterioration of the sovereign debt of several countries, including Greece, Italy, Ireland, Spain and Portugal, together with the risk of contagion to more stable countries has exacerbated the global economic crisis. This situation has also raised a number of uncertainties regarding the stability of the European Monetary Union. As a result, the Eurozone has seen an increase in credit spreads, together with reduced liquidity and access to financing. These negative trends caused considerable turbulence in the global financial and credit markets.

The growing risk that other Eurozone countries could be subject to an increase in borrowing costs and face an economic crisis similar to that of Greece, Italy, Ireland, Spain and Portugal, together with the risk that some countries could leave the Eurozone (either voluntarily or involuntarily), could have a negative impact on the Group's activities in Europe. Examples of such possible consequences include delays in customers making purchasing decisions, reductions in customers' need for the Group's services, customer default (particularly in the countries most affected by the crisis) or the redenomination of customers or the redenomination of their contractual payment obligations, and, to the extent such developments have a broader impact on the world economy and global credit conditions, on the Group's business in other markets.

## **Risks Relating to an Investment in the Notes**

### ***The Notes may not be a suitable investment for all investors***

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

### ***Risks related to the structure of a particular issue of Notes***

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

#### ***Notes subject to optional redemption by the relevant Issuer***

The optional redemption feature is likely to limit the Notes' market value. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will

not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

#### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the relevant Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

#### *Notes issued at a substantial discount or premium*

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

#### ***Risks related to Notes generally***

Set out below is a brief description of certain risks relating to the Notes generally:

##### *Modification, waivers and substitution*

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

##### *EU Savings Directive*

Under EC Council Directive 2003/48/EC (the **Savings Directive**) on taxation of savings income in the form of interest payments (or other similar income), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a paying agent (within the meaning of the Directive) within its jurisdiction to an individual resident in that other Member State or certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system deducting tax in relation to such payments at rates rising over time to 35 per cent. The ending of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries.

A number of non-EU countries including Switzerland, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

If a payment were to be made or collected through a paying agent (within the meaning of the Directive) in a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Savings Directive.

The European Commission has proposed certain amendments to the Savings Directive which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

#### *U.S. Information Reporting and Withholding Tax May Apply to Notes after 31 December 2012*

New U.S. withholding tax rules, enacted under provisions of U.S. federal income tax law commonly referred to as the U.S. Foreign Account Tax Compliance Act (**FATCA**) and intended to compel reporting to the IRS of direct and indirect ownership of certain non-U.S. accounts and entities by U.S. persons, will apply to Notes issued or materially modified by SES Americas after 31 December 2012 (or issued at any time in the case of Notes treated as equity for United States federal income tax purposes). Under these rules, payments of (i) interest (including any original issue discount) and premium, if any, made on such Notes after 31 December 2013 and (ii) payments of principal on, as well as the proceeds from the sale, exchange or disposition of, such Notes made after 31 December 2016 may be subject to U.S. withholding tax if paid either (x) to an investor that has failed to provide information sufficient for a Paying Agent or other relevant financial institution intermediary through which the investor holds the Notes or receives payments on the Notes to determine whether the investor is a U.S. person or a non-financial, non-U.S. entity with material direct or indirect U.S. ownership or (y) through an intermediary or to an investor that is a non-U.S. financial institution that has not entered into an agreement with the IRS pursuant to which it agrees, among other responsibilities, to collect and provide to the IRS information about its direct and indirect U.S. accountholders and investors. These requirements will apply in addition to the historic requirements for avoiding U.S. withholding tax on such payments (see “*Taxation—U.S. Taxation of Notes*”). Similar rules may apply to all payments on Notes issued by SES if such payments are treated as attributable to “withholdable payments” (as defined under FATCA), and such Notes are either issued or materially modified more than six months after the issuance of final regulations defining the term “foreign passthru payment” for purposes of FATCA (the “**Final Passthru Regulations**”) or if such Notes are treated as equity for US federal income tax purposes. No additional amounts will be paid in respect of any amounts withheld under these FATCA rules. Potential investors should consult their tax advisers regarding the implications of the FATCA rules for their investment in Notes, including the implications resulting from the status under these rules of each financial intermediary through which they hold Notes.

### *Change of law*

The Conditions of the Notes are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Prospectus.

### *Notes where denominations involve integral multiples: definitive Notes*

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination. If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

### ***Risks related to the market generally***

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

#### *Global credit market conditions*

Noteholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Prospectus), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Notes. Such lack of liquidity may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the assets of the Issuer. The Issuer cannot predict which of these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Notes and instruments similar to the Notes at that time.

#### *The secondary market generally*

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

#### *Exchange rate risks and exchange controls*

The relevant Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify



exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

#### *Interest rate risks*

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

#### *Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the EU credit rating agencies regulation (the **CRA Regulation**) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances while the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings will be disclosed in the applicable Final Terms.

#### *Legal investment considerations may restrict certain investments*

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Prospectus and have been filed with the CSSF shall be incorporated in, and form part of, this Prospectus:

- (a) the SES Annual Report for the year ended 31 December 2010 incorporating the auditor's report and audited consolidated and non-consolidated SES annual financial statements for the financial year ended 31 December 2010. The consolidated financial statements are drawn up in accordance with the International Financial Reporting Standards as adopted for use in the European Union (**IFRS**) and the non-consolidated financial statements are drawn up in accordance with generally accepted accounting principles and regulations in Luxembourg (**LuxGAAP**);
- (b) the SES Annual Report for the year ended 31 December 2011 incorporating the auditor's report and audited consolidated and non-consolidated SES annual financial statements for the financial year ended 31 December 2011. The consolidated financial statements are drawn up in accordance with IFRS and the non-consolidated financial statements are drawn up in accordance with LuxGAAP;
- (c) the SES Americas consolidated financial statements for the financial year ended 31 December 2011, including full comparative figures for the financial year ended 31 December 2010, drawn up in accordance with the IFRS and the auditor's report covering the financial information for financial years ended 31 December 2011 and 31 December 2010;
- (d) the unaudited interim condensed consolidated financial statements of SES for the six months ended 30 June 2011;
- (e) the unaudited interim condensed consolidated financial statements of SES for the six months ended 30 June 2012;
- (f) the unaudited interim condensed consolidated financial statements of SES Americas for the six months ended 30 June 2012;
- (g) the articles of association of SES (in French and English);
- (h) the partnership agreement of SES Americas (incorporated for information purposes only); and
- (i) the SES interim consolidated results press release dated 27 July 2012.

Following the publication of this Prospectus a Supplement to the Prospectus may be prepared by the Issuer and approved by the CSSF in accordance with Article 13 of the Prospectus Law. Statements contained in any such Supplement to the Prospectus (or contained in any document incorporated by reference therein) shall, to the extent applicable, be deemed to modify or supersede statements contained in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus can be obtained, without charge, from the registered office of SES at Château de Betzdorf, L-6815 Betzdorf, and from the specified offices of the Agent for the time being in Luxembourg. This Prospectus and each document incorporated by reference will also be published on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)).

Any documents themselves incorporated by reference in the documents incorporated by reference in this Prospectus shall not form part of this Prospectus.

Each of SES and SES Americas will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of any Notes, prepare a Supplement to the Prospectus or publish a new Prospectus for use in connection with any subsequent issue of Notes.

## Cross Reference Table

	<b>SES Annual Report for the year ended 31 December 2010</b>	<b>SES Annual Report for the year ended 31 December 2011</b>
	<b>Consolidated Financial Statements</b>	<b>Consolidated Financial Statements</b>
Statement of financial position.....	Page 25	Page 47
Income statement .....	Page 23	Page 45
Statement of cash flows .....	Page 26	Page 48
Notes to the consolidated financial statements.....	Pages 28-71	Pages 50-92
Independent auditors' report .....	Page 22	Page 44
	<b>Non-consolidated Financial Statements</b>	<b>Non-consolidated Financial Statements</b>
Balance Sheet.....	Page 73	Page 94
Profit and loss account .....	Page 74	Page 95
Notes to the accounts .....	Pages 75-83	Pages 96-104
Independent auditors' report .....	Page 72	Page 93
		<b>SES Americas Annual Accounts for the year ended 31 December 2011</b>
		<b>Consolidated Financial Statements</b>
Statement of financial position.....		Page 3
Statement of comprehensive income .....		Page 2
Statement of cash flows .....		Page 4
Notes to the consolidated financial statements.....		Pages 6 - 37
Independent auditors' report .....		Cover page
	<b>SES unaudited interim condensed consolidated financial statements for the six months ended 30 June</b>	<b>SES unaudited interim condensed consolidated financial statements for the six months ended 30 June</b>

	<b>2011</b>	<b>2012</b>
Interim condensed consolidated income statement .....	Page 11	Page 12
Interim condensed consolidated statement of financial position.....	Page 13	Page 14
Interim condensed consolidated statement of cash flow .....	Page 14	Page 15
Interim condensed consolidated statement of changes in shareholders' equity .....	Page 16	Page 16
Notes to the interim condensed consolidated financial statements .....	Pages 18 to 24	Pages 18 to 23
		<b>SES Americas</b>
		<b>unaudited interim</b>
		<b>condensed consolidated</b>
		<b>financial statements for</b>
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Report on review of interim condensed consolidated financial statements.....		Page 1
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Any information not listed in the above cross-reference tables but included in the documents incorporated by reference is given for information purposes only.

## OVERVIEW OF THE PROGRAMME

The following overview of the programme does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms.

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive, as amended. Words and expressions defined in “*Form of the Notes*” and “*Terms and Conditions of the Notes*” shall have the same meanings in this description.

Issuers:	SES and SES Global Americas Holdings GP.
Guarantors:	SES and SES Global Americas Holdings GP.
Description of the Programme:	Euro Medium Term Note Programme.
Risk Factors:	<p>There are certain factors that may affect the ability of SES and SES Americas to fulfil their respective obligations as Issuer under Notes issued under the Programme and their respective obligations as Guarantor under the relevant Guarantee. These are set out in the “<i>Risk Factors</i>” section and include the factors set out in the following paragraphs. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are also set out under “<i>Risk Factors</i>” and include the fact that the Notes may not be a suitable investment for all investors, certain risks relating to the structure of particular Series of Notes and certain market risks.</p>

### Risks Relating to the Group’s Business

- The Group may experience a launch delay or failure or other satellite damage or destruction during launch, which could lead to a total or partial loss of the satellite.
- The Group’s satellites may experience in-orbit destruction, damage or other failures or degradations in performance that could impair the satellites’ commercial performance.
- The actual lives of the Group’s satellites may be shorter than their estimated design lives.
- The Group has the majority of its future launches contracted with two launch service providers whose services may become unavailable.
- The Group is primarily dependent on two satellite launch service providers, either of which may

become unavailable.

- The Group is primarily dependent on a small number of satellite manufacturers and secondary suppliers.
- Satellites may be subject to damage or loss from events that might not be covered by insurance policies.
- Certain of the Group's in-orbit insurance policies are maintained through self-insurance.
- The Group may not always be able to obtain adequate insurance or the desired level of coverage.
- The Group may not be successful in renewing its existing satellite capacity agreements, or renewing them on terms that are similar to their current terms.
- The Group has several large customers, the loss of any of which could materially reduce the Group's revenue and materially adversely affect the Group's business.
- The Group's operations and systems are subject to a number of risks that could diminish its ability to provide communications services.
- The Group's international operations are subject to a number of risks that could negatively affect future operating results or subject the Group to criminal and civil enforcement actions.

#### **Risks Relating to the Group's Strategic Development**

- The Group is exposed to risks inherent in doing business in emerging markets.
- The Group has earmarked funds to invest in new and innovative projects, the success of which is not guaranteed.
- The Group may not be able to retain and/or attract personnel who are critical to the Group's business.
- Pursuing inorganic growth opportunities may not yield the expected benefits.

#### **Risks Relating to the Satellite Communications Market**

- The telecommunications market is highly competitive and SES faces competition from

satellite, terrestrial and wireless networks.

- Changes in technology or the satellite communications market could make the Group's satellite telecommunications system obsolete or subject to lower or reduced demand.

### **Risks Related to Regulation**

- If the Group or its customers fail to obtain and maintain required regulatory approvals, it may not be able to operate its existing satellites or expand its operations.
- The Group's business is subject to extensive regulation and is sensitive to regulatory changes in each of the countries in which it provides services.
- The ITU may not allocate orbital slots and associated frequencies to permit the Group to maintain or augment its satellite system.
- The Group's ability to use a satellite at a given orbital location for its proposed service or coverage area may be adversely affected by co-ordination risks.
- If the Group does not occupy unused orbital locations by specified deadlines, or does not maintain satellites in the orbital locations the Group currently uses, those orbital locations may become available for use by other satellite companies.
- The Group is subject to the export control laws including those of the United States, which may preclude exporting satellites for launch, satellite-related hardware, technology, data and services as well as sourcing these items in the United States.

### **Risks Relating to Finance**

- Failure to generate cash flow or access other capital resources could force the Group to reduce its operations or default on debt service obligations.
- Negative changes in SES's debt rating may have a material adverse effect on the Group's financial condition.
- The Group's financial results may be materially adversely affected by unforeseen additional tax assessments or other tax liabilities.

- The Group is exposed to liquidity, currency and foreign exchange, interest rate and counterparty risks.
- The Group is exposed to the risks associated with the impact of the current macroeconomic uncertainties.
- The Group is exposed to risks associated with the Eurozone debt crisis.

#### **Risks Relating to an Investment in the Notes**

- An active liquid trading market for the notes may not develop, and the transfer of the notes will be subject to restrictions.
- The Notes may not be a suitable investment for all investors and each potential investor should have sufficient knowledge, experience and financial resources to bear the risks of an investment in the Notes.
- There are risks related to the structure of a particular issue of Notes, including optional redemption features which may limit their market value. Some Notes may be inverse floating rate notes, which have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR, making them potentially more volatile than conventional floating rate debt securities. Notes that convert from fixed rate to floating rate or vice versa may involve more risk where the relevant Issuer has the right to effect such a conversion and, finally, some Notes may be issued at a substantial discount or premium, which means their market value may fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities.
- There are risks related to Notes generally, including modifications implemented by a majority of Noteholders, withholding systems imposed by the United States and the EU Savings Directive which may mean that additional tax would be payable in certain member states, changes in the law generally and failure by a Noteholder to purchase Notes in an integral multiple of the minimum Specified Denomination.
- There are risks related to the market generally. Noteholders should be aware of the prevailing



global market conditions and the secondary market for instruments similar to the Notes. Potential investors should also be aware of exchange rate risks, interest rate risks and, generally, the risk that credit ratings of the Notes may not reflect the potential impact of all risks on them. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

- Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations and review or regulation by certain authorities. Each potential investor should consult its legal advisors to determine whether and to what extent restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Arranger:

BNP Paribas

Dealers:

Banca IMI S.p.A.  
Banco Bilbao Vizcaya Argentaria, S.A.  
Banque et Caisse d'Épargne de l'État, Luxembourg  
Barclays Bank PLC  
Bayerische Landesbank  
BNP Paribas  
Commerzbank Aktiengesellschaft  
Crédit Agricole Corporate and Investment Bank  
Credit Suisse Securities (Europe) Limited  
Deutsche Bank AG, London Branch  
DnB Nor Bank ASA  
Goldman Sachs International  
ING Bank N.V.  
J.P. Morgan Securities plc  
Landesbank Hessen-Thüringen Girozentrale  
Merrill Lynch International  
Mitsubishi UFJ Securities International plc  
Mizuho International plc  
Société Générale  
The Royal Bank of Scotland plc

and any other Dealers appointed in accordance with the Programme Agreement.

Certain Restrictions:

Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time

to time (see “*Subscription and Sale*”) including the following restrictions applicable at the date of this Prospectus.

**Notes having a maturity of less than one year**

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see “*Subscription and Sale*”.

Agent:	BNP Paribas Securities Services, Luxembourg branch
Paying Agent:	The Bank of Tokyo-Mitsubishi UFJ, Ltd., London Branch
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Programme Size:	Up to €4,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. SES and SES Americas may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Currencies:	Subject to any applicable legal or regulatory restrictions, any currency agreed between the relevant Issuer and the relevant Dealer(s).
Maturities:	The Notes will have such maturities as may be agreed between the relevant Issuer and the relevant Dealer(s), subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued at an issue price which is at par or at a discount to, or premium over, par. The Issue Price will be disclosed in the Final Terms.
Form of Notes:	The Notes will be issued in bearer form as described in “ <i>Form of the Notes</i> ”.
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer(s) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer(s).

Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined on the basis of a reference rate appearing on an agreed screen page of a commercial quotation service as indicated in the relevant Final Terms. The margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer(s) for each Series of Floating Rate Notes.
Other provisions in relation to Floating Rate Notes:	<p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.</p> <p>Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the relevant Issuer and the relevant Dealer(s), will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the relevant Issuer and the relevant Dealer(s).</p>
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Redemption:	The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders upon giving notice to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices or, in the case of redemption at the option of the Noteholders on a Change of Control in accordance with the provisions specified in Condition 6.4A.
Denomination of Notes:	<p>The Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer(s) save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive shall be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).</p> <p>Notes having a maturity of less than one year are subject to restrictions on their denomination and distribution, see “<i>Certain Restrictions – Notes having a maturity of less than one year</i>” above.</p>
Taxation:	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 7. In the

event that any such deduction is made, the relevant Issuer or, as the case may be, the relevant Guarantor will, save in certain limited circumstances provided in Condition 7, be required to pay additional amounts to cover the amounts so deducted.

Negative Pledge: The terms of the Notes will contain a negative pledge provision as further described in Condition 3.

Events of Default: The terms of the Notes will contain, amongst others, the following events of default:

- (A) default in payment of any principal or interest due in respect of the Notes, continuing for a specified period of time;
- (B) non-performance or non-observance by the Issuer of any of its other obligations under the Terms and Conditions or the Guarantee continuing for a specified period of time;
- (C) cross default provision as further described in Condition 9; and
- (D) events relating to the insolvency or winding up of SES and SES Americas.

Status of the Notes: The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the relevant Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the relevant Issuer, from time to time outstanding.

Guarantee: The Notes will be unconditionally and irrevocably guaranteed in the case of Notes issued by SES Americas by SES and in the case of Notes issued by SES, by SES Americas. The obligations of the relevant Guarantor under such guarantee will be direct, unconditional and (subject to the provisions of Condition 3) unsecured obligations of the Guarantor and will rank *pari passu* and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the relevant Guarantor from time to time outstanding.

Use of Proceeds: The net proceeds from each issue of Notes will be applied by the relevant Issuer for its general corporate purposes, which include making a profit.

Rating: The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms.

Listing, approval and admission to trading:	<p>Application has been made to the <i>Commission de Surveillance du Secteur Financier</i> (CSSF) to approve this document for the purposes of the Prospectus Law. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the Official List and admitted to trading on the regulated market of the Luxembourg Stock Exchange.</p> <p>Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the relevant Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.</p> <p>The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.</p>
Governing Law:	<p>The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.</p>
Selling Restrictions:	<p>There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom and the Republic of Italy), Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see “<i>Subscription and Sale</i>”.</p>

## SELECTED FINANCIAL INFORMATION

The following information presents relevant selected financial and other operating data in relation to SES and SES Americas and should be read in conjunction with the respective financial statements which are incorporated in the Prospectus by reference.

### Selected Audited Consolidated Financial Information of SES as of, and for the 12 month period ended December 31 (amounts in millions of Euro)

	31 December 2010	31 December 2011
<b>Revenue</b>	1,735.7	1,733.1
<b>Operating Profit</b>	797.4	808.2
<b>Total Equity</b>	2,128.5	2,617.3
<b>Net Debt</b>	3,760.8	3,978.6
<b>Total Assets</b>	8,228.5	8,869.8
<b>Free cash flow</b> <sup>*</sup>	268.4	229.6

### Selected Unaudited Consolidated Financial Information of SES as of, and for the 6 month period ended, June 30 (amounts in millions of Euro)

	30 June 2011	30 June 2012
<b>Revenue</b>	851.4	891.9
<b>Operating Profit</b>	402.0	411.5
<b>Total Equity</b>	1,828.3	2,698.9
<b>Net Debt</b>	3,953.7	4,014.1
<b>Total Assets</b>	7,794.3	9,094.9
<b>Free cash flow</b> <sup>**</sup>	141.1	310.5

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<sup>\*</sup> 2010 restated for the presentation of interest paid on external borrowings.

<sup>\*\*</sup> June 2011 restated for the presentation of interest paid on external borrowings.

**Selected Audited Consolidated Financial Information of SES Americas as of, and for the  
12 month period ended, December 31  
(amounts in millions of US Dollar)**

	<b>31 December 2010</b>	<b>31 December 2011</b>
<b>Revenue</b>	592.0	556.8
<b>Operating Profit</b>	72.9	56.4
<b>Total Assets</b>	4,435.0	4,388.1
<b>Total partnership equity</b>	1,585.6	1,621.2
<b>Net debt</b>	1,779.0	1,696.6
<b>Free cash flow</b>	87.4	163.0

**Selected Unaudited Consolidated Financial Information of SES Americas as of, and for six  
month period ended, June 30  
(amounts in millions of US Dollar)**

	<b>30 June 2011</b>	<b>30 June 2012</b>
<b>Revenue</b>	254.9	279.4
<b>Operating Profit</b>	13.2	39.2
<b>Free cash flow</b>	71.4	95.7
	<b>31 December 2011</b>	<b>30 June 2012</b>
<b>Total Assets</b>	4,388.1	4,318.9
<b>Total partnership equity</b>	1,621.2	1,635.0
<b>Net debt</b>	1,696.6	1,562.8

## FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will be initially issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Final Terms, a permanent Global Note (a **Permanent Global Note**, and together with the Temporary Global Note, the **Global Note**) which, in either case, will:

- i if the Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear (**Euroclear**) and Clearstream, Luxembourg; and
- ii if the Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the **Common Depositary**) for, Euroclear and Clearstream, Luxembourg.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation (unless the Temporary Global Note is in NGN form) of the Temporary Global Note and in any event only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent; provided, however, that no such certification will be required for (a) Notes issued by SES Americas which (i) have an initial maturity of 183 days or less (taking into consideration unilateral rights to roll or extend), (ii) a minimum denomination of U.S.\$500,000 (or the equivalent amount of another currency, determined based on the spot exchange rate on the date of issue) and (iii) as specified in the applicable Final Terms, are intended to comply with U.S. Treasury Regulation section 1.6049-5(b)(10), (b) Notes issued by SES that, as specified in the applicable Final Terms, are issued in compliance with the procedures of U.S. Treasury Regulation section 1.163-5(c)(2)(i)(C) (the **TEFRA C Rules**), or (c) Notes issued by SES Americas which have been immobilised with a clearing organisation or its depositary in accordance with procedures sufficient to cause such Notes to be treated as issued in registered form for United States federal tax purposes; provided further, however, that Notes issued by SES Americas which have been immobilised with a clearing organisation or its depositary in accordance with procedures sufficient to cause such Notes to be treated as issued in registered form for United States federal tax purposes and which are intended to be issued in compliance with the foreign targeted registered obligation rules of Treasury Regulation section 1.871-14(e) (the **FTRO Rules**) will be subject to alternative, annual certification procedure specified in the FTRO Rules.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) for definitive Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case (other than (x) Notes issued by SES Americas which (i) have an initial maturity of 183 days or less (taking into consideration unilateral rights to roll or extend), (ii) a minimum denomination of U.S.\$500,000 (or the equivalent amount of another currency, determined based on the spot exchange rate on the date of issue) and (iii) as specified in the applicable Final Terms, are intended to comply with U.S. Treasury Regulation section 1.6049-5(b)(10), (y) Notes issued by SES that, as specified in the applicable Final Terms, are issued in compliance with the procedures of the TEFRA C Rules, or (z) Notes issued by SES Americas



which have been immobilised with a clearing organisation or its depositary in accordance with procedures sufficient to cause such Notes to be treated as issued in registered form for United States federal tax purposes) against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) (unless the Permanent Global Note is in NGN form) of the Permanent Global Note and in any event without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, interest coupons and talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 9) has occurred and is continuing, or (ii) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent. Notes with a maturity of more than 183 days (taking into consideration unilateral rights to roll or extend) issued by SES Americas will only be exchangeable for definitive Notes on the occurrence of an Exchange Event.

Notes with a maturity of more than 183 days (taking into consideration unilateral rights to roll or extend) may not be issued by SES Americas, except to the extent that the relevant Note in global bearer form has been immobilised with a clearing organisation or its depositary in accordance with procedures sufficient to cause such Notes to be treated as issued in registered form for United States federal tax purposes. Notes will be considered to be effectively immobilised so as to be treated as issued in registered form for United States federal tax purposes where (i) the Notes are represented by one or more global Notes in physical form that are issued to and held by a clearing organisation (or by a custodian or depositary acting as an agent of the clearing organisation) for the benefit of purchasers of interests in the Notes under arrangements that prohibit the transfer of the global Note except to a successor clearing organisation subject to the same terms, (ii) beneficial interests in the underlying Notes are transferable only through a book-entry system maintained by the clearing organisation (or an agent of the clearing organisation), and (iii) holders may obtain definitive Notes in bearer form only upon the occurrence of an Exchange Event.

Except for Notes issued by SES in compliance with the requirements of the TEFRA C Rules, as specified in the applicable Final Terms, the following legend will appear on all Notes issued by SES which have an initial maturity of more than 365 days and on all interest coupons relating to such Notes:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The following legend will appear on all Notes issued by SES Americas which (i) have an initial maturity of 183 days or less (taking into consideration unilateral rights to roll or extend), (ii) a minimum denomination of U.S.\$500,000 (or the equivalent amount of another currency, determined based on the spot exchange rate on the date of issue) and (iii) as specified in the applicable Final Terms, are intended to comply with U.S. Treasury Regulation section 1.6049-5(b)(10):

“BY ACCEPTING THIS OBLIGATION, THE HOLDER REPRESENTS AND WARRANTS THAT IT IS NOT A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(B)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER) AND THAT IT IS NOT ACTING FOR OR ON BEHALF OF A UNITED STATES PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(B)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER).”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes or interest coupons.

The following legend will appear on any Notes issued by SES Americas that are intended to be issued under the FTRO Rules:

“THE SECURITIES COVERED HEREBY MUST BE SOLD (OR RESOLD IN CONNECTION WITH THEIR ORIGINAL ISSUANCE) ONLY TO NON-U.S. PERSONS IN ACCORDANCE WITH THE PROCEDURES FOR FOREIGN-TARGETED REGISTERED OBLIGATIONS IN U.S. TREASURY REGULATIONS SECTION 1.871-14(E) (AS AUTHORISED BY U.S. INTERNAL REVENUE SERVICE NOTICE 2012-20).”

The following legend will appear on each Temporary Global Note and each Permanent Global Note issued by SES Americas with a maturity of more than 183 days (taking into consideration unilateral rights to roll or extend), reflecting that such Global Note has been immobilised with a clearing organisation or its depositary in accordance with procedures sufficient to cause such Notes to be treated as issued in registered form for United States federal tax purposes:

“THIS GLOBAL NOTE HAS BEEN ISSUED EXCLUSIVELY TO BE HELD IN CUSTODY BY OR FOR THE ACCOUNT OF CLEARSTREAM, LUXEMBOURG, EUROCLEAR OR A COMMON DEPOSITARY OR COMMON SAFEKEEPER FOR CLEARSTREAM, LUXEMBOURG OR EUROCLEAR AND MAY ONLY BE TRANSFERRED TO A SUCCESSOR CLEARING ORGANISATION SUBJECT TO THE SAME TERMS THROUGHOUT THE LIFE OF THE NOTES.”

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Pursuant to the Agency Agreement (as defined under “*Terms and Conditions of the Notes*”), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system

specified in the applicable Final Terms or as may otherwise be approved by the relevant Issuer and the Agent.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 9. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the relevant Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the **Deed of Covenant**) dated 15 November 2012 and executed by the relevant Issuer.

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the relevant Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes shall complete the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of the Notes" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series (as defined below) of Notes issued by SES (SES) or SES Global Americas Holdings GP (SES Americas and together with SES, the **Issuers** and each an **Issuer**) pursuant to the Agency Agreement (as defined below). If this Note is issued by SES it shall be unconditionally and irrevocably guaranteed by SES Americas and if this Note is issued by SES Americas it shall be unconditionally and irrevocably guaranteed by SES (each in such capacity a **Guarantor**).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note; and
- (c) any definitive Notes issued in exchange for a Global Note.

The Notes and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 15 November 2012 and made between SES Americas in its capacity both as Issuer and as Guarantor of Notes issued by SES, SES in its capacity both as Issuer and as Guarantor of Notes issued by SES Americas, BNP Paribas Securities Services, Luxembourg branch as issuing and principal paying agent and agent bank (the **Agent**, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

Interest bearing definitive Notes have interest coupons (**Coupons**) and, if indicated in the applicable Final Terms, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Notes do not have Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which complete these Terms and Conditions (the **Conditions**) and may simplify the Conditions by dis-applying the non-applicable provisions. References to the **applicable Final Terms** are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

The payment of all amounts in respect of this Note have been guaranteed by the Guarantor pursuant to a guarantee (the **Guarantee**) dated 6 December 2005 (as amended and restated on 28 October 2009, 27 September 2010 and 15 November 2012) and executed by the Guarantor. The

original of the Guarantee is held by the Agent on behalf of the Noteholders and the Couponholders at its specified office.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean the holders of the Notes and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders and the Couponholders are entitled to the benefit of the Deed of Covenant (the **Deed of Covenant**) dated 15 November 2012 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement, the Guarantee and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents. Copies of the applicable Final Terms are available for viewing at the registered office of SES at Château de Betzdorf, L-6815 Betzdorf and at the specified office of the Paying Agent and will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, as amended (which includes the amendments made by Directive 2010/73/EU), the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuers or to the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Guarantee, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

## **1. FORM, DENOMINATION AND TITLE**

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Notes and Coupons will pass by delivery. The relevant Issuer, the Guarantor and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking, *société anonyme* (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error or proven error) shall be treated by the Issuer, the Guarantor and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer, the Guarantor and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

SES Americas will not issue Notes with an initial maturity of more than 183 days (taking into consideration unilateral rights to roll or extend) unless the relevant Global Notes have been immobilised with a clearing organisation or its depositary in accordance with procedures sufficient to cause such Notes to be treated as issued in registered form for United States federal tax purposes. Notes will be considered to be effectively immobilised so as to be treated as issued in registered form for United States federal tax purposes where (i) the Notes are represented by one or more global Notes in physical form that are issued to and held by a clearing organisation (or by a custodian or depositary acting as an agent of the clearing organisation) for the benefit of purchasers of interests in the Notes under arrangements that prohibit the transfer of the global Note except to a successor clearing organisation subject to the same terms, (ii) beneficial interests in the underlying Notes are transferable only through a book-entry system maintained by the clearing organisation (or an agent of the clearing organisation), and (iii) holders may obtain definitive Notes in bearer form only upon the occurrence of an Exchange Event.

For the purposes of these Conditions, **Exchange Event** means that (i) an Event of Default (as defined in Condition 9) has occurred and is continuing, or (ii) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available.

## **2. STATUS OF THE NOTES AND THE GUARANTEE**

### **2.1 Status of the Notes**

The Notes and any relative Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

### **2.2 Status of the Guarantee**

The obligations of the Guarantor under the Guarantee are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.

## **3. NEGATIVE PLEDGE**

### **3.1 Negative Pledge**

So long as any of the Notes remains outstanding:

- (a) the Issuer will not create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a **Security Interest**) upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined below), unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:
  - (i) all amounts payable by it under the Notes and the Coupons are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
  - (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided in favour of the Noteholders; as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders; and
- (b) the Guarantor will ensure that no Relevant Indebtedness of the Guarantor or any of its Subsidiaries (as defined below) will be secured by any Security Interest upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Guarantor or any of its Subsidiaries unless the Guarantor, in the case of the creation of the Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:
  - (i) all amounts payable by it under the Guarantee are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or
  - (ii) such other Security Interest or guarantee or other arrangement (whether or not it includes the giving of a Security Interest) is provided in favour of

the Noteholders as shall be approved by an Extraordinary Resolution of the Noteholders.

### 3.2 Interpretation

For the purposes of these Conditions:

- (a) **Relevant Indebtedness** means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which are, or are capable of being, quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, and (ii) any guarantee or indemnity in respect of any such indebtedness; and
- (b) **Subsidiary** means, in relation to the Issuer or the Guarantor, any individual, partnership, corporation, limited liability company, association, trust, unincorporated organisation (i) in which the Issuer or, as the case may be, the Guarantor holds a majority of the voting rights or (ii) of which the Issuer or, as the case may be, the Guarantor is a member and has the right to appoint or remove a majority of the board of directors or (iii) of which the Issuer or the Guarantor is a member and controls a majority of the voting rights, and includes any individual, partnership, corporation, limited liability company, association, trust, unincorporated organisation which is a Subsidiary of a Subsidiary of the Issuer or, as the case may be, the Guarantor.

## 4. INTEREST

### 4.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or

in the case of Fixed Rate Notes in definitive form, the Calculation Amount;



and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 4.1:

- (a) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
  - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
  - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
    - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (b) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In the Conditions:

**Determination Period** means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

**sub unit** means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

## 4.2 Interest on Floating Rate Notes

### (a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in the Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 4.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (b)(ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means a day which is both:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the applicable Final Terms; and
- (b) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

*(b) Rate of Interest - Screen Rate/Reference Bank Determination*

The Rate of Interest payable from time to time in respect of Floating Rate Notes will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) (the **Specified Time**) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (A) above, no offered quotation appears or, in the case of (B) above, fewer than three offered quotations appear, in each case as at the Specified Time, the Agent shall request each of the Reference Banks to provide the Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that

which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the relevant Issuer suitable for the purpose) informs the Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

For purposes of this Condition **Reference Banks** means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Agent or as specified in the applicable Final Terms.

*(c) Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

*(d) Determination of Rate of Interest and calculation of Interest Amounts*

The Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the

Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

**Day Count Fraction** means, in respect of the calculation of an amount of interest in accordance with this Condition 4.2:

- (i) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (vi) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30; and

- (vii) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

*(e) Notification of Rate of Interest and Interest Amounts*

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed (by no later than the first day of each Interest Period) and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

*(f) Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2, whether by the Agent shall (in the absence of wilful default, bad faith or manifest error or proven error) be binding on the Issuer, the Guarantor, the Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Guarantor, the Noteholders or the Couponholders shall attach to the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

#### **4.3 Accrual of interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

### **5. PAYMENTS**

#### **5.1 Method of payment**

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7.

## **5.2 Presentation of definitive Notes and Coupons**

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 5.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Fixed Rate Notes in definitive form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

## **5.3 Payments in respect of Global Notes**

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note, where applicable against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note either by the Paying Agent to which it was presented or in



the records of Euroclear and Clearstream, Luxembourg, as applicable. General provisions applicable to payments.

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or, as the case may be, the Guarantor to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences to the Issuer or the Guarantor.

#### **5.4 Payment Day**

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (i) the relevant place of presentation (save, in the case of a Global Note, where presentation is not required); and
  - (ii) each Additional Financial Centre specified in the applicable Final Terms; and
- (b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New

Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

## **5.5 Interpretation of principal and interest**

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 7;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6.5); and
- (f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

## **6. REDEMPTION AND PURCHASE**

### **6.1 Redemption at maturity**

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at 100 per cent. of its nominal amount in the relevant Specified Currency on the Maturity Date.

### **6.2 Redemption for tax reasons**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), if:

- (a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 or the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and
- (b) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Agent a certificate signed by two directors of the Issuer or, as the case may be, two Directors of the Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 6.2 will be redeemed at their Early Redemption Amount referred to in Condition 6.5 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

### **6.3 Redemption at the option of the Issuer (Issuer Call)**

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

- (a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 13; and
- (b) not less than 15 days before the giving of the notice referred to in (a) above, notice to the Agent;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 6.3 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least five days prior to the Selection Date.

### **6.4 Redemption at the option of the Noteholders (Investor Put)**

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to this Condition 6.4 shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6.4 and instead to declare such Note forthwith due and payable pursuant to Condition 9.

#### **6.4A Redemption at the Option of the Noteholders upon a Change of Control (Investor Put)**

If Change of Control Put Option is specified in the applicable Final Terms and at any time while any Note remains outstanding there occurs (i) a Change of Control and within the Change of Control Period (if at the time that the Change of Control occurs the Notes are rated by a Rating Agency) a Rating Downgrade in respect of that Change of Control occurs; or (ii) a Change of Control (if at such time the Notes are not rated) (in either case, a **Put Event**), the holder of each Note will have the option (unless, prior to the giving of the Put Event Notice referred to below, the Issuer gives notice to redeem the Notes under Condition 6.2) to require the Issuer to redeem or, at the Issuer's option, purchase (or procure the purchase of) that Note on the Change of Control Redemption Date (Put) (as defined below) at the Change of Control Redemption Amount specified in the applicable Final Terms.

A **Change of Control** shall be deemed to have occurred at each time (whether or not approved by the Board of Directors or Executive Committee of the Issuer) that any person (the **Relevant Person**) or persons acting in concert or any person or persons acting on behalf of any such person(s), at any time directly or indirectly acquire(s) (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Issuer or (B) such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer, provided that a Change of Control shall not be deemed to have occurred if all or substantially all of the shareholders of the Relevant Person are, or immediately prior to the event which would otherwise have constituted a Change of Control were, the shareholders of the Issuer with the same (or substantially the same) pro rata interests in the share capital of the Relevant Person as such shareholders have, or as the case may be, had, in the share capital of the Issuer.

**Change of Control Period** means the period ending 120 days after the public announcement of the Change of Control having occurred.

**Rating Agency** means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. or Moody's Investors Service, Inc. and their respective successors or any other rating agency of equivalent international standing specified from time to time by the Issuer.

A **Rating Downgrade** shall be deemed to have occurred in respect of a Change of Control if within the Change of Control Period the rating previously assigned to the Notes by any Rating Agency is (x) withdrawn or (y) changed from an investment grade rating (BBB-/Baa3, or their respective equivalents for the time being, or better) to a non-investment grade rating (BB+/Ba1, or their respective equivalents for the time being, or worse) or (z) if the rating previously assigned to the Notes by any Rating Agency shall be below an investment grade rating (as described above), lowered one full rating category (for example from BB+ to BB or such similar lower or equivalent rating), provided that a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control if the Rating Agency making the change in rating to which this definition would otherwise apply does not publicly announce or publicly confirm that the reduction was the result, in whole or part, of any event or circumstance comprised in or arising as a result of, or in respect of, the applicable Change of Control.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 13 specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the option contained in this Condition 6.4A. To exercise the option to require redemption or, as the case may be, purchase of a Note under this Condition 6.4A the holder of that Note must, if the Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver such Note, on any Business Day (as defined in Condition 4.2) in the city of the specified office of the relevant Paying Agent falling within the period (the **Put Period**) of 45 days after a Put Event Notice is given, at the specified office of any Paying Agent, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a **Put Option Notice**) and in which the holder may specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 6.4A accompanied by the Note or evidence satisfactory to the Paying Agent concerned that the Note will, following delivery of the Put Notice, be held to its order or under its control.

The Paying Agent to which such Note and Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt (a **Put Option Receipt**) in respect of the Note so delivered. The Issuer shall redeem or at the option of the Issuer purchase (or procure the purchase of) the Notes in respect of which Put Option Receipts have been issued on the date which is the seventh day after the last day of the Put Period (the **Change of Control Redemption Date (Put)**), unless previously redeemed and purchased. Payment in respect of any Note so delivered will be made, if the holder duly specified a bank account in the Put Option Notice to which payment is to be made, on the Change of Control Redemption Date (Put) by transfer to that bank account and in every other case on or after the Change of Control Redemption Date (Put), in each case against presentation and surrender or (as the case may be) endorsement of such Put Option Receipt at the specified office of any Paying Agent in accordance with the provisions of this Condition 6.4A.

If the Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption or, as the case may be, purchase of a Note under this Condition 6.4A the holder of the Note must, within the Put Period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on this instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if the Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Agent for notation accordingly.

## 6.5 Early Redemption Amounts

For the purpose of Condition 6.2 above and Condition 9, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (b) in the case of a Zero Coupon Note, at an amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

**RP** means the Reference Price;

**AY** means the Accrual Yield expressed as a decimal; and

**y** is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms.

## 6.6 Purchases

The Issuer, the Guarantor or any Subsidiary of the Issuer or the Guarantor may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer or the Guarantor, surrendered to any Paying Agent for cancellation.

## 6.7 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 6.6 above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

## 6.8 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6.1, 6.2, 6.3 or 6.4 above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in

respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6.5(b) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 14.

## 7. TAXATION

All payments of principal and interest in respect of the Notes and Coupons by the Issuer or the Guarantor will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantor will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) presented for payment by or on behalf of a holder who is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon; or
- (b) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5.4); or
- (c) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (d) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union;
- (e) where such withholding or deduction is imposed under Sections 1471 and 1472 of the Internal Revenue Code of 1986, as amended (the **Code**), including pursuant to an agreement described in section 1471(b)(1) of the Code, or under any intergovernmental agreement implementing such provisions of the Code; or
- (f) in the case of Notes (other than Notes with a maturity of 183 days or less (taking into consideration unilateral rights to roll or extend) issued by SES Americas, presented for payment by or on behalf of (i) any 10 per cent. shareholder of SES Americas within the meaning of Section 871(h)(3)(B) of the Code, (ii) any controlled foreign corporation related to SES Americas within the meaning of Section 864(d)(4) of the Code or (iii) any bank extending credit pursuant to a loan agreement entered into in the ordinary course of its business, or (iv) any tax, assessment or governmental

charge that would not have been imposed or withheld but for the failure of the holder, if required, to comply with certification, identification or information reporting or any other requirements under United States income tax laws and regulations, without regard to any tax treaty, with respect to the payment, concerning the nationality, residence, identity or connection with the United States of the holder or a beneficial owner of such Note, Coupon or Talon, if such compliance is required by United States income tax laws and regulations, without regard to any tax treaty, as a precondition to relief or exemption from such tax, assessment or governmental charge, including, failure of the or of the beneficial owner of such Note, Coupon, or Talon to provide a valid U.S. IRS Form W-8 (or successor form) or other documentation as permitted by official IRS guidance, or with respect to Notes issued under the foreign targeted registered obligation rules, appropriate certification of non-U.S. beneficial ownership.

As used herein:

- (i) **Tax Jurisdiction** means Luxembourg or the United States or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Issuer or the Guarantor, as the case may be); and
- (ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

## 8. PRESCRIPTION

The Notes and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5.2 or any Talon which would be void pursuant to Condition 5.2.

## 9. EVENTS OF DEFAULT

If any one or more of the following events (each an **Event of Default**) shall occur and be continuing:

- (a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of three days from the due date for payment thereof; or
- (b) if the Issuer or the Guarantor fails to perform or observe any of its other obligations under the Conditions or the Guarantee and the failure continues unremedied for 30 days after written notice thereof, addressed to the Issuer and the Guarantor by any Noteholder, has been delivered to the Issuer and the Guarantor; or
- (c) (i) any Indebtedness of the Issuer or the Guarantor or any Subsidiary is not paid when due or (as the case may be) within any originally applicable grace period;



- (ii) any such Indebtedness becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Issuer or the Guarantor or (as the case may be) the relevant Subsidiary or (provided that no event of default, howsoever described, has occurred) any person entitled to such Indebtedness; or
- (iii) the Issuer or the Guarantor or any Subsidiary fails to pay when due any amount payable by it under any guarantee of any Indebtedness;

*provided that* the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any guarantee referred to in sub-paragraph (iii) above individually or in the aggregate exceeds €50,000,000 (or its equivalent in any other currency or currencies) and *provided further that* for purposes of this paragraph (c), neither the Issuer nor the Guarantor nor any Subsidiary shall be deemed to be in default with respect to such Indebtedness or guarantee of any Indebtedness if it shall be contesting in good faith by appropriate means its liability to make payment thereunder and has been advised by legal advisers of internationally recognised standing that it is reasonable for it to do so; or

- (d) a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any substantial part of the undertaking, assets and revenues of the Issuer, the Guarantor or any Material Subsidiary and such action is not stayed or discharged within 21 days; or
- (e) if any order is made by any competent court or effective resolution passed for the winding up or dissolution of the Issuer, the Guarantor or any Material Subsidiary (otherwise than in the case of SES Americas, for the purposes of or pursuant to an amalgamation, reorganisation or restructuring while solvent and pursuant to which SES assumes all of the assets, liabilities and obligations of SES Americas); or
- (f) the Issuer, the Guarantor or any Material Subsidiary becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator or liquidator of the Issuer, the Guarantor or any Material Subsidiary or the whole or any part of the undertaking, assets and revenues of the Issuer, the Guarantor or any Material Subsidiary is appointed, or (iii) the Issuer, the Guarantor or any Material Subsidiary takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it; or
- (g) any event occurs which under the laws of the United States of America or the Grand Duchy of Luxembourg has an analogous effect to any of the events referred to in paragraphs (d) to (f) above; or
- (h) if the Issuer or the Guarantor or any Subsidiary (i) ceases or threatens to cease to carry on a Major Part of the business of the Group; or (ii) sells, transfers or otherwise disposes of a Major Part of the assets of the Group, unless either (A) such cessation, sale, transfer or disposal is for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement not involving the insolvency of the Issuer, the Guarantor or such Subsidiary and under which all or substantially all of the relevant business or assets are transferred to the Issuer, the Guarantor or a Subsidiary or a transferee which upon acquiring the relevant business or assets thereupon becomes a Subsidiary or (B) the consideration received for such sale, transfer or disposal is utilised (by one transaction or a series of transactions occurring within 18

months of such sale, transfer or disposal) in acquiring assets for the purposes of the business of the Group; or

- (i) any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable each of the Issuer and the Guarantor lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes and the Guarantee, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) to make the Notes, the Coupons and the Guarantee admissible in evidence in the courts of the United States of America or the Grand Duchy of Luxembourg is not taken, fulfilled or done within 10 business days of such action, condition or thing being required to be taken, fulfilled or done; or
- (j) unless otherwise permitted under Condition 9(e), it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any of its obligations under or in respect of the Notes or the Guarantee; or
- (k) unless otherwise permitted under Condition 9(e), if the Guarantee ceases to be, or is claimed by the Guarantor not to be, in full force and effect, other than in accordance with its terms,

then any holder of a Note may, by written notice addressed to the Issuer and the Guarantor and delivered to the Issuer and the Guarantor, effective upon the date of receipt thereof by the Issuer and the Guarantor, declare any Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

For the purposes of paragraph (h) above, a **Major Part of the business of the Group** means a part of the business of the Group exceeding one third of Consolidated Gross Assets and **Major Part of the assets of the Group** means assets of the Group exceeding one third of Consolidated Gross Assets.

In the Conditions:

**Consolidated Gross Assets** means, as of any date, the total assets of SES and its consolidated Subsidiaries that would be shown as assets on a consolidated balance sheet of SES and its Subsidiaries as of such date prepared in accordance with IFRS; *provided that* for purposes of calculating Consolidated Gross Assets, if SES owns directly or indirectly less than a majority of the economic ownership interests in any subsidiary, such subsidiary shall be consolidated only to the extent of SES's direct or indirect economic ownership in such subsidiary;

**Finance Lease** means, at any time, a lease with respect to which the lessee is required concurrently to recognise the acquisition of an asset and the incurrence of a liability in accordance with IFRS;

**Group** means SES and its Subsidiaries taken as a whole;

**IFRS** means International Financial Reporting Standards (formerly International Accounting Standards) issued by the International Accounting Standards Board (**IASB**) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (as amended, supplemented or re-issued from time to time);

**Indebtedness** with respect to any Person means, at any time, without duplication:

- (a) its liabilities for borrowed money and its redemption obligations in respect of mandatorily redeemable Preferred Stock;
- (b) its liabilities for the deferred purchase price of property acquired by such Person (excluding accounts payable arising in the ordinary course of business but including all liabilities created or arising under any conditional sale or other title retention agreement with respect to any such property);
- (c) all liabilities appearing on its balance sheet in accordance with IFRS in respect of Finance Leases;
- (d) all liabilities for borrowed money secured by any Security Interest with respect to any property owned by such Person (whether or not it has assumed or otherwise become liable for such liabilities);
- (e) all its liabilities in respect of letters of credit or instruments serving a similar function issued or accepted for its account by banks and other financial institutions (whether or not representing obligations for borrowed money);
- (f) Swaps of such Person; and
- (g) any guarantee of such Person with respect to liabilities of a type described in any of (a) through (f) above.

Indebtedness of any Person shall include all obligations of such Person of the character described in (a) through (g) above to the extent it remains legally liable in respect thereof notwithstanding that any such obligation is deemed to be extinguished under IFRS;

**Material Subsidiary** means any Subsidiary of the Issuer or the Guarantor:

- (a) whose gross revenues (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent no less than 5 per cent. of the consolidated gross revenues of the Group, all as calculated by reference to the last audited (consolidated or, as the case may be, unconsolidated) accounts of the Subsidiary and the latest audited consolidated accounts of SES and its Subsidiaries; or
- (b) whose total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent no less than 5 per cent. of the consolidated total assets of the Group, all as calculated by reference to the latest audited (consolidated or, as the case may be, unconsolidated) accounts of the Subsidiary and the latest audited consolidated accounts of SES and its Subsidiaries; or
- (c) to which is transferred the whole or substantially the whole of the undertaking and assets of a Subsidiary of the Issuer or the Guarantor which immediately before the transfer is a Material Subsidiary of the Issuer or the Guarantor (whereupon such transferor Subsidiary shall cease to be a Material Subsidiary until the next publication of audited consolidated accounts of SES and its Subsidiaries following such transfer),

*provided that* in the case of a Subsidiary acquired or an entity which becomes a Subsidiary after the end of the financial period to which the latest audited consolidated accounts of SES and its Subsidiaries relate, the reference to the latest audited consolidated accounts for the purposes of the calculation above shall, until audited consolidated accounts of SES and its Subsidiaries are published for the financial period in which the acquisition is made or, as the case may be, in which such entity becomes a Subsidiary, be deemed to be a reference to the latest consolidated accounts of SES and its

Subsidiaries adjusted in such manner as SES shall consider appropriate to consolidate the latest audited accounts of such Subsidiary in such accounts; and a certificate signed by two directors of the Issuer or the Guarantor that in their opinion a Subsidiary of the Issuer or the Guarantor is or is not or was or was not at any time or throughout any specified period a Material Subsidiary shall, in the absence of manifest of proven error, be conclusive and binding;

**Person** means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organisation, or a government or agency or political subdivision thereof;

**Preferred Stock** means any class of capital stock of a corporation that is preferred over any other class of capital stock of such corporation as to the payment of dividends or the payment of any amount upon liquidation or dissolution of such corporation;

**Swaps** means, with respect to any Person, payment obligations with respect to interest rate swaps, currency swaps and similar obligations obligating such Person to make payments, whether periodically or upon the happening of a contingency. For the purposes of these Conditions, the amount of the obligation under any Swap shall be the amount determined in respect thereof as of the end of the then most recently ended fiscal quarter of such Person, based on the assumption that such Swap had terminated at the end of such fiscal quarter, and in making such determination, if any agreement relating to such Swap provides for the netting of amounts payable by and to such Person thereunder or if any such agreement provides for the simultaneous payment of amounts by and to such Person, then in each such case, the amount of such obligation shall be the net amount so determined.

## **10. REPLACEMENT OF NOTES, COUPONS AND TALONS**

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

## **11. PAYING AGENTS**

The names of the initial Paying Agents and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) there will at all times be an Agent;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (c) there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5.3. Any variation, termination,

appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 13.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and the Guarantor and do not assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

## **12. EXCHANGE OF TALONS**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

## **13. NOTICES**

All notices regarding the Notes will be deemed to be validly given if published (a) in a leading English language daily newspaper of general circulation in London and (b) if and for so long as the Notes are admitted to trading on, and listed on the Official List of the Luxembourg Stock Exchange and the rules of such stock exchange so require, a daily newspaper of general circulation in Luxembourg, and/or on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)). It is expected that any such publication in a newspaper will be made in the *Financial Times* in London and the *Luxemburger Wort* or the *Tageblatt* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

#### 14. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or the Guarantor and shall be convened by the Issuer if required in writing by Noteholders holding not less than ten per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons), the quorum shall be one or more persons holding or representing not less than three-quarters in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-quarter in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

The Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders, to:

- (a) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

#### 15. SUBSTITUTION

- (a) The Issuer may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as the principal debtor under the Notes and the Coupons the Guarantor or any other member of the Group (such substitute, a **New Issuer**) *provided that*:
  - (i) a deed poll and such other documents (if any) shall be executed by the New Issuer and, to the extent necessary, the other parties to the Agency Agreement, as may be necessary to give full effect to the substitution and pursuant to which the New Issuer shall undertake in favour of each

Noteholder and each Accountholder (as defined in the Deed of Covenant) to be bound by these conditions, the Deed of Covenant and the Agency Agreement as principal debtor in respect of the Notes in place of the Issuer;

- (ii) each rating agency which has assigned credit rating to the Notes confirms that upon the substitution of the New Issuer becoming effective the Notes will either have the same credit rating as immediately prior to the substitution or the credit rating will not be adversely affected;
  - (iii) the Agent shall have received legal opinions addressed to the Noteholders from legal advisers of internationally recognised standing approved by it to the effect, *inter alia*, that (A) the New Issuer has obtained all governmental and regulatory approvals and consents necessary for its assumption of the obligations and liabilities as principal debtor under these Conditions, the Deed of Covenant and the Agency Agreement in place of the Issuer, the holders of the Notes and Coupons have rights against the New Issuer at least equivalent to the rights they have against the Issuer, subject to the other Conditions in this Condition 15 having been satisfied such assumption is fully effective and such obligations and liabilities are legally valid and binding on, and enforceable against, the New Issuer; (B) such approvals and consents are in full force and effect at the time of substitution; and (C) confirming, with respect to the New Issuer, compliance with sub-paragraph (iv) below;
  - (iv) all payment of principal and interest in respect of the Notes and Coupons by or on behalf of the New Issuer shall be made free and clear of and without withholding or deduction for or on account of any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of the tax jurisdiction to which it is subject or any political subdivision thereof or any authority thereof or therein having power to tax;
  - (v) any stock exchange on which the Notes are listed shall have confirmed to the Issuer and the Agent that, after giving effect to the substitution the Notes will continue to be listed on such stock exchange(s);
  - (vi) two officers of the New Issuer shall have certified to the Agent that the New Issuer is solvent at the time at which the substitution or appointment is proposed to be effected; and
  - (vii) where the substitution of Issuer is the substitution of SES Americas as a result of the winding-up, dissolution or other similar process of SES Americas for the purposes of or pursuant to an amalgamation, reorganisation or restructuring while solvent and pursuant to which SES assumes all of the assets, liabilities and obligations of SES Americas, then the New Issuer shall be SES and no guarantee of the Notes shall be required from any person following such substitution.
- (b) Upon execution and delivery of the deed poll or the other documents referred to in paragraph (a)(i) above and delivery of the legal opinions and other documents referred to in paragraph (a)(ii) to (iv) above the New Issuer shall be deemed to be named in the Notes, the Deed of Covenant and the Agency Agreement as the

principal debtor in place of the Issuer and the Notes, the Deed of Covenant, the Agency Agreement and any other documents related to the Notes shall thereupon be deemed to be amended to give effect to the substitution, and the Issuer shall be released from all of its obligations under or in respect of the Notes, the Deed of Covenant, and the Agency Agreement and any other documents related to the Programme.

- (c) Not later than 14 days after the substitution of a New Issuer, notice shall be given to the Noteholders in accordance with Condition 13 (Notices).

*In the event of any such substitution as described in Condition 15 (Substitution) the Issuer and the Guarantor will, to the extent required by the Luxembourg Stock Exchange, prepare a supplement to this Prospectus containing information in relation to the substitution.*

## **16. FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

## **17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## **18. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

### **18.1 Governing law**

The Agency Agreement, the Guarantee, the Deed of Covenant, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Notes and the Coupons are governed by, and shall be construed in accordance with, English law. The provisions of articles 86 to 94-8 (inclusive) of the Luxembourg law of 10 August 1915 on commercial companies, as amended shall be expressly excluded.

### **18.2 Submission to jurisdiction**

The Issuer irrevocably agrees, for the benefit of the Noteholders and the Couponholders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Agency Agreement, the Notes and the Coupons) and accordingly submits to the exclusive jurisdiction of the English courts.

The Issuer waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Noteholders and the Couponholders, may take any suit, action or proceedings (together referred to as Proceedings) arising out of or in connection with the Notes and the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Notes and the Coupons), against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

### **18.3 Appointment of Process Agent**



The Issuer appoints Freshfields Bruckhaus Deringer LLP at its registered office at 65 Fleet Street, London EC4Y 1HS (marked for the attention of the Dispute Resolution DMP and Mr. Edward Evans, reference 123182-0015) as its agent for service of process, and undertakes that, in the event of Freshfields Bruckhaus Deringer LLP ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

## FORM OF FINAL TERMS

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.*

[Date]

[SES/SES GLOBAL AMERICAS HOLDINGS GP]

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] by [SES/SES Global Americas Holdings GP]**

**[Guaranteed by SES/SES Global Americas Holdings GP]**

**under the €4,000,000,000**

**Euro Medium Term Note Programme**

### **PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 15 November 2012 which constitutes a base prospectus of each of SES and SES Global Americas Holdings GP for the purposes of the Prospectus Directive (Directive 2003/71/EC), as amended (which includes the amendments made by Directive 2010/73/EU) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus is available for viewing during normal business hours at Château de Betzdorf, L-6815 Betzdorf and from BNP Paribas Securities Services, Luxembourg branch at 33, Rue de Gasperich, L-5826 Hesperange and has been published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Prospectus dated [original date]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) as amended (which includes the amendments made by Directive 2010/73/EU) (the **Prospectus Directive**) and must be read in conjunction with the Prospectus dated [current date] which constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Prospectus dated [original date]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus dated [current date] and the Prospectus [original date]. Copies of the Prospectuses and these Final Terms are available for viewing during normal business hours at Château de Betzdorf, L-6815 Betzdorf, Luxembourg, from BNP Paribas Securities Services, Luxembourg branch at 33, Rue de Gasperich, L-5826 Hesperange and has been published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs (please note that the sub-paragraphs of the paragraphs which are not applicable should not be deleted). Italics denote directions for completing the Final Terms.]*

1. (a) Series Number: [   ]  
      (b) Tranche Number: [   ]
2. Specified Currency: [   ]
3. Aggregate Nominal Amount:  
      (a) [Series: [   ]  
      (b) [Tranche: [   ]  
      (c) Date on which the Notes become fungible: [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [insert amount, interest rate, maturity date and issue date of the Series] on [insert date/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 21 below [which is expected to occur on or about [insert date]]]]]
4. Issue Price: [   ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
5. (a) Specified Denominations: [   ]

*(Note – where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:*

*“[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].”)*

*(N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €100,000 minimum denomination is not required.)*

- (b) Calculation Amount: [   ]

*(If only one Specified Denomination, insert the Specified Denomination.*

*If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more*

*Specified Denominations.)*

6. (a) Issue Date: [   ]  
(b) Interest Commencement Date: [*specify*/Issue Date/Not Applicable]  
*(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
7. Maturity Date: [*Fixed rate – specify date*]  
*Floating rate – Interest Payment Date falling in or nearest to [*specify month*]*
8. Interest Basis: [[   ] per cent. Fixed Rate]  
[[LIBOR/EURIBOR] +/- [   ] per cent. Floating Rate]  
[Zero Coupon]
9. Change of Interest Basis: [*Specify details*]/[Not Applicable]
10. Put/Call Options: [Investor Put]  
[Change of Control Put Option]  
[Issuer Call]
11. [Date [Board] approval for issuance of Notes and Guarantee obtained: [   ] [and [   ], respectively]]  
*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)*

## **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

12. Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, insert “not applicable” for each sub-paragraph; do not delete the remaining subparagraphs of this paragraph)*
- (a) Rate(s) of Interest: [   ] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [   ] in each year up to and including the Maturity Date  
*(N.B. This will need to be amended in the case of long or short coupons)*
- (c) Fixed Coupon Amount(s): [   ] per Calculation Amount  
*(Applicable to Notes in definitive form.)*

- (d) Broken Amount(s): ☐ per Calculation Amount, payable on the Interest Payment Date falling [in/on] ☐ *(Applicable to Notes in definitive form.)*
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA)]
- (f) Determination Date(s): ☐ in each year
- [Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]*
- N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration*
- N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)]*
13. Floating Rate Note Provisions ☐ [Applicable/Not Applicable]  
*(If not applicable, insert “not applicable” for each sub-paragraph; do not delete the remaining subparagraphs of this paragraph)*
- (a) Specified Period(s)/Specified Interest Payment Dates: ☐
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (c) Additional Business Centre(s): ☐
- (d) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): ☐
- (e) Screen Rate Determination: ☐
- Reference Rate: ☐ *(Either LIBOR or EURIBOR)*
  - Interest Determination Date(s): ☐ *(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
  - Relevant Screen Page: ☐ *(In the case of EURIBOR, if not Reuters)*

*EURIBOR01 ensure it is a page which shows a composite rate)*

(f) Margin(s): [ +/ - ] [ ] per cent. per annum

(g) Minimum Rate of Interest: [ ] per cent. per annum

(h) Maximum Rate of Interest: [ ] per cent. per annum

(i) Day Count Fraction: [Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/365 (Sterling)  
Actual/360  
30/360  
30E/360  
30E/360 (ISDA)]  
*(See Condition 4 for alternatives)*

14. Zero Coupon Note Provisions [Applicable/Not Applicable]  
*(If not applicable, insert “not applicable” for each sub-paragraph; do not delete the remaining subparagraphs of this paragraph)*

(a) Accrual Yield: [ ] per cent. per annum

(b) Reference Price: [ ]

(c) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 6.5(b) and 6.8 apply]  
*(Consider applicable day count fraction if not U.S. dollar denominated)*

## PROVISIONS RELATING TO REDEMPTION

15. Issuer Call: [Applicable/Not Applicable]  
*(If not applicable, insert “not applicable” for each sub-paragraph; do not delete the remaining subparagraphs of this paragraph)*

(a) Optional Redemption Date(s): [ ]

(b) Optional Redemption Amount of each Note: [ ] per Calculation Amount

(c) If redeemable in part:

(i) Minimum Redemption Amount: [ ]

(ii) Minimum Redemption Amount: [ ]

16. Investor Put: [Applicable/Not Applicable]  
*(If not applicable, insert “not applicable” for each sub-paragraph; do not delete the remaining subparagraphs of this paragraph)*

- (a) Optional Redemption Date(s): [    ]
- (b) Optional Redemption Amount of each Note: [    ] per Calculation Amount
17. Change of Control Put Option: [Applicable/Not Applicable]
- (If not applicable, insert “not applicable” for each sub-paragraph; do not delete the remaining subparagraph of this paragraph)*
- Change of Control Redemption Amount of each Note: [    ] per Calculation Amount together with (or, where purchased, together with an amount equal to) accrued interest per Calculation Amount to but excluding the Change of Control Redemption Date (Put)
18. Final Redemption Amount of each Note: [    ] per Calculation Amount
19. Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default: [    ] per Calculation Amount

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

20. (a) Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days’ notice given at any time/only upon an Exchange Event]]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
- [Permanent Global Note exchangeable for Definitive Notes [on 60 days’ notice given at any time/only upon an Exchange Event]]
- [N.B. Notes with a maturity of more than 183 days (taking into consideration unilateral rights to roll or extend) may not be issued by SES Americas, except to the extent that the relevant Note in global bearer form has been immobilised with a clearing organisation or its depositary in accordance with procedures sufficient to cause such Notes to be treated as issued in registered form for United States federal tax purposes. Notes will be considered to be effectively immobilised so as to be treated as issued in registered form for United States federal tax purposes where (i) the Notes are represented by one or more global Notes in physical form that are issued to and held by a*

*clearing organisation (or by a custodian or depositary acting as an agent of the clearing organisation) for the benefit of purchasers of interests in the Notes under arrangements that prohibit the transfer of the global Note except to a successor clearing organisation subject to the same terms, (ii) beneficial interests in the underlying Notes are transferable only through a book-entry system maintained by the clearing organisation (or an agent of the clearing organisation), and (iii) holders may obtain definitive Notes in bearer form only upon the occurrence of an Exchange Event.]*

(b) New Global Note: [Yes][No]

21. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]  
*(Note that this item relates to the place of payment and not Interest Period end dates to which item 12(b) and 13(a) relates)*
22. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [No/Yes. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left]

### THIRD PARTY INFORMATION

[[●] has been extracted from *[specify source]*. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by *[specify source]*, no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of [SES/  
SES Global Americas Holdings GP]

By:.....  
*Duly authorised*

Signed on behalf of [SES/  
SES Global Americas Holdings GP]

By: .....  
*Duly authorised*



## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the regulated market of the Luxembourg Stock Exchange] and listing on [the official list of the Luxembourg Stock Exchange] with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the regulated market of the Luxembourg Stock Exchange] and listing on [the official list of the Luxembourg Stock Exchange] with effect from [ ].] [Not Applicable.]
- (ii) Estimate of total expenses related to admission to trading: [ ]

### 2. RATINGS

Ratings: [Not Applicable/The Notes to be issued [have been/are expected to be] rated/The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

[*name of the rating agency*] : [●]

[and endorsed by [insert details]]\*\*

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

*(Include appropriate Credit Rating Agency Regulation (1060/2009) disclosure)*

[[*Insert credit rating agency*] is established in the European Union and is registered under Regulation (EU) No 1060/2009 (the **CRA Regulation**).]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EU) No 1060/2009 (the **CRA Regulation**).]

[[*Insert credit rating agency*] is established in the

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\*\* Insert this wording where one or more of the ratings included in the Final Terms has been endorsed by an EU registered credit rating agency for the purposes of Article 4(3) of the CRA Regulation.

European Union and has applied for registration under Regulation (EU) No 1060/2009 (the **CRA Regulation**), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EU) No 1060/2009 (the **CRA Regulation**) but the rating issued by it is endorsed by [*insert endorsing credit rating agency*] which is established in the European Union and [is registered under the CRA Regulation] [has applied for registration under the CRA Regulation, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority].]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EU) No 1060/2009 (the **CRA Regulation**) but is certified in accordance with the CRA Regulation.]\*\*\*

[The European Securities and Markets Authority has published on its website a list of credit rating agencies currently registered in accordance with the CRA Regulation. Such list shall be updated within five working days following the adoption of a decision under Articles 16,17 or 20 of the CRA regulation. The European commission shall publish that updated list in the Official Journal of the European Union within 30 days of any updates (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>).]

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the Managers/Dealers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – *Amend as appropriate if there are other interests*]

[(*When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.*)]

### 4. YIELD (Fixed Rate Notes only)

Indication of yield: [ ]

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\*\*\* Insert for Notes which are admitted or to be admitted to trading on a regulated market within the EEA and which have been assigned a rating.

Calculated as [*include specific details of method of calculation in summary form*] on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

## 5. OPERATIONAL INFORMATION

(i) ISIN: [ ]

(ii) Common Code: [ ]

(iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, société anonyme, the relevant address and the identification number(s): [Not Applicable/give name(s) and numbers(s)]

(iv) Delivery: Delivery [against/free of] payment

(v) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

[No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

## 6. DISTRIBUTION

U.S. Selling Restrictions: [Reg. S Category 3; TEFRA D; TEFRA C; TEFRA not applicable]

## DESCRIPTION OF SES AND THE GROUP

### Overview

SES is one of the world's largest satellite services providers and operators in terms of revenue, EBITDA, satellite fleet size and contract backlog. The Group owns and operates a fleet of more than 50 geostationary satellites and provides satellite communications services to three categories of customers worldwide: media and broadcasters, enterprises and governments. The Group's fleet is complemented by a network of teleports and offices located around the world. This far-reaching infrastructure enables the Group to offer technical coverage to most of the world's population. The Group's transponder utilisation rate as at 30 June 2012 was 77.0 per cent., representing 1,042 of 1,354 transponders commercially available.

The Group generates its revenue primarily from service agreements to provide satellite transponder capacity and broadcasting services through which television, radio and data broadcasting are made available to the general public. The transmission of television and radio channels accounted for 71 per cent. and 70 per cent. of revenue in the twelve months ended 31 December 2011 and the six months ended 30 June 2012, respectively. Data and other services represent the remaining proportion of revenue.

The Group's satellite capacity contracts and represent a contract backlog of approximately €6.8 billion as of 30 June 2012. Contracts with broadcasters are generally long-term, with typical durations of ten years (and up to 15 years in certain cases), for customers in North America and Europe, and between five and ten years for customers in emerging markets. Contracts with enterprises are typically three to five years in length, and contacts with government customers are typically one year. The Group's largest customers generally are leading media companies and government agencies with low credit risk and steady cash flows. These qualities, combined with the Group's contract backlog, provide SES with predictable cash flows and revenue visibility. SES believes the long-cycle nature of many of the Group's material contracts make the business less susceptible to short-term fluctuations in global economic conditions.

SES's core markets are in mature markets in Europe and North America, which are characterized by their large size and lower growth rates. However, a growing share of revenue (24 per cent. and 26 per cent. in the year ended 31 December 2011 and six months 30 June 2012, respectively) is generated by operations in higher growth markets in Latin America, Africa, Asia-Pacific and the Middle East.

The Group had revenue, EBITDA and operating profit of €1,733.1 million, €1,274.6 million and €808.2 million, respectively, for the year ended 31 December 2011, and €891.9 million, €665.1 million and €411.5 million, respectively, for the six months ended 30 June 2012. Its EBITDA margin was 73.5 per cent. for the year ended 31 December 2011 and 74.6 per cent. for the six months ended 30 June 2012.

### History

SES was founded in 1985 as Europe's first private satellite operator under the name of Société Européenne des Satellites. The Group's first satellite, ASTRA 1A, was launched in December 1988 for broadcasting primarily into the U.K., with transmission beginning in February 1989. The satellite had 16 transponders, most of which targeted specific markets in the U.K. and Scandinavia. By the end of 1990, ASTRA 1A was able to reach over 16 million cable and direct-to-home (**DTH**) households in Europe. The launch of ASTRA 1A was followed by the launches of the ASTRA 1B, ASTRA 1C and ASTRA 1D satellites to meet increasing demand, in 1991, 1993 and 1994,

respectively. These satellites were co-located in the same orbital slot (19.2°E) as ASTRA 1A, substantially increasing the number of channels that could be transmitted from that orbital position.

In the years that followed, the Group reached further milestones, including the inauguration of its digital technical facilities for the reception, monitoring, multiplexing, encryption and uplinking of hundreds of digital channels on the ASTRA system, launching further satellites, and expanding its footprint across Europe.

In 1998, SES became a publicly listed company through an initial public offering and listing on the Luxembourg Stock Exchange. In 1999, the Group began its transition from a single-market business to a global operator through a strategy of acquiring minority interests in regional operators, such as Asian operator AsiaSat, Nordic operator NSAB and Brazilian operator Star One.

In 1998, SES opened a second orbital location for Europe at 28.2° E, to serve the U.K. and Ireland DTH markets. First transmissions began following the launch of ASTRA 2A in August 1998.

In 2001, SES acquired a 100 per cent. interest in GE American Communications, for a consideration in cash and shares, following which GE became a significant shareholder in SES. The acquisition included 13 satellites serving the North American market, as well as six other satellites covering Asia, Latin American and certain Oceanic regions, as well as a U.S. government services unit.

In 2003, the Group created a strategic partnership that linked SES AMERICOM (North America's largest satellite operator at the time) with EchoStar (the U.S.'s second largest DTH network) by which the Group procures satellites and then fully contracts the capacity of the satellites to EchoStar. In May 2004, SES's securities were listed on the Euronext Paris Stock Exchange in order to further facilitate trading in SES's securities.

In 2006, SES extended its footprint to deliver global coverage through the acquisition of New Skies Satellites. This acquisition gave the Group global coverage *via* 100 per cent. owned satellites, thereby shifting its strategy away from minority interests in AsiaSat and Star One. In a €1.2 billion spin-off transaction in 2007, these and certain other assets and cash were contributed to GE in exchange for its remaining shareholding in SES, shares which were then cancelled.

In 2007, the Group entered into an agreement with launch service providers Arianespace and ILS that secured enhanced launch flexibility and access to space for its satellites. The multiple launch agreement covered ten future launches.

In 2008, the Group opened a new orbital position, 31.5°E, to serve markets in Eastern Europe. Operations were initiated with the Sirius 2 satellite, renamed ASTRA 5A. Following its retirement from service, operations continued on the ASTRA 2C and subsequently the ASTRA 1G satellite. ASTRA 5B is being built and expected to operate at 31.5° E after its launch, which is scheduled for 2013.

In 2009, SES continued to expand despite the global economic downturn, with robust demand for capacity in its emerging markets. In particular, the Group entered into a partnership with Star Satellite Communications Company PJSC (**YahSat**) to offer DTH television in the Middle East and North Africa. The Group also announced its strategic investment in O3b, a start-up company proposing to provide high-speed broadband connectivity across the developing world. See "*Description of SES and the Group—O3b*" below.

By 2010, the Group had more than 40 satellites in operation and celebrated its 25-year anniversary.

In 2011, the Group expanded its fleet through the launch of five new satellites. It currently operates a fleet of over 50 geostationary satellites.

The ASTRA satellite system has continued to experience growth in its customer base in the 35 countries in its footprint. A growing line-up of digital television and radio channels has increased ASTRA's technical reach. At the end of 2011, ASTRA reached 142 million, or 57 per cent., of all televisions households in its footprint. These households receive broadcasts via satellite, cable and IPTV, of which satellite serves 62 million homes directly, with cable (66 million) and IPTV (14.6 million) serving the remainder.

## **Reorganisation and Management Structure**

In 2011, SES implemented a corporate reorganisation to enhance its customer focus, in particular strengthening its presence in those high-growth emerging markets which the Group is targeting for most of the incremental satellite capacity being launched over the next three years.

The reorganisation, which was announced in May 2011 and completed effective 1 January 2012, unified operations under a single management structure as opposed to separate operating segments, thereby reducing duplication in support functions such as legal and finance, and enabling a unified approach to markets that had previously been served by both the SES ASTRA and SES WORLD SKIES operating segments. For this reason, and due to the tightly integrated management structure and the common nature of the services which are provided by the Group's satellite fleet around the world, SES is now doing business as one operating segment only.

In September 2011, operations were rebranded under the SES banner, although the Group's well-established ASTRA brand continues to be used in the core European DTH markets.

The Executive Committee, which is the senior decision-making body in the Group's corporate governance framework, reviews the Group's financial reporting and generates those proposals for the allocation of company resources which are submitted to the Board, ensuring that the strategic interests of the Group are coordinated and prioritized at the highest executive level.

The Executive Committee is comprised of the following executives who lead the Group's five primary business functions:

1. The Chief Executive Officer;
2. The Chief Commercial Officer;
3. The Chief Development Officer;
4. The Chief Financial Officer; and
5. The Chief Technical Officer.

See "*Description of SES and Corporate Governance—Committees—The Executive Committee*" for more information.

This newly implemented organisational and management structure supports streamlined and efficient decision-making and is expected to deliver operational synergies as well as to enhance business development.

The Group now has five customer-facing commercial groups, each of which is headed by a senior vice president:

1. Europe;
2. the Americas;
3. Asia-Pacific, India and the Middle East;
4. Africa; and
5. Product Development and Management.

While SES generates management reporting for the sales performance of the different areas above, the current financial reporting does not, for example, attempt to match these revenue streams to the relevant direct and indirect operating expenses and underlying assets.

In analyzing overall revenue and allocating both human and capital resources, the Group matches the “revenue to the downlink” region rather than according to sales organisation.

## **Industry Overview and Trends**

### ***Overview***

SES operates in the FSS sector of the satellite industry, which forms an integral part of the global communications infrastructure and is expected to generate total revenue globally of approximately \$11.5 billion in 2013, according to Euroconsult.

Over the last several years, deregulation and privatization have significantly reshaped the FSS sector. In addition, the sector has seen an increase in export financing from countries such as China, France and the U.S. that has contributed to the development of national satellite programmes. The sector has also undergone consolidation, with regional and national operators being acquired by larger companies or seeking to partner with other providers.

There are currently three FSS operators in addition to SES, that provide services globally, which is increasingly important as broadcasters, enterprises and governments seek global connectivity. In addition, there are a number of operators with fewer satellites that provide regional and/or national services.

### ***Satellite Communication***

Satellite operators compete with terrestrial network operators (e.g., cable, DSL, fiber optic and microwave broadcasting) in the market for video, data and voice communication services. Satellite services have several advantages over these competing communication platforms, such as:

- the ability to extend beyond terrestrial network end points, or provide an alternative path to terrestrial infrastructure, thus avoiding points of congestion or unreliability;
- cost-effectiveness and efficiency in content distribution through the ability to broadcast high quality signals (TV, radio and internet) from a single location to many locations simultaneously;

- fast network deployments, with network performance easily replicated across each site regardless of geography or infrastructure, and efficient centralized control and management;
- the ability to provide ubiquitous coverage over a large geographic region allowing for the addition of sites at a lower marginal cost. Unlike cable and fiber lines, satellites can readily provide broadcast and communication services over large areas and to remote locations where the population density may not be high enough to warrant the expense of building a terrestrial-based communications network;
- superior end-to-end network availability as compared to the availability of terrestrial networks;
- sufficient bandwidth for new technologies and video and data offerings, such as HDTV; and
- instant communications infrastructure for disaster recovery.

Terrestrial alternatives, such as fiber optic cable, are superior to satellite in some circumstances and can be used in conjunction with satellite to provide a hybrid network that takes advantage of the inherent abilities of both technologies. Generally, in areas well-served by terrestrial networks or for point-to-point communications, terrestrial alternatives may have a cost advantage, while more dispersed, point-to-multipoint communications may be better served by satellite.

In recent years, the growth in both linear and non-linear TV viewing and the demand for the delivery of broadcast and broadband network to subscribers through a single user interface have led to the development of Hybrid Terrestrial-Satellite solutions. This trend of hybridization combines the satellite's broadcast quality, reach and economics with the interactivity of non-linear and terrestrial networks.

### ***Supply and Demand for Fixed Satellite Services***

#### ***Supply***

The supply of satellite capacity is affected by significant requirements for financial, technical, human, natural and other resources. For instance, there are a limited number of orbital locations and limited radio frequency spectrum available to commercial communications satellite operators. As a result, a limited number of satellites can be placed into service over any particular geographic area. New entrants must face the significant capital costs of procuring a satellite and must maintain the financial and highly specialized technical resources required to operate a satellite system and market its services. Other regulatory requirements must also be satisfied before a new entrant can provide services to, from, or within a specific country. As such the supply of satellite capacity is also constrained by a number of regulatory requirements at national, regional and supra-national levels.

Available supply of satellite capacity varies significantly by region, frequency and market demand. Existing FSS providers that have access to prime orbital locations and have been successful in developing their business benefit from a first mover's advantage over potential new entrants. With respect to video distribution, "neighbourhoods" develop where many thousands or even millions of cable head-ends or consumer satellite dishes are pointed at a specific orbital location or locations. Due to the commercial attractiveness of those neighbourhoods developed over time and thanks to significant investments by satellite operators, video distribution networks have a strong preference for securing expansion satellite capacity from satellites located at the orbital location(s), or neighbourhoods, to which their or their customers' satellite dishes are already pointed.



## *Demand*

Demand for satellite services is primarily driven by economic growth, both generally and within a particular geographic area; growth in product or service markets; growth in demand for bandwidth-intensive applications, technical advancements; and improved regulatory access to new and existing markets. In particular, SES believes the following factors will drive FSS growth in the next decade:

- Proliferation of content and format. FSS operators are experiencing strong demand for both video distribution and contribution. This includes a significant number of high definition television (the **HDTV**) channels, which require two-to-three times more bandwidth than standard definition channels. New forms of content and enhanced services such as 3DTV should also drive demand for capacity. Demand for Ultra HD (4K) is expected to develop, driven by the availability of Ultra HD screens in the market and the heightened focus by DTH operators on premium quality which will enable further differentiation among operators. In addition, an increasing number of movies and digital cinema are now shot in Ultra HD. Transmission of Ultra HD via satellite by broadcasters is expected to start around 2015, and to become more widespread around 2020. Mobile and fixed telecommunication companies are also turning to satellite as they face significant consumer demand for video content both as an add-on to complete triple-play bundles as well as embedding satellites in hybrid solutions.
- Increased demand for mobility applications. Mobility applications such as wireless phone services, maritime communications and aeronautical services, are fueling demand for mobile bandwidth. Rapid growth in cellular services for developing regions is expected to transition demand for voice only services to demand for data and video services over time, resulting in increased network bandwidth requirements. Given the low penetration of fixed-line telephone services in emerging markets and the introduction of smart phones and netbooks, internet access in these markets may be primarily mobile. Significant technology advancements in aeronautical data and video services for government applications, such as unmanned aerial vehicles, and commercial applications, such as broadband for consumer flights, as well as broadband requirements from the maritime sector, are also resulting in increased demand for satellite-based bandwidth.
- Government digital inclusion projects. Government digital inclusion projects to bring broadband services to rural and remote communities and those with limited terrestrial infrastructure are an important and growing application being led by civilian agencies in both developed and developing nations. These projects coincide with strong government demand from national broadband programmes for rural connectivity and universal mobile coverage obligations.
- Military satellite communications. Demand for FSS capacity from military agencies around the world continues to grow. The U.S. government is the single largest user of commercial satellite communications and most of this use relates to U.S. Department of Defense operations.
- Corporate networks in the developing world. Latin America is among the regions expected to see strong expansion in satellite very small aperture terminal (the **VSAT**) networks. As economic growth and foreign trade accelerate in the region corporate

VSAT networks are being widely implemented. Sub-Saharan Africa is also expected to grow significantly for enterprise and civil government networks. Banking is among the sectors driving this growth along with multinational corporations expanding their presence in the region.

- Two-way internet services. Ka-band satellite services support broadband internet access for consumers and small businesses. The capabilities of today's high-throughput satellites allow ISPs to offer high-speed internet access comparable to terrestrial alternatives.
- Oil and gas exploration. FSS demand in the resource sector has largely been driven by oil and gas exploration, and the level of such exploration has largely been driven by global economic growth. Regions such as Latin America, Sub-Saharan Africa and Russia and Central Asia have expanded their use of satellite networks in recent years to support oil and gas extraction and other resource sectors such as mining. Even in more developed regions such as North America, oil and gas companies also rely on satellite since deposits are often located far from terrestrial infrastructure. Demand for satellite capacity is being driven by both growth in this sector as well as growth in the use of bandwidth intensive applications at oil and gas and mining sites.

## ***Customers and Services***

### *Overview*

SES provides its services to customers worldwide, including broadcasters, telecommunications companies, content and internet service providers, mobile and fixed network operators, network integrators and corporate and government customers. These customers and the services provided to them are further described below under "*Description of SES and the Group - Customers*".

The Group's services fall into two categories:

- Infrastructure. This category includes the provision of satellite transponder capacity and directly attributable services, which accounted for 88 per cent. and 88 per cent. of the Group's revenue for the year ended 31 December 2011 and the six months ended 30 June 2012, respectively, and
- Services. This category principally includes (i) the provision of products through SES Platform Services, which includes playout and transmission services, (ii) the Group's HD+ platform, (iii) retail broadband two-way internet access provided through SES Broadband Services and (iv) engineering services provided through SES TechCom.

SES's primary service is the provision of satellite transponder capacity for the transmission of television and radio channels (i.e. services provided to broadcasters), which accounted for 71 per cent. and 70 per cent. of its revenue for the year ended 31 December 2011 and the six months ended 30 June 2012, respectively. Data and other services represent the remaining proportion of revenue.

The table below summarises the customer segments and types of services provided.

<b>Customer Segment</b>	<b>Key Services Sold</b>
Broadcasters	DTH broadcasting including HDTV Video contribution and distribution HD+
Enterprises	VSAT networks Broadband internet access Mobile backhaul
Government	Communications links

## **Customers**

### *Broadcasters*

SES's satellites are the world's leading audiovisual distribution platform and enable broadcasters to deliver over 6,200 television and radio channels—including 1,300 HDTV channels—to over 258 million homes worldwide as of the year ended 31 December 2011. SES provides DTH broadcasting, feeds for cable networks and digital terrestrial television networks, as well as full-time video contribution services, HD+ and occasional use services, as described in more detail below.

Services provided to broadcasters accounted for 71 per cent. and 70 per cent. of the Group's revenue for the year ended 31 December 2011 and the six months ended 30 June 2012, respectively, and include:

- *DTH Broadcasting Including HDTV.* DTH service providers use the Group's satellites as a distribution platform for their services, delivering television programming, audio and information channels directly to customers' homes.
- *Video Distribution and Contribution.* Major broadcasters, cable networks and DTH service providers use the Group's satellites for the full-time transmission of television programming. Additionally, SES provides certain broadcasters and DTH service providers bundled, value-added services that include satellite capacity, digital encoding of video channels and uplinking and downlinking services to and from the Group's satellites and teleport facilities.
- *HD+.* HD+ is a platform for the reception of encrypted and unencrypted free-to-air (FTA) HD channels in Germany which SES broadcasts. The lineup includes approximately 14 encrypted commercial channels and 18 unencrypted FTA HD channels, mainly from public broadcasters. HD+ was activated in 2.6 million German television households as of the first quarter of 2012. Access to the encrypted HD+ broadcasts is free of charge for the first twelve months and thereafter subject to an annual technical access charge of €50 (including VAT).
- *Occasional Use Services.* Occasional use services comprise the sale of idle capacity, on a short term basis, to broadcasters, programmers and special events rights holders for the timely broadcast of video news, sports and live event coverage on a short-term basis enabling broadcasters to conduct on-the-scene transmissions using small, portable antennas.

### *Commercial Enterprises*

The Group's global satellite fleet and ground infrastructure, combined with its partner teleports in various countries, ensure that SES customers enjoy high-quality connectivity around the world. SES provides VSAT networks, broadband internet access, mobile backhaul and many more services for corporate and telecommunications customers worldwide.

Services provided to enterprise customers include:

- **VSAT Networks.** The Group provides capacity for the operation of VSAT networks which serve thousands of VSAT terminals at customer sites. For some of these customers, SES offers end-to-end services including installation and maintenance of the end user terminal, maintenance of the VSAT hub, and provision of satellite capacity.
- **Internet Services.** The Group provides satellite capacity to a variety of customers who use it to provide two way broadband internet services.
- **Telecommunication Carrier Services.** The Group provides satellite capacity and end-to-end services for data and voice transmission to telecommunications carriers located throughout the world. These services include space segment capacity and terrestrial facilities for GSM backhaul and for maritime and aeronautical sectors where connectivity cannot be provided by terrestrial networks.

### *Government*

SES serves the diverse needs of governments and public sector organisations around the globe including the governments of the United States, Germany, the United Kingdom, Luxembourg and the Netherlands, offering secure and reliable communications links. The largest government customer is the U.S. government, with which direct contracts account for 4.5 per cent. and 4.0 per cent. of total Group revenues for the six months ended 30 June 2012 and the year ended 31 December 2011, respectively. The combined revenue generated from contracts with the U.S. government and customers serving the U.S. government represented 9.4 per cent. and 9.5 per cent. respectively, of total Group revenue for the same periods. Revenue from all government and institutional customers accounted for approximately 12.8 per cent. and 12.4 per cent., respectively, of the Group's revenue for the same periods. Services provided to government customers respond to the communication needs of governments. The Group delivers vital communications links for civil and military agencies, first responders and educational or medical purposes worldwide.

### *Service Agreements*

The Group provides its satellite transponder capacity and related services under a variety of contract terms. Satellite capacity contracts vary in length and content depending on the type of customer. The Group's contracts are up for renewal at various times in the future. The Group's contracts generally do not have break clauses and therefore must be honoured in full.

- **Broadcasters.** Contracts with broadcasters are generally long-term, with typical durations of ten years (and up to 15 years in certain cases), for customers in North America and Europe, and between five and ten years for customers in emerging markets. Such contracts can sometimes be for the whole of a satellite's operational life and can be for single or multiple transponders.
- **Commercial enterprises.** Contracts with commercial enterprises are generally three to five years in length, and the capacity contracted for will generally cover more than one geographic region.

- *Government.* Contracts with government customers are generally no longer than one year in length, as government customers generally cannot pre-empt an annual budget allocation. The Group has multi-year framework agreements with many of its government customers pursuant to which the customer agrees that the contract will be renewed as long as the agency receives the necessary funds.

Under the Group's standard capacity allotment agreement, customers must obtain operating licenses from the relevant regulatory authorities, comply with regulations governing the content of audiovisual programmes, obtain the rights to operate their earth stations and comply with the Group's technical specifications. The Group may also require a customer to provide a bank or other guarantee as security for payment with regard to allotted capacity and respect of the customer's contractual obligations.

## **Principal Markets**

### ***Europe***

The Group's principal markets described below correspond to the Group's four geographic customer-facing commercial groups described in "*Description of SES and the Group—Reorganization and Management Structure*" above. These markets are served by the Group's growing fleet of satellites, many of which cover more than one market. For information on which markets are covered by each of the Group's satellites, see the satellite table in "*Description of SES and the Group—Satellite Fleet—Fleet*" below.

SES, under the ASTRA brand, is a leading provider of DTH transmission capacity in Europe. The Group's European market includes customers and operations throughout Western, Central and Eastern Europe. Its customers include broadcasters (e.g. Sky, Canal+), resellers (e.g. Globecast) and data network service providers (e.g. Vizada). SES offers a broad array of products and services in this market, including television broadcasting in DTH transmission and cable network redistribution.

The Group's fleet carries over 2,500 television, radio and interactive channels in Europe, reaching 142 million homes as of 30 June 2012. All major cable networks in Europe retransmit programming broadcast via SES satellites, and 66.1 million cable subscribers currently receive ASTRA-delivered television and radio channels. Approximately 61.7 million homes receive ASTRA transmissions directly via satellite. The HDTV market continues to grow and, as of 30 June 2012, the number of HD channels delivered on ASTRA platforms had increased to 297.

In respect of complementary satellite service activities, particularly in Europe, SES undertakes certain professional services to support customers' use of satellite capacity. These satellite service companies include (i) SES Platform Services, offering specialized DVB ground services activities especially for Germany and the rest of Western Europe; (ii) SES Broadband Services, offering broadband internet connectivity by satellite via the proprietary SES Broadband solution across the area; and (iii) SES ASTRA TechCom, offering a broad array of products and services addressing various areas of satellite and network systems engineering.

The Group's HD+ platform has recently been introduced to facilitate FTA broadcasting in Germany.

### ***The Americas***

This market includes customers in North America, including the U.S. government and Latin America. In this market, the Group is a leading provider of satellite transponder capacity and associated services (based on the number of orbital slots and transponders). SES provides these services to broadcasters, cable networks, VSAT applications, DTH platform providers, private

network providers, ISPs, mobile broadband providers, government agencies, educational institutions, telephone companies and other business enterprises.

#### *North America*

The Group's fleet reaches 110 million households in North America. The Group's two largest U.S. cable neighborhoods, at the 101° W/103° W and 131° W/135° W orbital locations, reach more than 70 million television cable households and provide feeds for further distribution to IPTV and DTH households. This does not include any terrestrial re-transmission there may be or the DISH Network DTH reach via Ciel-2. Approximately three-quarters of the utilized transponders serving the U.S. are dedicated to video content providers (cable television, broadcast services and DTH). Due to the importance of these neighborhoods, virtually every cable head-end in the U.S. has antenna reception facilities dedicated to these prime orbital slots, which further increases the value of the slots and of the available transponder capacity. The two neighborhoods reach substantially all cable pay television households in the United States. In addition, SES has the most significant U.S. radio neighbourhood, an education neighbourhood and one of the strongest faith-based broadcast neighbourhood. In addition, SES holds a 70 per cent. interest in Ciel. Ciel operates the Ciel-2 BSS satellite which is wholly contracted by DISH Network and supports DTH satellite services in North America.

The U.S. government business is handled by a wholly owned subsidiary of SES. Revenue generated from contracts with the U.S. government and customers serving the U.S. government represented 9.4 per cent. and 10.2 per cent. of total Group revenue in six months ended 30 June 2012 and the year ended 31 December 2011. It provides raw satellite capacity to the U.S. government and third-party resellers, and also provides turn-key solutions to the U.S. government.

#### *Latin America*

The Group's markets in Latin America comprise Mexico, Central America, South America and the Caribbean. The Group's fleet currently reaches over 18 million television households and subscribers (including cable, DTH and IPTV) in this market.

SES also holds a 49 per cent. interest in the Mexican satellite operator QuetzSat S. de R.L. de C.V. ("**QuetzSat**"). The QuetzSat-1 satellite, launched in August 2011, has begun service and is wholly contracted by DISH Mexico for the provision of DTH services in Mexico and the Caribbean region.

#### *Asia-Pacific, India and the Middle East*

This market includes key markets such as India, the Philippines, South Korea, Indonesia, Vietnam, Australia, the Pacific Islands, Saudi Arabia, Kuwait, the UAE and Lebanon across Asia-Pacific, India and the Middle East. The Group's fleet currently reaches over 7.5 million television households and subscribers in Asia-Pacific and over 21 million television households and subscribers in India. Customers served include Dish TV, one of the largest DTH operators in Asia, Bharti Airtel, one of the leading telecommunications companies in the world, Hughes Networks, a leader in the provision of VSAT services, Tata Communications, one of the largest telecommunications companies in India and PLDT, the leading telecommunications provider in the Philippines amongst others. SES provides capacity in this region for provision of services to DTH and FTA DTH service operators, VSAT services to banking, e-government and e-education institutions as well as oil and gas operations. SES is the leader in Asia-Pacific both in terms of the number of channels and the number of subscribers reached by DTH operators using SES's capacity across the region. In the Middle East and Africa, the Group predominantly provides data services.

## ***Africa***

This market comprises all 54 countries in Africa, where SES provides transponders and value-added services for DTH, video contribution and distribution, VSAT connectivities, mobile networks, internet trunking and broadband, and corporate and government networks.

The Group's fleet currently reaches over 3.5 million television households and subscribers in this market.

The Group's satellite service provisioning companies have been very successful in Africa in recent years. SES's service entity, which is branded under 'SES Platform Services', complements the satellite bandwidth activities of SES with necessary and highly professional DVB ground services for an African Pay TV operator. The entity operates all major technical ground service needs of the customer and thus allows the customer to concentrate on running a consumer-oriented business.

## **Product Development and Management**

SES's 'Product Development and Management' function provides important and necessary services that support customers' use of satellite capacity, especially where geographically appropriate and viable.

Some of the service provisioning companies are organised and structured as individual entities and include

- *SES Platform Services*, offering specialized DVB ground services such as professional content management, play-out, encryption, encoding, multiplexing and satellite uplinks to SES satellites for and on behalf of television broadcasters. These services are provided principally in Europe and Africa.
- *SES Broadband Services*, offering broadband internet connectivity by satellite via the SES Broadband solution. These services are provided principally in Europe, Africa and the Middle East; and
- *SES ASTRA TechCom*, offering a broad array of products and services addressing various areas of satellite and network systems engineering and infrastructure set-up. These services are provided globally.

Fully integrated within SES's organisation, small and specialized departments and divisions coordinate and anticipate the development of products and services, while at the same time informing the organisation of latest trends and market expectations for end-consumer devices related to satellite reception.

## **Satellite Fleet**

### ***Network and Technology***

#### ***Network***

The Group's global network is comprised of more than 50 satellites as well as ground facilities, including teleports and leased fiber, which support the Group's commercial services and the operation and control of its satellites. Features of the Group's network include:

- prime orbital locations, reflecting a valuable portfolio of coordinated fixed satellite spectrum rights;

- highly reliable services, including network availability of 99.999987 per cent. on station-kept satellites as of 30 June 2012;
- flexibility, subject to contractual restrictions in some cases, to relocate satellites to other orbital locations, such as when there are changes in demand patterns or requirements of new customers;
- design features and steerable beams on many of the Group's satellites, enabling the Group to reconfigure capacity to provide different areas of coverage and to operate in different frequency bands; and
- multiple satellites serving each region, allowing for alternatives if a satellite anomaly should occur.

### *Satellite Systems*

All of the Group's satellites are geo-synchronous satellites and are located approximately 22,300 miles, or 35,700 kilometers, above the equator. Geo-synchronous satellites can receive radio frequency communications from an origination point, relay those signals over vast distances and distribute those signals to a single or multiple receivers within the coverage areas of the satellites' transmission beams.

Geo-synchronous satellites send these signals using different parts of the radio frequency spectrum. The spectrum available for use at each orbital location includes the frequency bands listed below in which most commercial satellite services are offered today:

- C-band – low power, broad beams that require use of relatively large antennae; considered to be the spectrum least susceptible to transmission impairments such as rain.
- Ku-band – high power, narrow to medium size beams facilitating use of smaller antennae which are favoured by businesses and private-end-customers; generally highly reliable and seldom affected by weather-related impairments.
- Ka-band – very high power, very narrow beams facilitating use of very small antennae; considered to be less reliable due to substantial weather-related transmission impairments. The Ka-band is optimized for applications such as broadband services.

Substantially all of the Group's station-kept satellites are designed to provide capacity using the C-band and/or Ku-band. An increasing number of satellites also carry Ka-band payloads.

High throughput satellites (**HTS**) refer to satellite capacity, generally in Ka-band frequency spectrum, that is configured to offer high data rates to users. It is typically used to offer broadband internet connectivity *via* 70 satellite in areas where terrestrial broadband connectivity is limited or absent. SES has taken a prudent approach to serving this market, adding Ka-band payloads on replacement satellites for limited incremental investment. These payloads, which will initially be on ASTRA 2E, 2F and 2G and ASTRA 5B, will offer connectivity at speeds of up to 20 Mb/s into the markets they cover. Additional HTS opportunities continue to be evaluated and may be incorporated in the payload of future satellites.

A geo-synchronous satellite is identified as geostationary (or station-kept) when it is operated within a tight range of an assigned segment of the geo-stationary arc, which is designated by a specific range of latitudes and longitudes. Geo-stationary satellites revolve around the earth at a speed



that corresponds to that of the earth's rotation and thus appear to stay above a fixed point on the earth's surface at all times.

Geo-synchronous satellites that are only station-kept in longitude are said to be in inclined orbit. The daily north-south motion of a satellite in inclined orbit exceeds the specified range of latitudes of its assigned station-keeping box, and the satellite appears to oscillate slowly, moving above and below the equator every day. An operator will typically operate a satellite in inclined orbit toward the end of its service life because significant amounts of propellant will be saved by not controlling the north-south position of the satellite, therefore substantially extending the service life of the satellite. The kinds of services and customers that can access an inclined orbit satellite have traditionally been limited due to the movement of the satellite relative to a fixed ground antenna. However, recent innovations now allow the use of inclined orbit capacity for certain applications. As a result, if these applications are successfully introduced, the Group anticipates that demand for inclined orbit capacity may increase over the next few years. As of 30 June 2012, ten of the Group's satellites were operating in an inclined orbit, with most continuing to earn revenue beyond SES's original estimated life for each of these satellites.

#### *In-Orbit Satellites*

The Group's operations and engineering staff is involved from the design stage through the decommissioning of each satellite procured. The Group's employees work at the manufacturers' and launchers' sites to monitor progress, which enables the Group to maintain close technical collaboration with its contractors during the process of designing, manufacturing and launching a satellite. Extensive monitoring of earth station operations and constant satellite control and network operations support ensure consistent operational quality, as well as timely corrections when problems arise. In addition, the Group has established contingency plans for technical problems that may occur during the lifetime of a satellite.

These features also contribute to the resilience of the Group's network, which enables the Group to ensure the continuity of service that is important for its customers and to retain flexibility in the event that it needs to move customers to alternative capacity. The design flexibility of some of the Group's satellites enables it to meet customer demand and respond to changing market conditions.

As of 30 June 2012, the Group's in-orbit fleet of more than 50 satellites had 1,354 36-MHz equivalent transponders available for transmitting in the C-band and the Ku-band, respectively. The average system transponder utilisation for the Group's satellites, which represents the percentage of the Group's total available transponder capacity that is in use or that is reserved at a given time (including guaranteed reservations for service), was 81.2 per cent. and 77.0 per cent. as of 31 December 2011 and 30 June 2012, respectively. The main factors resulting in the trends in system utilisation over this period were primarily related to growth in demand for digital, especially HD, television services, as well as from the supply added by newly launched satellites.

#### *End of Design Life*

End of design life is the point beyond which successful operation of the satellite is no longer covered by the manufacturers' qualification programmes and reliability predictions. Various elements are considered in satellite design, such as the length of the mission, equipment reliability and redundancy schemes, limited life terms, impacts of the space environment, as well as required power generation levels. Satellites that have reached the end of their design lives may be de-orbited and placed in a graveyard orbit above the geostationary orbit, or in some instances, may remain in operation, as in many cases those satellites are launched with enough on-board propellant to enable station-keeping beyond their design lives. Satellites typically have design lives between 12 and 15 years. The average remaining design life of the Group's satellites was approximately eight years as of

30 June 2012, weighted on the basis of nominally available capacity for the station-kept satellites the Group owns. For details of the end of design life of each satellite, see the table in “*Description of SES and the Group —Fleet*” below.

#### *Network Operations and Current Ground Facilities*

The Group has satellite operations centres in Betzdorf (Luxembourg), Gibraltar, Woodbine (Maryland) and Vernon Valley (New Jersey), from which the Group controls and operates each of its satellites and payloads (with the exception of QuetzSat-1, SES-7, the YahLive payload and the commercially hosted infrared payload (the **CHIRP**) on SES-2 which are operated by third parties) and manages the communications services for which each satellite is used. These centres utilise a network of ground facilities, including earth stations that provide tracking, telemetry and control (**TT&C**) services for the Group’s satellites. This network also includes teleports, leased fiber and network performance monitoring systems. Through these ground facilities, the Group continually monitors signal quality, endeavours to protect bandwidth from any interference and maintains customer installed equipment and analyzes telemetry from the Group’s satellites in order to monitor their status and track their location. In the event one center is unavailable or disabled, each other center has the ability to provide instantaneous restoration of services on behalf of the other.

#### *Capacity Sparing and Backup and General Satellite Risk Management*

As part of the Group’s satellite risk management, the Group continually evaluates and designs plans to mitigate the risks posed to its fleet. The Group attempts to mitigate the risk of in-orbit failure by careful vendor selection, stringent satellite design and test requirements, and active procurement oversight and high quality in-orbit operations. The impacts of such failures on customer service and related revenue are mitigated by an in-orbit backup strategy where customers on an impaired satellite can be transferred to another satellite in the fleet. The Group maintains some form of backup capacity for each satellite designated as being in primary operating service, which may include:

- designated reserve transponders on the satellite or other on-board backup systems or designed-in redundancies,
- co-location of satellites at the same orbital position,
- an in-orbit spare satellite or
- interim restoration capacity on other satellites.

SES also has satellite control backup capability utilizing European and U.S.-based satellite operations centres.

For information on the insurance policies the Group obtains for its fleet, see “*Description of SES and the Group —Insurance*” below.

#### ***Fleet***

The Group’s global fleet of more than 50 geostationary satellites covers 99 per cent. of the world's population, delivering reliable and secure connectivity. This vast coverage enables broadcasters to deliver thousands of hours of television content every day, companies to provide broadband network links to remote locations and governments and military organisations to establish secure communications networks.

The table below summarises the orbital location, frequency, launch date, manufacturer, end of design life, coverage and licensing authority of each of the Group's existing satellites.

No.	Satellite	Orbital Location	Frequency	Launch Date	Manufacturer	End of Design Life <sup>1</sup>	Current Coverage
1	AMC-1	103°W**	C- and Ku-band	08-Sep-96	Lockheed Martin	**	North America
2	AMC-2	19°E*	C- and Ku-band	30-Jan-97	Lockheed Martin	**	Africa
3	AMC-3	67°W	Ku-band	04-Sep-97	Lockheed Martin	**	North America, Central America
4	AMC-4	67°W	Ku-band	13-Nov-99	Lockheed Martin	Dec-14	North America, Latin America
5	AMC-5	81°W	Ku-band	28-Oct-98	Alcatel	**	North America
6	AMC-6	72°W	Ku-band	21-Oct-00	Lockheed Martin	Nov-15	North America, Latin America
7	AMC-7	137°W	C-band	14-Sep-00	Lockheed Martin	Oct-15	North America
8	AMC-8	139°W	C-band	19-Dec-00	Lockheed Martin	Feb-16	North America
9	AMC-9	83°W	C- and Ku-band	07-Jun-03	Alcatel	Jun-18	North America
10	AMC-10	135°W	C-band	05-Feb-04	Lockheed Martin	Apr-19	North America
11	AMC-11	131°W	C-band	19-May-04	Lockheed Martin	Oct-19	North America
12	AMC-15	105°W	Ka-and Ku-band	14-Oct-04	Lockheed Martin	Dec-19	North America
13	AMC-16	85°W	Ka- and Ku-band	17-Dec-04	Lockheed Martin	Feb-20	North America
14	AMC-18	105°W	C-band	08-Dec-06	Lockheed Martin	Dec-21	North America
15	AMC-21	125°W	Ku-band	14-Aug-08	Thales Alenia Space	Sep-23	North America
16	ASTRA 1C†****	2°E	Ku-band	12-May-93	Hughes	**	Europe
17	ASTRA 1D****	23.5°E	Ku-band	01-Nov-94	Boeing Satellite Systems	**	Europe
18	ASTRA 1E****	5°E	Ku-band	19-Oct-95	Boeing Satellite Systems	**	Europe
19	ASTRA 1F****	55°E	Ku-band	08-Apr-96	Hughes	**	Europe
20	ASTRA 1G	31.5°E	Ku-band	02-Dec-97	Boeing Satellite Systems	Feb-13	Europe
21	ASTRA 1H	19.2°E	Ka- and Ku-band	18-Jun-99	Boeing Satellite Systems	Aug-14	Europe
22	ASTRA 1KR	19.2°E	Ku-band	20-Apr-06	Lockheed Martin	Jun-21	Europe

<sup>1</sup> For further information on how this is determined, see "Description of SES and the Group —End of Design Life".

No.	Satellite	Orbital Location	Frequency	Launch Date	Manufacturer	End of Design Life <sup>1</sup>	Current Coverage
23	ASTRA 1L	19.2°E	Ka- and Ku-band	04-May-07	Lockheed Martin	Jul-22	Europe
24	ASTRA 1M	19.2°E	Ku-band	05-Nov-08	EADS Astrium	Jan-24	Europe
25	ASTRA 1N	28.2°E	Ku-band	06-Aug-11	Alcatel	Sep-26	Europe
26	ASTRA 2A	28.2°E*	Ku-band	30-Aug-98	Boeing Satellite Systems	Sep-13	Europe
27	ASTRA 2B	28.2°E	Ku-band	14-Sep-00	EADS Astrium	Oct-15	Africa, Europe
28	ASTRA 2C	19.2 °E*	Ku-band	16-Jun-01	Boeing Satellite Systems	Aug-16	Europe
29	ASTRA 2F	28.2 °E-28.5°E <sup>2</sup>	Ka- and Ku-band	28-Sep-12	EADS Astrium	Oct-27	Europe
30	ASTRA 2D	28.2°E	Ku-band	19-Dec-00	Boeing Satellite Systems	Feb-13	Europe
31	ASTRA 3A	23.5°E	Ku-band	29-Mar-02	Boeing Satellite Systems	May-14	Europe
32	ASTRA 3B	23.5°E	Ka- and Ku-band	21-May-10	Alcatel	May-25	Africa, Europe, Russia
33	ASTRA 4A (formerly known as Sirius 4)	5°E	Ka- and Ku-band	18-Nov-07	Lockheed Martin	Dec-22	Africa, Europe, Russia
34	Ciel-2	129°W	Ku-band	10-Dec-08	Thales Alenia Space	Jan-23	North America
35	NSS-5 (formerly known as NSS 803)	50.5°E*	C- and Ku-band	23-Sep-97	Lockheed Martin	**	North America, Latin America, Africa, Europe, Atlantic Ocean
36	NSS-6	95°E	Ka- and Ku-band	17-Dec-02	Lockheed Martin	Jan-15	Africa, Europe, Russia, South Asia, Asia Pacific, Indian Ocean, Pacific Ocean
37	NSS-7	340°E	C- and Ku-band	16-Apr-02	Lockheed Martin	Apr-14	North America, Latin America, Africa, Europe, Atlantic Ocean, Pacific Ocean
38	NSS-9	183°E	C-band	12-Feb-09	Orbital Sciences Corporation	Apr-24	Russia, Asia Pacific, Pacific Ocean

<sup>2</sup> ASTRA 2F is to operate German rights at 28.5°E starting in October 2013. See “—Governmental, Legal or Arbitration Proceedings” below.

No.	Satellite	Orbital Location	Frequency	Launch Date	Manufacturer	End of Design Life <sup>1</sup>	Current Coverage
39	NSS-10 (also known as AMC-12)	322.5°E	C-band	03-Feb-05	Alcatel	Apr-20	North America, Latin America, Africa, Europe, Atlantic Ocean
40	NSS-11	108.2°E	Ku-band	02-Oct-00	Lockheed Martin	Oct-15	South Asia, Asia Pacific, Pacific Ocean, Indian Ocean
41	NSS-12	57°E	C- and Ku-band	29-Oct-09	Space Systems Loral	Dec-24	Africa, Europe, Russia, South Asia, Asia Pacific, Indian Ocean
42	NSS-703	47°W	C- and Ku-band	06-Oct-94	Space Systems Loral	**	North America, Latin America, Africa, Europe, Atlantic Ocean
43	NSS-806	319.5°E	C- and Ku-band	28-Feb-98	Lockheed Martin	**	North America, Latin America, Europe
44	QuetzSat 1	77°W (future location)	Ku-band	29-Sep-11	Space Systems Loral	Sep-26	Mexico, North America, Central America
45	SIRIUS 3	51°E	Ku-band	5-Oct-98	Hughes		Europe
46	SES-1	101°W	C- Ku- band and Ka-BSS band	24-Apr-10	Orbital Sciences Corporation	Jun-25	North America
47	SES-2	87°W	C- Ku-band and Ka-BSS band	20-Sep-11	Orbital Sciences Corporation	Sep-26	North America
48	SES-3	103°W	C- Ku-band and Ka-BSS band	16-Jul-11	Orbital Sciences Corporation	Sep-26	North America
49	SES-4	338°E	C- and Ku-band	15-Feb-12	Space Systems Loral	Apr-27	North America, Latin America, Africa, Europe, Atlantic Ocean, Middle East
50	SES-5	5°E	L- C-, Ka- and Ku-band	10-Jul-12	Space Systems Loral	Q3, 2027	Africa, Europe, Atlantic Ocean
51	SES-7	108.2°E	Ku-band	16-May-09	Boeing Satellite Systems	May-24	South Asia, Asia Pacific
52	YahSat 1A	52.5°E	Ku-band	22-Apr-11	Thales Space Alenia	Q3, 2027	Middle East, Africa, Europe, Southwest Asia

<u>No.</u>	<u>Satellite</u>	<u>Orbital Location</u>	<u>Frequency</u>	<u>Launch Date</u>	<u>Manufacturer</u>	<u>End of Design Life<sup>1</sup></u>	<u>Current Coverage</u>
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\*\* These satellites have been fully depreciated.

The table below sets out the five satellites that are scheduled for launch between the date of this Prospectus and the end of 2014, which SES expects to increase its total net capacity by 19 per cent. as compared to year-end 2011.

<u>No.</u>	<u>Satellite</u>	<u>Orbital Location</u>	<u>Frequency</u>	<u>Launch Date</u>	<u>Manufacturer</u>	<u>End of Design Life</u>	<u>Current Coverage</u>
3	SES-8	95°E	Ku-band	Q3, 2013	Orbital Sciences Corporation	Q3, 2013	South Asia, Asia Pacific
4	SES-6	319.5°E	C- and Ku-band	Q1/Q2, 2013	EADS Astrium	Q1, 2028	North America, Latin America, Europe, Atlantic Ocean
2	ASTRA 2E	28.2°E-28.5°E <sup>(1)</sup>	Ka- and Ku-band	Q1/Q2, 2013	EADS Astrium	Q3, 2028	Africa, Europe
5	ASTRA 5B	31.5°E	Ka- and Ku-band	Q3/Q4, 2013	EADS Astrium	Q4, 2028	Europe, Russia
6	ASTRA 2G	28.2°E-28.5°E <sup>(1)</sup>	Ka- and Ku-band	Q1, 2014	EADS Astrium	Q3, 2029	Africa, Europe

(1) ASTRA 2E and ASTRA 2G are to operate German rights at 28.5°E starting in October 2013. See “—Governmental, Legal or Arbitration Proceedings” below.

### ***Investment Programme***

SES has implemented a substantial multi-year investment programme to expand and renew its existing fleet of satellites and its network of teleports. In 2011, SES successfully launched five satellites/payloads: ASTRA 1N, SES-2, SES-3, QuetzSat1 and the YahLive payload. SES-4 was successfully launched in February 2012, enabling the repositioned NSS-7 to provide incremental capacity at the 338° E orbital position over the Atlantic Ocean region. SES-5 was successfully launched in July 2012, delivering new incremental capacity for Europe and Africa. ASTRA 2F was successfully launched in September 2012. Five more satellites are scheduled for launch between the date of this Prospectus and the end of 2014. Together, they are expected to boost the transmission net capacity of the SES fleet by approximately 19 per cent. compared to year-end 2011. In addition, the SES-9 procurement contract has been signed recently. The satellite is expected to be launched in 2015 and will provide growth capacity at 108.2 E and replace NSS-11.

This new capacity is also expected to enhance opportunities for both customers and users. The majority of the additional capacity on new satellites is intended to serve fast-growing economies in Asia, Africa, the Middle East and Latin America, where it will enable new services and improve coverage.

Going forward, SES expects to continue to invest in satellites, both to replace existing satellites before their end of life, and to make available new capacity at new or existing orbital positions to meet growing demand. Total capital expenditure for the second half of 2012 is expected to be approximately €400 million. SES expects to significantly reduce capital expenditure spending over the period from 2013 to 2017 as the replacement cycle of its fleet nears the floor. Projected

capital expenditure for 2013 is €680 million, with between €350 million and €450 million per annum projected for the period from 2014 to 2017.

### *Planned Satellites*

As of 1 October 2012, the Group had placed an order for one satellite, as listed below.

<u>Satellite</u>	<u>Manufacturer</u>	<u>Role</u>	<u>Earliest Launch Date</u>	<u>Satellite</u>
SES-9	Boeing	Incremental and replacement capacity to join NSS-11 and NSS-7 at 108.2°E	Q2 2015	SES-9

### *Future Satellites*

The Group expects to replace other existing satellites, as necessary, with satellites that satisfy customer requirements and demonstrate a compelling economic rationale. The Group periodically conducts evaluations to determine the current and anticipated value of the Group's existing and planned satellites and also guide the Group in redistributing satellite resources as appropriate.

### *Procurement Contracts*

The Group regularly enters into satellite construction contracts to procure satellites from manufacturers. The typical duration in order to manufacture and launch a satellite is ca. 30-36 months. These contracts generally provide for payments to be made at certain milestones. Under certain contracts, subject to the applicable terms, the manufacturer may be required to refund certain payments to the Group if a satellite experiences in-orbit anomalies. In addition, the manufacturer may have to pay damages to the Group in the event that construction of the satellite is not completed on time.

### *Launch Agreements*

As part of its launch strategy, SES has launch agreements with multiple launch service providers, including primarily Arianespace, ILS and SpaceX. In particular, on 12 September 2012, SES and SpaceX announced an agreement to launch three additional satellites on SpaceX's Falcon 9 or Falcon Heavy rockets. In addition, in order to try to mitigate the effect of launch delays or failures, SES has flexibility in its launch agreements. In particular, under most of its launch agreements, SES can - until few months before the launch and assuming an available launch slot with another launch provider - either activate a back-up in case a problem occurs with the primary launcher of the satellite or request to swap satellites among launchers.

### *Arianespace Multiple Satellite Launch Service Agreement*

Pursuant to an agreement between SES Leasing. and Arianespace dated 15 June 2007, as amended, Arianespace is required to provide launch vehicles to launch SES's satellites from the date of the agreement until the end of 2015. Fees payable for launches are determined in accordance with a fee schedule based on the time of launch and the mass of the satellite. SES Leasing may request schedule changes subject to certain conditions and may terminate any launch at its option, subject to payment of a termination fee. In addition, in the event of a failure of any launch, SES Leasing may exercise its right to obtain a replacement launch within a specified period following its request for a re-launch.

### *ILS Multiple Satellite Launch Service Agreement*

Pursuant to an agreement between SES Leasing and ILS dated 28 June 2007, as amended, ILS is required to provide launch vehicles to launch SES's satellites from the date of the agreement until the end of 2014. Fees payable for launches are determined in accordance with a fee schedule based on the time of launch. SES Leasing may request schedule changes subject to certain conditions and may terminate any launch at its option, subject to payment of a termination fee.

### *SpaceX Launch Service Agreement*

In March 2011, SES entered into a launch service agreement with SpaceX under which SpaceX has been designated as the launch provider for SES-8. In September 2012, SES and SpaceX announced a new launch service agreement under which SpaceX will provide launch vehicles for three more satellites, in addition to SES-8, on SpaceX's Falcon 9 or Falcon Heavy rockets. SES-8 will be among the first satellites that SpaceX launches. Fees payable for launches are determined in accordance with a fee schedule based on the time of launch. SES Leasing may request schedule changes subject to certain conditions and may terminate any launch at its option, subject to payment of a termination fee.

### ***Satellite Health***

The Group's fleet is diversified by manufacturer and satellite type, which reduces the likelihood of widespread technical problems and therefore any substantial negative impact on the Group's customers and operations. The anomalies experienced to date have had little long-term impact on the overall transponder availability in the Group's fleet, due to an ability to deploy back-up transponders or satellites to ensure adequate coverage. All of the Group's satellites have been designed to withstand an expected rate of equipment failure with adequate redundancy to meet or exceed their orbital design lives with a probability of 75 per cent. or more. The Group has contingency plans in place that are tailored to a number of factors, including the mission, the strategic importance of the satellite, the location of the satellite and the type of anomaly. After anomalies, SES has usually been able to restore service on the affected satellite, provide alternative capacity on another satellite in its fleet or provide capacity purchased from another satellite operator.

### *Satellites Operating Beyond the End of Their Design Life*

Several of the Group's satellites (AMC 2, ASTRA 1C, ASTRA 1F, NSS 5, NSS 703, and NSS 806) are operating beyond the end of their design lives and have experienced certain anomalies. Such anomalies could materially impact the ability of the satellites to perform current or future missions.

With the exception of NSS 806, which is due to be replaced by SES 6 in the second quarter of 2013, these satellites have already completed the primary missions for which they were designed and have been redeployed for secondary missions until the end of their propellant lives. Satellites in secondary missions are used for various reasons, such as developing new orbital locations, safeguarding spectrum rights and providing redundant capacity for satellites in their primary missions.

These satellites' respective technical capabilities do not generally need to be fully utilized in operating their secondary missions, which potentially mitigates the effects of further technical failures. However, ASTRA 1F has lost its primary Momentum Wheel Assembly and is operating on a backup unit. The failure of this backup unit would result in a loss of the satellite.



### *Solar Array Circuit Failures*

Eleven of the Group's Lockheed Martin A2100 satellites (AMC 4, 6, 8, 10, 11, 15, 16, NSS 6, 7, 11 and 12) have experienced and will continue to experience technical problems with their solar array circuits. The extent of the problem varies depending on the satellite but may reduce the operational life of the satellite and the number of transponders that can be used.

While further solar array power losses may result in a reduction of available capacity on the affected satellites, it would not result in a catastrophic loss of any of the satellites, except in the case of AMC 4, which has completed its primary mission. All of the satellites with solar array issues are still being used for their primary missions, with the exception of AMC 4 and NSS 7, which are being used for secondary missions. As a mitigation, SES 8, when launched, will act as a partial replacement for NSS 6. Risks on NSS 11 are partially mitigated by the presence of SES 7 at the same location and the fact that the Group has procured the construction of SES 9 as a replacement for the satellite. A certain amount of inter-satellite backup capability exists to mitigate losses of capacity on satellites in the US Western Arc including AMC 7, AMC 8, AMC 10 and AMC 11. Risks on AMC-6 were mitigated by transferring the majority of its C-band traffic to other satellites. In the case of AMC 15, and AMC 16, no mitigation plan has yet been agreed with the customer. NSS 12, built by Space Systems Loral, has also experienced solar array power losses. This issue is however deemed to be less severe than the Lockheed-Martin A2100 solar array issue, and SES does not believe a specific mitigation plan is needed at this point.

### *Other Anomalies*

Several of the Group's other satellites (AMC 4, ASTRA 1G, ASTRA 1H and ASTRA 1M and NSS 7) have experienced various other anomalies.

Technical failures have resulted in a reduction of available capacity on ASTRA 1G and a reduction in the operational life of ASTRA 1H. There is no risk of a recurrence of these issues on these satellites. As indicated above, AMC 4 and NSS 7 have completed their primary missions and as a result no mitigation is in place.

ASTRA 1M, which is a key asset at the 19.2°E prime orbital position, has currently lost redundancy on its propulsion subsystem. Further technical problems on the propulsion system could result in the loss of the satellite. However, such an event is judged unlikely and the risk is mitigated by the additional capacity at this orbital position provided by the recently launched ASTRA 2F and the planned deployment of additional backup capacity following the launch of ASTRA 2E.

### *Insurance*

SES maintains launch and initial in-orbit insurance, as well as third party liability insurance for its satellites, SES also maintains in-orbit insurance for its satellites that have book value. 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 of the insured causing the loss or failure of satellites; and
- terrorism.

Insurance policies also contemplate technical margins and deductibles relating to the propellant lifetime and solar array power generating capability of the satellites.

The Group generally purchases insurance with reputable insurers having S&P and AM-best ratings of A- or better. The Group may, in limited instances, use unrated or less than A- rated insurers.

It is the Group's policy to obtain launch insurance for its satellites. Launch plus one year (the **L+1**) insurance provides coverage from the moment of launch until one year in orbit thereafter, in an amount equal to the fully capitalized cost of the satellite, which generally includes the construction costs, the L+1 insurance premium, the cost of the launch services, project management costs, non-reusable ground segment costs and capitalized interest (but may exclude any unpaid incentive payments to the manufacturer and portions of the ground segment which may be reused in case of launch failure).

Upon expiration of their L+1 policies, the Group's satellites, excluding certain satellites owned through joint ventures, are insured through the Group's fleet insurance policy. SES has adopted a policy of limited self-insurance by which SES self-insures a chosen deductible and external insurance covers losses in excess of the deductible. In-orbit insurance premiums are paid to a wholly-owned subsidiary and only a portion of the risk is reinsured with external insurance companies.

In-orbit insurance coverage, which may initially be for an amount comparable to launch insurance levels, generally decreases over time and is typically based on the declining book value of the satellite. The Group does not currently insure against lost revenue in the event of a total or partial loss of a satellite, with the exception of a single loss of profit insurance policy procured by SES ASTRA SA for up to €40 million per year and covering the reimbursement of payments already paid by customers following a partial or total satellite failure.

As of July 2012, five satellites in orbit were covered by the L+1 policies and 32 of the satellites in the Group's fleet with book value were covered by in-orbit insurance.

The Group also procures in-orbit third party liability insurance for all its satellites. Such insurance is renewed annually and provides a yearly combined single limit of €500 million of coverage.

## **Sales and Marketing**

The Group's global headquarters are located in Betzdorf, Luxembourg. It operates worldwide through dedicated regional teams in local sales, technical and marketing customer support offices in key locations around the world for the markets it serves.

SES's regional presence is expanding to be closer to the customers in geographical areas where the Group is deemed to have growth or development potential. The Group's multi-functional teams make SES more in-tune with market trends and better positioned to build long-term business relationships with strategic customers. SES uses a range of direct and wholesale distribution methods to sell its services depending upon the region, applicable regulatory requirements and customer application.

SES believes that its global presence combined with its way of working differentiates it from the Group's competitors. In video services, SES has a history of working with the consumer electronics industry to facilitate the development of new broadcast technologies. The development of DTH and HDTV and the recent launch of SAT>IP, a technology that brings satellite television to every screen in the home including tablets, laptops and mobile phones, are clear examples. With this approach, the Group is taking the initiative to keep satellite applications at the cutting edge of home entertainment. In enterprise services, the Group's global experience allows it to respond to market trends and develop new solutions, including mobility services for aeronautical and maritime where demand for data services continues to grow.

SES combines local experience close to its customers and a commercial approach focused on taking initiative in the markets. Its collaborative way of doing business delivers solutions that facilitate success for customers and market partners.

## **Strategic Investments**

The Group's key strategic collaborations are O3b, Solaris and YahLive, described below.

### **O3b**

#### *Overview*

The Group, through its subsidiaries, has a 46.88 per cent. interest in O3b (including common shares for in-kind services issued and transferred to SES). This interest is calculated on the basis of shares outstanding and certain warrants held by another shareholder that are considered equity for accounting purposes. Unless otherwise indicated, all interests described below are calculated on this basis. On a fully diluted basis, the Group's interest in O3b) is 43.29 per cent.

O3b is a start-up company proposing to provide high-speed broadband connectivity across the developing world by building a new kind of satellite system that uses multiple satellites in a medium Earth orbit (lower than the geostationary orbit used by FSS operators). The system is designed to provide wide bandwidth and high throughputs so as to compete with fiber for trunking and backhaul services for telecommunications and ISPs. Because O3b's constellation will be considerably closer to the Earth (approximately 8,000 kilometers) than a geostationary orbit (approximately 36,000 kilometers), the delay ('latency') for traffic will be much reduced and will be comparable with that of terrestrial fiber networks. O3b's target service area is the part of the world between 45 degrees North and South of the equator, with a specific focus on emerging markets.

O3b's initial design configuration includes eight initial satellites followed by 12 further satellites in the first phase of the business plan. O3b's first 12 satellites are under construction, eight of which are scheduled for launch by Arianespace during the first half of 2013, with service scheduled to start shortly thereafter. O3b has pre-sold approximately one third of its capacity of the first eight satellites, and has a contract backlog of approximately \$500 million.

O3b has raised approximately \$1.3 billion of committed financing to date with a combination of debt and equity to fund the first phase of its business plan/its business until the estimated service launch in 2013. Of O3b's committed debt financing of approximately \$840 million, approximately \$509.5 was drawn as of 30 June 2012, with the balance expected to be drawn by the middle of 2013.

A total of approximately \$460 million in equity financing has come from SES, and other equity investors, including Google, Liberty Global, HSBC Principal Investment, Northbridge Venture

Partners, Allen & Company, Development Bank of Southern Africa, Satya Capital, Sofina and Luxempart (with the balance of financing being borrowing from third parties).

SES and the other equity investors have entered into, among others, an investor rights agreement, a voting agreement and an agreement relating to transfer restrictions and rights of first refusal (the **Arrangements**). Under the Arrangements, SES has the right to acquire control of O3b in certain circumstances, and the Arrangements outline certain rights and obligations of the parties should that occur. Whether SES decides to acquire control of O3b will depend on its judgment as to a number of factors, including the business and financial risks and opportunities.

As of the date of this Prospectus, SES has contributed a total of approximately \$200 million of equity financing in four separate financing rounds, along with certain in-kind services described below, O3b's debt is non-recourse to SES.

### *Financing Rounds*

#### *2009 Financing*

In November 2009, O3b announced an initial financing round to raise money for its pre-service commercialization period. In connection with this round, the Group subscribed for preference shares constituting a 25 per cent. interest in O3b. Those preference shares were issued in consideration of a \$75 million cash investment. In addition, SES was granted the right to receive common shares, to be issued in consideration of an agreement to provide a specified amount of in-kind services, including technical and commercial services, to O3b in SES's pre-service commercialization period. SES has begun providing these services and expects to complete its in-kind-service obligations by the middle of 2013. The cost incurred as a result of providing such services accounted for on the Group's balance sheet as a receivable from O3b and converted periodically into in-kind shares.

#### *2010 Financing*

In November 2010, O3b announced a further financing round to obtain the financing required for the business until its estimated service launch in the first half of 2013. In connection with this round, the Group subscribed for preference shares and common shares, increasing its interest in O3b to 33.32 per cent. (including the common shares for in-kind services issued and transferred to SES at that date). The preference shares were issued in consideration of a commitment by the Group to pay \$75 million for such shares. Of this amount, \$16 million is in the form of contingent financing made available to O3b by the Group that can be drawn down only in the event of a cost overrun or cash shortfall before the full repayment by O3b of its debt. The remaining \$59 million cash amount had been fully settled as at the date of the Prospectus.

The balance of preference shares and common shares were issued in consideration of, among other things, an agreement to provide a fixed-rate loan facility to O3b of up to \$50 million that can be drawn only if O3b does not meet certain annualised revenues targets. This \$50 million amount is not included in the approximately \$200 million contribution by the Group to date.

O3b raised a total of \$231 million of equity from investors (including the Group) in this financing round.

#### *2011 Financing*

In November 2011, O3b announced a further financing to accelerate the procurement of four additional satellites. In connection with this round, the Group subscribed for further preference shares

in consideration of \$34.7 million, increasing its interest in O3b including the common shares for in-kind services issued and transferred to SES to 38.55 per cent., rising to 38.79 per cent. at the 2011 year-end. Of this amount, SES has paid \$13 million, with a further \$11.7 million scheduled to be paid by the end of 2012 and \$10 million scheduled to be paid in 2013.

O3b raised a total of \$52.3 million from equity investors (including the Group) in this financing round.

## 2012 Financing

In April 2012, O3b announced a further financing to fund the purchase of certain customer-specific equipment. In connection with this round, which closed in October 2012, the Group subscribed for further preference shares for consideration of \$10 million, increasing its interest in O3b to its current interest 46.88 per cent. (including common shares for in-kind services issued and transferred to SES as of the date hereof).

### *SES's Ownership Interest*

Pursuant to the Arrangements, SES may choose to increase its ownership in O3b in any of the following scenarios:

- by purchasing shares from other shareholders in a private transaction or from newly issued shares.
- by subscribing for shares in an initial public offering ("IPO") of O3b, which in certain circumstances could occur with the approval of O3b investors other than SES. Such an IPO would be subject to certain constraints, including size and choice of stock exchange, to ensure that SES would be able to increase its ownership to above 50 per cent.
- in the event of a business combination, by exercising pre-emption rights that would allow the Group to make an offer for all of O3b's remaining shares.

If O3b remains a private company and SES increases its interest in O3b to over 50 per cent. on a fully diluted basis (taking into account all shares issued and shares underlying all outstanding options/warrants), the following rights will arise:

- *One-year IPO window.* For one year from the day on which SES becomes majority shareholder, SES will have the sole discretion to cause O3b to undertake an IPO, after which IPO SES would have no further obligations under the Arrangements.
- *Two-year put option.* If after one year SES does not cause O3b to undertake an IPO, then O3b's minority shareholders will have an option for two years to put their shares to SES and SES will be required to buy those shares at the then fair market value, provided SES is offered all such shares not owned by SES. The shares are to be valued according to a pricing mechanism in which two valuation agents would be appointed, one by SES and one by the minority shareholders with a third agent appointed in the event of a dispute jointly by SES and the minority shareholders, but failing agreement by the parties, by the two initial valuation agents.
- *Two-year call option.* If after two years the minority shareholders do not exercise their put option, SES will have a call option for two years pursuant to which it could acquire all minority-owned shares at one time for their then fair market value determined using a pricing mechanism similar to that described above.

SES has no current intention to increase its ownership in O3b to over 50 per cent., although it may do so in the future.

### *Accounting*

The Group accounts for O3b's results under the equity method. If Group were to increase its ownership interest in O3b to over 50 per cent., it would fully consolidate O3b's results. Depending on the level of debt at O3b at the time of any such increase, the nature of any financing used to acquire control and the results of operations of O3b at the time, this could have an adverse impact on the Group's overall performance, financial condition or on financial ratios such as the net debt to EBITDA ratio. Of O3b's committed debt financing of approximately \$840 million, approximately \$509.5 was drawn as of 30 June 2012, with the balance expected to be drawn by the middle of 2013.

## ***Solaris***

### *Overview*

The Group, through its subsidiary SES ASTRA S.A., holds a 50 per cent. interest in Solaris Mobile Limited, Ireland (**Solaris**), a joint venture formed in 2008 with Eutelsat. Eutelsat holds the remaining 50 per cent. interest. The joint venture was formed to procure, own and commercialise space and spectrum assets for the provision of satellite services the MSS 2GHz S-band frequencies in Europe, Middle East and Africa.

Solaris has the right to use 2x15 MHz in all EU Member States for mobile satellite services as well as for complementary ground component networks and has brought into use an S-band satellite with coverage of Europe. Its S-Band satellite payload, hosted on-board the Eutelsat E10A satellite located at 10°E, was launched in April 2009. A technical deficiency affecting the coverage (but not the lifetime) and therefore the performance of the satellite resulted in a full insurance reimbursement. The remaining capability is used to commercialise mobile satellite services in Europe. Solaris is now facing increasing pressure from certain EU Member State regulators to invest in a follow-on satellite and to utilize the assigned frequencies more effectively for mobile satellite services. The estimated capital cost of such a follow-on satellite ranges from €250 million to €450 million, depending on the capabilities.

As of the date of this Prospectus, no satellite investment decision has been made, and SES has no capital commitments or obligations in relation to such an investment or otherwise.

### *Shareholders' Agreement*

The joint venture is governed by a shareholders' agreement between SES and Eutelsat dated 5 March 2008.

Under the agreement, each party has equal board representation and voting rights. The shareholders' agreement also contains customary provisions in relation to competition, rights of first refusal, tag along rights, transfers to third parties and change of control. In accordance with the shareholders' agreement, each party provided initial funding of €71.5 million to the joint venture. In total, SES has contributed a total of approximately €75 million and received approximately €60 million in insurance proceeds collected in relation to the technical deficiency described above. Each party has funded 50 per cent. of the joint venture's operating costs, which have been between approximately €60 million and €8 million per annum, and may (but is not obligated to) continue to do so in the future.

### *Accounting*

Until 31 December 2011, the joint venture's results were proportionally consolidated into SES's results. From 1 January 2012, SES has adopted IFRS 9 and accounted for the joint venture's results using equity accounting. For information on the share of assets, liabilities, income and

expenses of the joint venture as of and for the years ended 31 December 2010 and 2011, see note 5 to the 2011 Financial Statements.

## **YahLive**

The Group, through its subsidiary SES Finance S.à.r.l, holds a 35 per cent. interest in Al Maisan Satellite Communications LLC, UAE (**Al Maisan**), a company formed in 2009 with YahSat based in Abu Dhabi. YahSat holds the remaining 65 per cent. interest.

Al Maisan operates under the brand name “YahLive” and was formed to create a DTH satellite platform in the Middle East, Northern Africa and Western Asia. YahLive is an independent company and is commercializing 23 Ku-band transponders, which were successfully launched on YahLive 1A in April 2011, providing capacity for DTH broadcasting in Middle East and Northern Africa.

SES provided a cash contribution of approximately \$45 million and constructed a 20-channel playout center and teleport facility for YahLive.

### *Shareholders’ Agreement*

YahLive is governed by a shareholders’ agreement between SES Finance S.à.r.l and YahSat dated 1 October 2011. Under the agreement, SES has the right to appoint three of the company’s five board members and to appoint its chief executive officer. The control arising under such right (“control”) may not be transferred by SES Finance S.à.r.l to another party. However, control shall transfer to YahSat in the event of a change of control at the SES level, cessation of business by SES Finance S.à.r.l or SES Finance S.à.r.l’s shareholding falls below 25 per cent.

In the event that financing is needed for any payments or expenditure contemplated in YahLive’s investment plan, and one party does not agree to third-party financing, both parties shall contribute the required amounts in the form of shareholder loans in proportion to their shareholdings in the company.

The shareholders’ agreement also contains customary provisions in relation to competition, rights of first refusal, tag along rights, transfers to third parties and change of control.

### *Accounting*

Because SES has management control of the YahLive, SES fully consolidates the company’s results into its financial statements.

## **Competition**

The Group competes in the communications market for the provision of satellite communications services to broadcasters, content and ISPs, mobile and fixed network operators and corporate and governmental customers worldwide. Communications services are provided using various communications technologies, including satellite networks, which provide services as a substitute for, or as a complement to, the capabilities of terrestrial networks. The Group’s main competitors are other major international satellite operators, such as Intelsat, Eutelsat and Telesat as well as many regional operators active across Asia, the Middle East, Latin America, Africa, North America and Europe. All these providers of FSS provide a combination of point-to-multipoint and point-to-point services. The Group also faces competition from suppliers of terrestrial communications capacity which may be transcontinental, regional, national or metropolitan in scope, and delivered via fiber-optic, leased-line, or coaxial cables, as well as microwave systems. All of the

above may also be provided by re-sellers, who purchase FSS or non-satellite capacity and then resell it in the market.

In Europe, the Group's principal competition is from terrestrial distribution technologies and competing satellite operators. SES's main competitor in the European space market is Eutelsat, a French satellite operator. Other competitors include smaller operators in the region such as Hispasat, Telenor, Hellas Sat, Turksat and Spacecom.

In North America, the Group's principal satellite competitor is Intelsat, with Telesat, SatMex and some others also providing capacity in the market. DTH television in North America has long been a service provided by vertically integrated companies such as DirecTV and EchoStar, both of whom own their own satellite fleets. SES supplies EchoStar and affiliated companies with transmission capacity to supplement that of Echostar's own fleet.

In the rest of the world, there are several other, well established, regional satellite operators that compete with SES, the most prominent being StarOne of Brazil, AsiaSat, APT and China Satcom of China, MEASAT of Malaysia, ISRO of India, RSCC of Russia, JSAT of Japan, Arabsat of Saudi Arabia and SingTel-Optus of Singapore/Australia. Competitors vary according to the region being served.

A more recent development has been the widespread use of export credit financing from China's EXIM Bank, COFACE and the U.S. Ex-Im Bank to fund national satellite programmes. Russian satellite manufacturers have also offered attractive terms and vendor financing to developing countries. Together, they have engendered a second wave of national satellite programmes in countries such as Venezuela, Kazakhstan, Vietnam, Nigeria, Pakistan, Ukraine, Belarus, Bolivia, Laos, Sri Lanka and several others. This is adding to the supply of satellite capacity in many regions of the world.

## **Property, Plant and Equipment**

### ***Assets***

The Group's principal assets are its satellites, its teleports and its ground network.

The Group uses a worldwide ground network to operate its satellite fleet and/or to manage the communications services that it provides to its customers. This network is comprised of eight owned and 46 (excluding SES Government Solutions sites) leased earth station and teleport facilities around the world.

The earth service stations in the Group's ground network provide commercial **TT&C**; and beam-monitoring services. The Group owns teleports in the United States, Luxembourg, Germany and Gibraltar and leases facilities at more than 60 other locations for satellite/commercial operations worldwide (excluding SES Government Solutions sites and small SOHO type offices). The Group also contracts with the owners of some of these facilities for the provision of additional services. The Group's network also consists of the leased communications links that connect the earth stations to its satellite operations centres.

The leases relating to the Group's earth stations, teleports, points of presence and office space expire at various times. SES does not believe that any such properties are individually material to the Group's business or operations, and expect that the Group could find suitable properties to replace such locations if the leases were not renewed at the end of their respective terms.

### ***Offices***



The Group's administrative headquarters are located in Luxembourg. These headquarters also house one of the Group's three main offices and one of the prime satellite operations centres. The land that underlies this office is leased on a long-term basis from the Grand Duchy of Luxembourg government pursuant to a lease that expires in 2029. The Group also has additional key offices in The Hague, the Netherlands and in Princeton, New Jersey, McLean, Virginia, Washington, DC and Unterföhring, Germany. In total, the Group has more than 60 offices and satellite services centres in nearly 40 countries around the world, a substantial majority of which it leases.

## **Employees**

As of 30 June 2012, the Group employed 1,252 individuals worldwide (counted in full time equivalents (FTEs)), including 438, 387 and 381 FTEs in Luxembourg, the rest of Europe and the United States, respectively.

SES negotiates union contracts with Teamsters Union Local III for U.S.-based union members. The Group maintains good employee relations and has not experienced any material labour-related work stoppages.

## **Intellectual Property**

SES has a significant portfolio of international patents managed by its patent board and internationally registered trademarks and service marks to operate its business worldwide. The Group protects its proprietary business information, products, services and branding in a variety of ways, including relying on trade secret, patent and trademark laws; entering into confidentiality and non-disclosure agreements, including confidentiality and data protection clauses in commercial agreements; and following internal corporate policies and procedure in relation to intellectual property.

SES is not aware of any breach of its intellectual property by any party and, to its knowledge, is not infringing the intellectual property of others.

## **Environmental Matters**

The Group's operations are subject to various laws and regulations relating to the protection of the environment. The Group, as an owner or operator of property and in connection with current and historical operations at some of its sites, could incur significant costs, including cleanup costs, fines, sanctions and third-party claims, as a result of violations of or liabilities under environmental laws and regulations. For instance, some of the Group's operations require continuous power supply, and, as a result, current and past operations at its teleport and other technical facilities have included fuel storage and batteries for back-up power generators. However, the Group believes that its operations are in compliance with environmental laws and regulations.

In addition, the Group is committed to further limiting the environmental impact of its activities, such as by designing and building new technical facilities according to the imperatives of sustainability and energy efficiency. The Group also regularly conducts carbon footprint measurements in order to monitor and control the greenhouse gas emissions generated by its operations, which has allowed the Group to reduce its carbon dioxide emissions by 14 per cent. in 2010 compared to the prior year. The Group also seeks to apply best practices to minimize the environmental impact of outsourced activities, including the manufacture and launch of spacecraft.

## **Legal Proceedings**

Except as described immediately below, neither SES nor any member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of

this Prospectus which may have, or have in such period had, a significant effect on the financial position or profitability of the Group.

In 2011, a dispute between SES and the manufacturer of one of its satellites regarding an outstanding incentive payment was settled. Under the final arbitration agreement, SES agreed to pay a total of approximately €11.7 million to the satellite manufacturer to settle outstanding satellite in orbit incentive payments and interest charges, €9.6 million of which was accounted for as an addition to the acquisition cost of the related satellite and €2.1 million was expensed as interest charges as of 31 December 2011.

In October 2012, Eutelsat commenced arbitral proceedings against Stellar in relation to the 28.5°E orbital position. Stellar has been granted rights to use German Ku-band orbital frequencies at the 28.5°E orbital position effective from 4 October 2013 onwards pursuant to a 2005 agreement with German media service provider, Media Broadcast (**MB**) (as successor to T-Systems Business Services). MB holds a license for these frequencies issued by the Bundesnetzagentur, the German regulator, on the basis of German filings that have priority under the rules of the ITU.

The agreement will give Stellar the right to use, on its fleet, 500 MHz of bandwidth at this orbital position adjacent to Stellar's 28.2°E in the frequency bands 11.45 – 11.70 GHz and 12.50 – 12.75 GHz in downlink and 14.00-14.50 GHz in uplink. Stellar has procured and will launch and operate new satellites (ASTRA 2E and ASTRA 2G) at 28.2°E/28.5°E, along with the recently launched ASTRA 2F satellite, to replace Stellar's existing fleet at 28.2°E and to provide new capacity. The new satellites in this neighbourhood will use the additional frequency spectrum as of October 2013 for DTH satellite television services in the U.K. and Ireland and for other services inside and outside of Europe.

Eutelsat is currently operating these frequencies on the Eurobird-1 satellite (also known as Eutelsat 28A) under a 1999 agreement with Deutsche Telekom AG (**DTAG**), the former license holder of these rights before it transferred its satellite activity to MB in 2002. Eutelsat has commenced arbitral proceedings against DTAG and MB in April 2011, claiming that it has the rights to use these frequencies beyond October 2013.

In the arbitral proceedings against SES, Eutelsat is seeking (i) a declaration that SES cannot use such frequency bands either from 28.5 East or nearby orbital positions without breaching a 1999 intersystem coordination agreement between Eutelsat and Stellar, (ii) an order prohibiting SES from using the frequency bands above and (iii) an order on damages. Stellar strongly disagrees with Eutelsat's position and will vigorously defend its right to use these frequencies from 4 October 2013 on the basis, among other things, that (i) Eutelsat's rights to use these frequencies will expire on 3 October 2013, (ii) nothing in the 1999 agreement prevents Stellar from using these frequencies as of 4 October 2013, (iii) pursuant to a 2005 agreement with MB, Stellar has been granted the rights to use these frequencies and (iv) the filings pursuant to which MB's license for these frequencies was issued by the Bundesnetzagentur have priority under the rules of the ITU.

The launches of ASTRA 2E and ASTRA 2G are scheduled for 2013 and 2014, respectively.

## DESCRIPTION OF SES AND CORPORATE GOVERNANCE

### SES

SES is a *société anonyme* incorporated under the laws of Luxembourg. SES's registered address and the business address of each of the members of its Board of Directors and Executive Committee is Château de Betzdorf, L-6815 Luxembourg, and its telephone number is + 352 710 725-1. It is registered with the trade and companies register in Luxembourg under number B 81267.

## Share Capital

SES 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 carry the same rights except that the shares of Class B, held by the Grand Duchy of Luxembourg and by two entities wholly-owned by the Grand Duchy of Luxembourg, entitle their holders to only 40 per cent. of the dividend, or in case SES is dissolved, to 40 per cent. 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 SES's articles of incorporation, no shareholder of Class A may hold, directly or indirectly, more than 20 per cent., 33 per cent. or 50 per cent. of SES'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.

The number of issued shares of each class as of 17 October 2012 was as follows:

SES Shareholders <sup>3</sup>	Number of Shares	% Voting Shareholding	% Economic Participation
<b>A Shares</b>			
Sofina Group	18,000,000	3.55 %	4.44 %
Luxempart Invest S.à.r.l.	11,538,264	2.28 %	2.85 %
Nouvelle Santander Telecommunications S.A.	9,000,000	1.78 %	2.22 %
Other shareholders	8,242,275	1.63 %	2.03 %
BCEE FDRs (free float)	290,819,461	57.43 %	71.79 %
<b>Total A Shares</b>	<b>337,600,000</b>	<b>66.67 %<sup>4</sup></b>	<b>83.33 %<sup>2</sup></b>
<b>B Shares</b>			
BCEE	55,089,816	10.88 %	5.44 %
SNCI	55,082,944	10.88 %	5.44 %
Etat du Grand-Duché de Luxembourg	58,627,240	11.58 %	5.79 %
<b>Total B Shares<sup>5</sup></b>	<b>168,800,000</b>	<b>33.33 %<sup>2</sup></b>	<b>16.67 %</b>
<b>Total Shares (Actual)</b>	<b>506,400,000</b>		
<b>Total Shares (Economic)</b>	<b>405,120,000</b>		

A shareholder or a potential shareholder that plans to acquire by whatever means, directly or indirectly, more than 20 per cent., 33 per cent. or 50 per cent. of the shares of the SES must inform the Chairman of the Board of such intention. The Chairman must 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.

## Objects and Purposes

According to Article 2 of SES's articles of incorporation, SES's objects and purposes are to take generally any interest whatsoever in electronic media and to be active, more particularly, in the area of communications via satellite. In this context, SES's purpose is the holding of participations, in any form whatsoever, in Luxembourg companies and foreign companies, and any other form of investment, the acquisition by purchase, subscription, or in any other manner as well as the transfer by sale, exchange or otherwise of securities of any kind, and the administration, control and development

<sup>3</sup> Significant shareholdings as of 17 October 2012.

<sup>4</sup> All figures have been rounded up to the second decimal, which may result in a rounding difference of the total percentage for Class A and B shares.

<sup>5</sup> Shares of Class B carry 40% of the economic rights of shares of Class A.

of its portfolio. In addition, SES may conduct all kinds of commercial, industrial and financial business, with movable as well as with immovable assets, which it may deem useful in the accomplishment of its purpose. SES may also hold any kind of interest, in any form, by way of participations, guarantees or otherwise, in any Luxembourg or foreign enterprise, company or association likely to further SES's purpose to the best use.

## **General Meetings**

### ***Extraordinary General Meetings***

Under Luxembourg company law, SES's annual and/or extraordinary general meetings represent the entire body of shareholders of SES. 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 SES's shareholder register at least 14 business days before the meeting is authorized 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.

In case of no opposition from the government of Luxembourg, the Board must 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 authorize the demanding party to acquire more than 20 per cent., 33 per cent. or 50 per cent. of the shares.

During 2012, an extraordinary meeting of shareholders was held, immediately after the annual general meeting (the **AGM**) on April 5. The purpose of the extraordinary general meeting was to bring SES's articles of incorporation in line with the law of 24 May 2011 implementing Directive 2007/36/EC of the European Parliament and Council on the exercise of certain rights of shareholders in listed companies, as well as to introduce an authorized share capital under which the Board is authorized to issue new A-shares without reserving any preferential subscription rights for existing shareholders.

### ***Annual General Meetings***

The annual general meeting is held on the first Thursday in April. Each registered shareholder receives written notice of the annual general meeting, including the time of the meeting, the agenda and the draft resolutions, at least 30 days prior to the meeting. Holders of SES's Fiduciary Depositary Receipts (the **FDRs**) are represented at the meeting by Banque et Caisse d'Epargne de l'Etat acting as Fiduciary. Each FDR represents 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, SES pays the applicable charge for a conversion of up to 10,000 FDRs for a short period prior to the annual general meeting for any FDR holder who is not yet a registered A-shareholder.

Notice of the meeting and of the proposed agenda is published in the press and in the "Memorial C". The Fiduciary circulates the draft resolutions to both international clearing systems, Euroclear and Clearstream, allowing FDR holders to give their voting instructions to the Fiduciary in time for the meeting. At the same time, the draft resolutions are made available on SES's website. Unless the Fiduciary has received specific instructions from the FDR holder, the Fiduciary must 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 must 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 SES. A French version of the AGM minutes and the results of the shareholders' votes are published on the SES's 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 per cent., 33 per cent. or 50 per cent., all the resolutions of the meeting are adopted by a simple majority vote except if otherwise provided for by Luxembourg company law.

## **Board of Directors**

SES's Board of Directors is responsible for defining SES's strategic objectives as well as its overall corporate plan. The Board approves, upon proposal from the Executive Committee, the annual consolidated accounts of SES and the appropriation of results, the Group's medium-term business plan, the consolidated annual budget of SES 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 SES, which it delegates to the Executive Committee.

The Board of SES is composed of 18 Directors, all of whom are non-executive Directors. In accordance with SES'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 2012, the mandates of the current Directors will expire at the annual general meeting of shareholders in April 2013, 2014 and 2015 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 5 April 2012. Mr. 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 on 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 SES 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 SES over the last five years;
- not having had a material business relationship with SES in the last three years; and
- not representing a significant shareholder owning directly or indirectly more than 5 per cent. of SES's shares.

Ten of the current Board members are considered independent: Mr. Marc Beuls, Mr. Marcus Bicknell, Ms. Bridget Cosgrave, Mr. Jacques Espinasse, Mr. Conny Kullman, Prof. Dr. Miriam Meckel, Mr. Robert W. Ross, Dr. Karim Sabbagh, Mr. Terry Seddon and Mr. Marc Speeckaert.

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

The following table sets forth the name, age and position of each member of SES's Board of Directors as of 30 June 2012. SES considers only the members of SES's Board of Directors to be SES's key managers.

<b>Name</b>	<b>Age</b>	<b>Position</b>
Mr. René STEICHEN.....	69	Non-executive Chairman
Mr. François TESCH.....	61	Non-executive Vice-Chairman
Mr. Jean-Paul ZENS .....	59	Non-executive Vice-Chairman
Mr. Serge ALLEGREZZA .....	52	Non-executive Director
Mr. Marc BEULS.....	55	Independent Non-executive Director
Mr. Marcus BICKNELL .....	64	Independent Non-executive Director
Ms. Bridget COSGRAVE .....	50	Independent Non-executive Director
Mr. Hadelin DE LIEDEKERKE BEAUFORT .....	57	Non-executive Director
Mr. Jacques ESPINASSE.....	69	Independent Non-executive Director
Mr. Jean-Claude FINCK .....	56	Non-executive Director
Mr. Conny KULLMAN .....	61	Independent Non-executive Director
Prof. Dr. Miriam MECKEL .....	44	Independent Non-executive Director
Mr. Gaston REINESCH .....	54	Non-executive Director
Mr. Victor ROD .....	62	Non-executive Director
Mr. Robert W. ROSS .....	71	Independent Non-executive Director
Dr. Karim Michel SABBAGH .....	48	Independent Non-executive Director
Mr. Terry SEDDON.....	71	Independent Non-executive Director
Mr. Marc SPEECKAERT .....	61	Independent Non-executive Director

The business address of the members of SES's Board of Directors is Château de Betzdorf, L-6815 Luxembourg, and its telephone number is + 352 710 725-1.

## **Board Practices**

SES's Board of Directors meets when required by the SES'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 SES or any of its wholly controlled operating subsidiaries with a shareholder owning, directly or indirectly, at least 5 per cent. of the shares of SES is subject to a prior authorization by the Board.

## **Committees**

SES's Board of Directors governs through clearly identified board committees to which it delegates certain powers. SES's committees include the Chairman's Office, the Remuneration Committee, the Audit and Risk Committee and the Nomination Committee, as well as the Executive Committee, which is responsible for the day-to-day management of SES. These committees are properly authorized under SES's memorandum and articles of association to make decisions and act on behalf of the SES's Board of Directors within the parameters laid down by SES's Board of Directors. SES's Board of Directors is kept fully informed of the work of these committees. Any issues requiring resolution must be referred to the full 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 board meetings, allowing the Vice Chairmen to coordinate the preparation of board meetings with the Directors of their share class. Current members are: Mr. René Steichen, Mr. François Tesch and Mr. Jean-Paul Zens.

### ***The Remuneration Committee***

In accordance with general corporate governance standards, SES'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 SES. It also makes a recommendation to shareholders as to the remuneration of members of the Board, which is determined by shareholder vote at SES's annual general meeting. The Remuneration Committee reports to the Board at each meeting through its chairman. The Remuneration Committee is composed of six members, at least half of whom are independent Board members in line with SES's internal regulations. After the annual general meeting, Mr. Gaston Reinesch replaced Mr. Jean-Claude Finck as a member of the Remuneration Committee. The committee is chaired by Mr. René Steichen, and the other members are Mr. Marcus Bicknell (independent), Mr. Hadelin de Liedekerke Beaufort, Mr. Jacques Espinasse (independent), Mr. Gaston Reinesch and Mr. Terry Seddon (independent).

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 SES (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 and Risk Committee is composed of six members, four of whom are independent Board members. The Audit Committee is chaired by Mr. Marc Speeckaert, and the other members include Mr. Marc Beuls (independent), Mr. Jacques Espinasse (independent), Mr. Jean-Claude Finck, Mr. Gaston Reinesch and Dr. Karim Sabbagh (independent).

### ***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 whom are independent Board members in line with the SES internal regulations. The Nomination Committee is chaired by Mr. René Steichen, and the other members include Mr. Marcus Bicknell (independent), Mr. Terry Seddon (independent), Mr. Marc Speeckaert (independent), Mr. François Tesch and Mr. Jean-Paul Zens.

### ***The Executive Committee***

The Executive Committee is made up of non-directors who are elected by the Board of Directors upon a proposal of the Nomination Committee. 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 SES 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 SES as well as specific transactions with third parties for an amount up to €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 €30 million. The Executive Committee may approve any external credit facilities or external guarantees, pledges, mortgages and any other encumbrances of SES, or any wholly-owned affiliate, for as long as SES will not lose its investment grade rating as a result of such facility or guarantee. It may approve increases of up to 5 per cent. 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 must 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 SES. 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 SES, 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 co-ordinates 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 SES, the Chairman of the Executive Committee informs the Chairman of the Board on a regular basis of SES's activities. The latter receives the agenda and the minutes of all meetings of the Executive Committee in due time.

Mr. Pierre Margue, Vice President Legal Services, Corporate and Finance acts as secretary of the Executive Committee.

The following persons are members of the Executive Committee: the president and chief executive officer, who assume the chairmanship of the Executive Committee, the chief financial officer, the chief commercial officer, the chief development officer and the chief technology officer.

<b>Name</b>	<b>Age</b>	<b>Position</b>
Mr. Romain BAUSCH .....	59	President and Chief Executive Officer
Mr. Andrew BROWNE .....	57	Chief Financial Officer
Mr. Martin HALLIWELL .....	53	Chief Technology Officer
Mr. Ferdinand KAYSER .....	54	Chief Commercial Officer
Mr. Gerson SOUTO .....	48	Chief Development Officer

The business address of the members of SES's Executive Committee is Château de Betzdorf, L-6815 Luxembourg, and its telephone number is + 352 710 725-1.

## **Biographical Information – Board of Directors**

### ***Mr. René Steichen***

Born on 27 November 1942. Mr. Steichen became a Director on 1 June 1995 and his current term ends in 2014. He was elected Chairman on 15 April 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 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 SES's Nomination and Remuneration Committees.

Mr. Steichen is not an independent Director, as he represents an important shareholder.



***Mr. François Tesch***

Born on 16 January 1951. Mr. Tesch became a Director on 15 April 1999 and his current term ends in 2013. He is Chief Executive Officer of Foyer S.A. and Luxempart S.A. He graduated with a degree in economics from the Faculté d'Aix-en-Provence and holds an M.B.A. from INSEAD (Institut Européen d'Administration des Affaires). Mr. Tesch is also a member of the Board of Directors of Atenor Group S.A. and Pescanova S.A. and is Vice Chairman of SES's Board and a member of its Nomination Committee.

Mr. Tesch is not an independent Director, as he has been a Director for more than 12 years.

***Mr. Jean-Paul Zens***

Born on 8 January 1953. Mr. Zens became a Director on 7 May 2002 and his current term ends in 2014. Mr. Zens was also elected Vice Chairman on 7 May 2002. Mr. Zens is also a member of the Board of Directors of SES ASTRA, and 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, as he represents an important shareholder.

***Mr. Serge Allegrezza***

Born on 25 October 1959. Mr. Allegrezza became a Director on 11 February 2010 and his current term ends in 2015. He is currently the Director General of State, 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 Directors of LuxTrust i.n.c. 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 Masters in Economics and a Ph.D. in Applied Economics.

Mr. Allegrezza is not an independent Director, as he represents an important shareholder.

***Mr. Marc Beuls***

Born on 15 September 1956. Mr. Beuls became a Director on 7 April 2011 and his current term ends in 2014. He 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, specializing 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 on 28 February 1948. Mr. Bicknell became a Director on 6 May 2005 and his current term ends in 2014. 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 Arts. From 1986 to 1990, he was Commercial Director of Société Européenne des Satellites. Mr. Bicknell holds an M.A. Honours Degree in Physical Anthropology from Cambridge University. Mr. Bicknell is a member of both the Remuneration and Nomination Committees.

Mr. Bicknell is an independent Director.

***Ms. Bridget Cosgrave***

Born on 1 July 1961. Ms. Cosgrave became a Director on 3 April 2008 and her current term ends in 2014. 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 to 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 M.B.A. from London Business School and a B.A. (Hons.) in Economics & History from Queen's University in Canada.

Ms. Cosgrave is an independent Director.

***Mr. Hadelin de Liedekerke Beaufort***

Born on 29 April 1955. Mr. de Liedekerke Beaufort became a Director on 17 April 2000 and his current term ends in 2015. 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 the Remuneration Committee of SES.

Mr. de Liedekerke Beaufort is not an independent Director, as he has been a director for more than 12 years.

***Mr. Jacques Espinasse***

Born on 12 May 1943. Mr. Espinasse became a Director on 6 May 2005 and his current term ends in 2013. 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 B.B.A. and an M.B.A. from the University of Michigan. Mr. Espinasse is a member of the Audit and Risk Committee and of the Remuneration Committee.

Mr. Espinasse is an independent Director.

***Mr. Jean-Claude Finck***

Born on 22 January 1956. Mr. Finck became a Director on 31 May 2001 and his current term ends in 2013. 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 of SES.

Mr. Finck is not an independent Director, as he represents an important shareholder.

***Mr. Conny Kullman***

Born 5 July 1950. Mr. Kullman became a Director on 5 April 2012 and his current term ends in 2015. Mr. Kullman was a former Director General and CEO of Intelsat. Mr. Kullman graduated with a Master of Science in Electronic Engineering from the Chalmers University of Technology in Gothenburg. After working as a Systems Engineer for Saab-Ericsson Space AB, he joined Intelsat in Washington DC, where he held several positions before becoming SES's Director General and CEO. Mr. Kullman became the CEO of Intelsat Ltd. in Bermuda in 2001 and its Chairman in 2005, a position from which he retired in 2006.

Mr. Kullman is an independent Director.

***Prof. Dr. Miriam Meckel***

Born on 18 July 1967. Prof. Dr. Meckel became a Director on 5 April 2012 and her current term ends in 2015. Pr. Dr. Meckel is Professor for Corporate Communication and 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. She holds a Ph.D. in Communication Studies from the University of Münster.

Prof. Dr. Miriam Meckel is an independent Director.

***Mr. Gaston Reinesch***

Born on 17 May 1958. Mr. Reinesch became a Director on 1 July 1998 and his current term ends in 2013. Mr. Reinesch is invited Professor at the University of Luxembourg. He is Chairman of the Société Nationale de Crédit et d'Investissement, 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, as he represents an important shareholder.

***Mr. Victor Rod***

Born on 26 April 1950. Mr. Rod became a Director on 23 November 1995 and his current term ends in 2015. 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, as he represents an important shareholder.

***Mr. Robert W. Ross***

Born on 8 January 1941. Mr. Ross became a Director on 28 June 2007 and his current term ends in 2013. 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 SES until July 2004. Mr. Ross graduated from Brown University and holds M.A. and J.D. degrees from Boston University in the United States.

Mr. Ross is an independent Director.

***Dr. Karim Michel Sabbagh***

Born on 26 September 1963. Dr. Sabbagh became a Director on 7 April 2011 and his current term ends in 2014. He 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 Burnett 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 B.B.A. with distinction from the American University of Beirut, an M.B.A. from the American University of Beirut and a Ph.D. 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.

***Mr. Terry Seddon***

Born on 14 February 1941. Mr. Seddon became a Director on 6 May 2005 and his current term ends in 2013. 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 23 May 1951. Mr. Speeckaert became a Director on 6 May 2005 and his current term ends in 2015. 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 and of the Nomination Committee of SES.

Mr. Speeckaert is an independent Director.

**Biographical Information – Executive Committee**

***Mr. Romain Bausch***

Born on 3 July 1953. Mr. Bausch was 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 a member of Fedil–Business Federation Luxembourg and a member of the Boards of Directors of BIP Investment Partners, Aperam and Compagnie Financière La Luxembourgeoise. He graduated with a degree in economics

(specialization 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 and member of the Board of Solaris.

***Mr. Andrew Browne***

Born on 4 June 1955. Mr. Browne became Chief Financial Officer of SES effective 1 April 2010. Mr. Browne previously held CFO and board positions at a number of global companies and organisations, specializing in the telecommunications and high-technology sectors. Mr. Browne was the CFO of Intelsat from 1995 to 1999, and subsequently at New Skies Satellites following SES'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 M.B.A., International Business and Finance, from Trinity College, Dublin, and is a member of the Institute of Certified Public Accountants of Ireland (CPA). Mr. Browne is a member of the Board of SES ASTRA, of O3b and of YahLive.

***Mr. Martin Halliwell***

Born on 20 April 1959, and appointed Chief Technology Officer on 1 May 2011. Mr. Halliwell was President of SES ENGINEERING from 1 January 2008 to April 2011. Prior to this assignment, Martin Halliwell held the position of Senior Vice President 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 B.A. in Mathematics and Mechanical Engineering and an M.B.A. specializing in external environment and strategic management from the Open University. Mr. Halliwell is a member of the Board of SES ASTRA and of O3b.

***Mr. Ferdinand Kayser***

Born on 4 July 1958. Mr. Kayser was appointed Chief Commercial Officer of SES on 1 May 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 specialized university studies in Media Law and Management of Electronic Media. Mr. Kayser is a member of the Boards of SES ASTRA, ODM and YahLive.

***Mr. Gerson Souto***

Born on 14 June 1964. Mr. Souto was appointed Chief Development Officer of SES on 1 May 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's WORLD SKIES business unit with responsibility for commercial services; prior to that and since 2007, he held similar responsibilities at SES's NEW SKIES business unit. Prior to joining SES, Mr. Souto worked for Intelsat and at Embratel. Mr. Souto holds an M.B.A. from George Washington University in Washington, D.C., an M.A. 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 Boards of SES ASTRA, of O3b and of Solaris.

## **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 2012, the shareholders decided to maintain the fees paid to the Directors at the previous year's level. Directors receive a fixed fee of €40,000 per year, whereas the Vice Chairmen and the Chairman of the Audit and Risk Committee receive an annual fixed fee of €48,000 and the Chairman receives €100,000 per year. The shareholders also maintained the fees per meeting at €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 video-conference in the meeting.

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

### ***Company Stock Owned by Members of the Board of Directors***

As at 30 June 2012, the members of the Board of Directors owned a combined total of 644,505 Class A shares and FDRs, which are backed by one A share each (representing 0.13 per cent. of SES'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 for the year 2011 amounted to €7,709,085.79, of which €2,977,389.66 represented the fixed part and €4,731,696.13 the variable part. The direct remuneration paid to the members of the Executive Committee amounted to €4,211,424.20, whereas the indirect remuneration was €3,497,661.59. The indirect remuneration also contains the benefits derived by the members of the Executive Committee from SES'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 €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 authorized. A quarter of those options vested on 1 January 2012, the remaining quarters vesting on 1 January 2013, 2014 and 2015, respectively. In 2011, members of the Executive Committee were granted 80,833 restricted shares as part of SES's long-term incentive plan as well as 33,704 performance shares. These shares will vest on 1 June 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.

### ***Company Stock Owned by Members of the Executive Committee***

As at 30 June 2012, the five members of the Executive Committee then in place owned a combined total of Class A shares and FDRs, 323,016 unvested restricted shares and 499,268 options. Transactions made by members of the Executive Committee are published on SES's website ([www.ses.com](http://www.ses.com)) under Management Disclosures.

### **Interests of Directors**

As at 14 November 2012 (being the latest practicable date prior to the publication of this Prospectus) there are no outstanding transactions other than in the ordinary course of business undertaken by SES in which SES's Directors were interested parties. Certain members of SES's Board of Directors and Executive Committee have direct or beneficial interests in SES's ordinary shares. See "*Description of SES and the Group—Company Stock Owned by Members of the Executive Committee*" and "*Description of SES and the Group —Company Stock Owned by Members of the Board of Directors*" above.

### **Conflicts of Interests**

None of the members of SES's management or Board of Directors have been subject to any bankruptcy, receivership or liquidation proceedings, nor have any of them been convicted of any fraudulent offense or been subject to any official public incrimination or sanctions by statutory or regulatory authorities (including designated professional bodies) in acting as founder, Director or senior manager of any company for the last five years, nor has any of them been disqualified by a court from acting as a member of the management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for the last five years.

Except as described in the next paragraph, there are no potential conflicts of interest between the private interests or other duties of the Directors of the Issuer and their duties to the Issuer.

### **Related-party Transactions**

For further details, see note 29 to the SES Annual Report for the year ended 31 December 2011.

## **ORGANISATIONAL STRUCTURE OF THE GROUP**

The Group comprises SES and its subsidiaries, along with its joint ventures and associates, and includes the following types of entities, a substantial portion of which are wholly owned:

- Operating companies (21 entities), which perform substantially all of the Group's satellite operations. These companies have historically owned the bulk of satellites, orbital slot licenses and/or ground infrastructure. They are also responsible for a substantial portion of the Group's payroll for employees in all fields of satellite operations. Operating companies are the market-facing entities of the Group, entering into customer contracts and providing the Group's core satellite communication services and value-added services to external customers.
- Single satellite companies (27 entities), each of which is individually insured for in-orbit failures with the Group's captive insurance company.

- Marketing companies (15 entities), which give the Group a local marketing presence in key markets and are often associated with local affiliates. Marketing affiliates do not enter into customer contracts.
- Engineering companies (6 entities), which supports the SES Engineering function.
- Holding companies (25 entities), which hold the Group's financial assets. Historically, many of these companies were established for management reporting purposes and/or corporate organisational reasons.
- Regulatory companies (12 entities), which are incorporated in those jurisdictions that do not permit foreign entities to sell capacity to local customers or obtain licenses, enter into concession agreements or acquire landing rights.
- Finance companies (7 entities), are responsible for the Group's captive finance and insurance operations. Finance companies perform centralized funding, cash management, foreign exchange and interest rate hedging and insurance activities for Group entities. They also play important roles in external or internal funding or cash flows of the Group.

See note 30 to the SES Annual Report for the year ended 31 December 2011 for a list of the Group's material subsidiaries, joint ventures and associates.



## DESCRIPTION OF SES GLOBAL AMERICAS HOLDINGS GP

### Establishment, domicile and duration

SES Global Americas Holdings GP (**SES Americas**) is a Delaware general partnership formed in the State of Delaware, United States of America under Delaware law by SES (**SES**) and SES ASTRA (together the **Partners**) on 9 April 2003 pursuant to a partnership agreement dated 9 April 2003, as amended by Amendment No 1 thereto, dated 15 July 2004 (as amended, the **Partnership Agreement**) and the Delaware Revised Uniform Partnership Act. The Organisational ID number for SES Americas is 3646475. The term of SES Americas shall continue until dissolution pursuant to the provisions of the Partnership Agreement. SES Americas is domiciled in the United States of America and its principal place of business is at 4 Research Way, Princeton, New Jersey 08540 (telephone: +1 609 987 4000).

### Business Overview

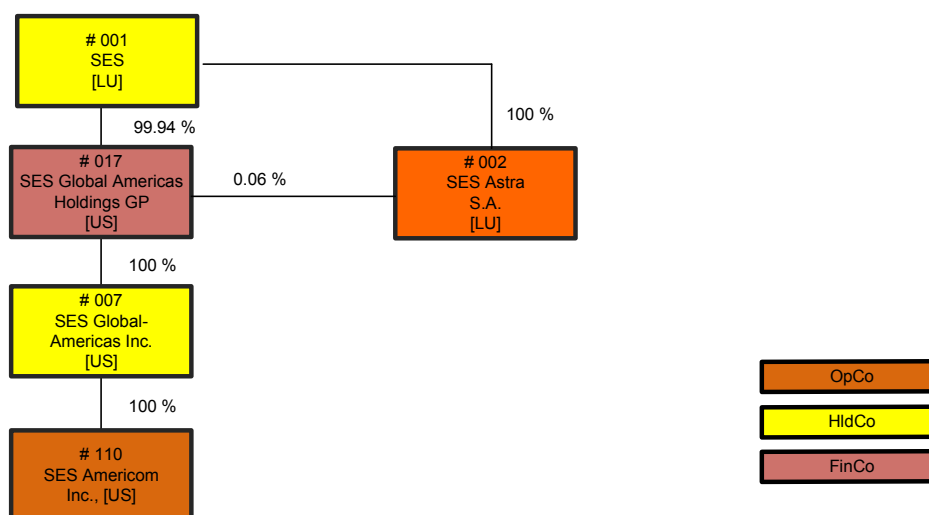
According to Article 1.3 of the Partnership Agreement, the purpose and character of the business of SES Americas is to engage in any lawful business or activity permitted by the Delaware Revised Uniform Partnership Act or the laws of any jurisdiction in which SES Americas may do business as the Partners may agree from time to time, including, without limitation, (i) to hold SES's existing interest in SES Global-Americas, Inc. (Global Americas) a Delaware corporation and a wholly owned subsidiary of SES, (ii) to incur certain indebtedness for the purposes of refinancing certain existing debt of Global Americas, (iii) to make additional capital contributions to Global Americas in exchange for additional interest in Global Americas as the Partners may agree from time to time, (iv) to acquire, hold or dispose of interests in subsidiaries and affiliates of SES, and (v) to engage in activities and transactions which the Partners deem necessary, convenient, incidental or advisable in connection with the foregoing, including, the entering into of loan agreements, the lending or borrowing of funds, the purchase or sale of securities, and the purchase or sale of derivative instruments.

SES Americas is part of the SES Group.

SES Americas re-funds its own capital maturities in the capital markets to support SES's funding goals whenever the markets provide SES Americas with favourable access and rates. SES Americas enters into derivative transactions whenever it is necessary to hedge its financial risks.

### Organisational Structure

The following chart shows the position of SES Americas in the Group.



As a holding entity, SES Americas is dependent on the performance of the operating companies in the Group. A description of the Group and the operating companies in the SES Group appears in “*Description of SES and the Group - Organisational Structure of the Group*”

## Management

The Partners of SES Americas are:

- SES, Château de Betzdorf, L-6815 Luxembourg; and
- SES ASTRA, Château de Betzdorf, L-6815 Luxembourg.

The Partners have full, exclusive and complete discretion in the management and control of the business of SES Americas and can make all decisions affecting the business of SES Americas. The Partners exercise their respective management power and authority through representatives. Each Partner may appoint one representative (a **Representative**) from time to time and one or more alternates who may serve in the absence of such Partner’s Representative. The current Representatives are:

(a) for SES:

Name	Function	Principal Activities outside SES Americas
Pierre Margue	Representative	Vice President Legal and Corporate affairs, Secretary to the Board of SES

(b) for SES ASTRA:

Name	Function	Principal Activities outside SES Americas
Padraig McCarthy	Representative	Senior Vice President Financial Operations

The business address for each of the above persons is Château de Betzdorf, L-6815 Luxembourg.

### **Management Bodies' Conflicts of Interests**

There are no potential conflicts of interest between the duties to SES Americas of the persons listed above as Partners or Representatives and their private interests or other duties.

### **Compliance with Corporate Governance Regime**

SES Americas is subject to the Delaware Revised Uniform Partnership Act as it is a general partnership and not a corporation.

### **Audit Committee**

SES Americas does not have an audit committee.

### **Partnership Interests**

SES holds a 99.94 per cent. interest in SES Americas and SES ASTRA holds a 0.06 per cent. interest in SES Americas. SES Americas is controlled by the Partners through the terms of the Partnership Agreement.

## **TAXATION**

### **A. LUXEMBOURG TAXATION**

The following is a general description of certain tax considerations, under the existing laws of Luxembourg as currently applied by the Luxembourg tax authorities, relating to a holding of the Notes and Coupons. It does not purport to be a complete analysis of all tax considerations relating to the Notes and Coupons. Prospective purchasers of the Notes and Coupons should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of any other jurisdiction of acquiring, holding, redeeming and disposing of the Notes and Coupons receiving payments and/or other amounts thereunder. This summary is based upon the law as in effect on the date hereof and is subject to any change in law that may take effect after such date, and may be retroactively applicable.

#### ***Luxembourg tax residency of the Noteholders and Couponholders***

A Noteholder and Couponholder will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding of the Notes and Coupons or the execution, performance, delivery and/or enforcement of the Notes and Coupons.

#### ***Withholding Tax***

##### ***Resident Noteholders and Couponholders***

A 10 per cent. Luxembourg withholding tax is levied on interest payments made by Luxembourg paying agents to beneficial owners who are Luxembourg resident individuals or to certain entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the European Council Directive 85/611/EEC as replaced by the European Council Directive 2009/65/EC or for the exchange of information regime). This withholding tax also applies on accrued interest received upon disposal, redemption or repurchase of the Notes and Coupons. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth.

Further, Luxembourg resident individuals who are the beneficial owners of interest payments made by a paying agent established outside Luxembourg in a Member State of the European Union or the European Economic Area or in a jurisdiction having concluded an agreement with Luxembourg in connection with the EU Savings Directive, and acting in the course of their private wealth, may also opt for a final 10 per cent. levy. In such case, the 10 per cent. levy is calculated on the same amounts as for the payments made by Luxembourg resident paying agents. The option for the 10 per cent. final levy must cover all interest payments made by the paying agents to the Luxembourg resident beneficial owner during the entire civil year.

##### ***Non-resident Noteholders and Couponholders***

Under the Luxembourg tax laws currently in effect and subject to the application of the Luxembourg laws dated 21 June 2005 (the **Laws**) implementing the EU Savings Directive and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union, there is no withholding tax on payments of interests (including accrued but unpaid interest) made to a Luxembourg non-resident Noteholder and Couponholder. There is also no Luxembourg withholding tax, upon repayment of the principal, or subject to the application of the Laws, upon redemption or exchange of the Notes and Coupons.

Under the Laws, a Luxembourg based paying agent (within the meaning of the EU Savings Directive) is required since 1 July 2005, to withhold tax on interest and other similar income (including reimbursement premium received at maturity) paid by it to (or under certain circumstances, to the benefit of) an individual or a residual entity (**Residual Entity**) in the sense of article 4.2. of the EU Savings Directive (*i.e.* an entity without legal personality except for (1) a Finnish *avoin yhtiö* and *kommandiittiyhtiö* / *öppet bolag* and *kommanditbolag* and (2) a Swedish *handelsbolag* and *kommanditbolag*, and whose profits are not taxed under the general arrangements for the business taxation and that is not, or has not opted to be considered as, an undertaking for collective investment subject to the law of 17 December 2010 (**UCITS**) recognised in accordance with Council Directive 85/611/EEC as replaced by Council Directive 2009/65/EC), resident or established in another Member State of the European Union unless the beneficiary of the interest payments elects for an exchange of information. The same regime applies to payments to individuals or Residual Entities resident in any of the following territories: Aruba, British Virgin Islands, Guernsey, Isle of Man, Jersey, Montserrat and the former Netherlands Antilles, *i.e.* Bonaire, Curaçao, Saba, Sint Eustatius and Sint Maarten.

The current withholding tax is 35 per cent. since 1 July 2011. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain other countries. In each case described here above, responsibility for the withholding tax will be assumed by the Luxembourg paying agent.

Noteholders and Couponholders should note that the European Commission adopted a new draft EU Savings Directive, which, among other changes, seeks to extend the application of the EU Savings Directive to (i) payments challenged through certain intermediate structures (whether or not established in a Member State) for the ultimate benefit of an EU resident individual, and (ii) a wider range of income similar to savings income. Further developments in this respect should be monitored on a continuing basis, since no certainty exists over whether and when the proposed amendments to the EU Savings Directive will be implemented. Noteholders and Couponholders who are in any doubt as to their position should consult their professional advisors.

## ***Income Taxation***

### *Taxation of Luxembourg non - residents*

Noteholders and Couponholders who are non-residents of Luxembourg and who do not have a permanent establishment or a permanent representative in Luxembourg to which the Notes and Coupons are attributable are not liable to any Luxembourg income tax, whether they receive payments of principal or interest (including accrued but unpaid interest) or realise capital gains upon redemption, repurchase, sale or exchange of any Notes and Coupons.

Noteholders and Couponholders who are non-residents of Luxembourg who have a permanent establishment or a permanent representative in Luxembourg to which the Notes and Coupons are attributable have to include any interest received or accrued, as well as any capital gain realized on the sale or disposal of the Notes and Coupons in their taxable income for Luxembourg income tax assessment purposes.

### *Taxation of Luxembourg residents*

#### Luxembourg resident individuals

An individual Noteholder and Couponholder acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax in respect of interest received, redemption premiums or issue discounts under the Notes and Coupons except if a withholding tax has been levied on such payments in accordance with the rules mentioned above.

Under Luxembourg domestic tax law, gains realised upon the sale, disposal or redemption of the Notes and Coupons which do not constitute Zero Coupon Notes, Coupons by an individual Noteholder and Couponholder who is a resident of Luxembourg for tax purposes and who acts in the course of the management of his/her private wealth, on the sale or disposal, in any form whatsoever, of Notes and Coupons are not subject to Luxembourg income tax, provided this sale or disposal takes place at least six months after the acquisition of the Notes and Coupons. An individual Noteholder and Couponholder who acts in the course of the management of his/her private wealth and who is a resident of Luxembourg for tax purposes, has to include the portion of the gain corresponding to accrued but unpaid income in respect of the Notes and Coupon in his/her taxable income, insofar as the accrued but unpaid interest is indicated separately in the agreement. A gain realised upon a sale of Zero Coupon Notes and Coupons before their maturity by Luxembourg resident Noteholders and Couponholders in the course of the management of their private wealth must be included in their taxable income for Luxembourg income tax assessment purposes.

Luxembourg resident individual Noteholders and Couponholders acting in the course of the management of a professional or business undertaking to which the Notes and Coupons are attributable, have to include any interest received or accrued, as well as any gain realised on the sale or disposal of the Notes and Coupons in their taxable income for Luxembourg income tax assessment purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price (including accrued but unpaid interest) and the lower of the cost or book value of the Notes and Coupons sold or redeemed.

#### Luxembourg corporate residents

Luxembourg corporate Noteholders and Couponholders must include any interest received or accrued, as well as any gain realised on the sale or disposal in any form whatsoever of the Notes and Coupons in their taxable income for Luxembourg income tax assessment purposes. Taxable gains are determined as being the difference between the sale, repurchase or redemption price (including accrued but unpaid interest) and the lower of the cost or book value of the Notes and Coupons sold or redeemed.

#### Luxembourg residents benefiting from a special tax regime

Luxembourg Noteholders and Couponholders who benefit from a special tax regime, such as, for example, (i) undertakings for collective investment subject to the law of 17 December 2010 or (ii) specialized investment funds subject to the amended law of 13 February 2007 or (iii) family wealth management companies governed by the amended law of 11 May 2007, are exempt from income taxes in Luxembourg and thus income derived from the Notes and Coupons as well as gains realized thereon, are not subject to income taxes.

#### ***Net Wealth Tax***

Luxembourg resident Noteholders and Couponholders, and Noteholders and Couponholders who have a permanent establishment or a permanent representative in Luxembourg to which the Notes and Coupons are attributable, are subject to Luxembourg net wealth tax on such Notes and Coupons, except if the Noteholder and Couponholder is (i) a resident or non-resident individual taxpayer, (ii) an undertaking for collective investment subject to the law of 17 December 2010, (iii) a securitization company governed by the amended law of 22 March 2004 on securitisation, (iv) a company governed by the amended law of 15 June 2004 on venture capital vehicles or (v) a specialized investment fund governed by the amended law of 13 February 2007 or (vi) a family wealth management company governed by the amended law of 11 May 2007.

#### ***Other Taxes***

There is no Luxembourg registration tax, stamp duty or any other similar tax or duty payable in Luxembourg by the Noteholders and Couponholders as a consequence of the issuance of the Notes and Coupons nor will any of these taxes be payable as a consequence of a subsequent transfer of redemption or repurchase of the Notes and Coupons.

There is no Luxembourg value added tax payable in respect of payments in consideration for the issuance of the Notes and Coupons or in respect of the payment of interest or principal under the Notes and Coupons or the transfer of the Notes and Coupons. Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for Luxembourg value added tax purposes such services are rendered or are deemed to be rendered in Luxembourg and an exemption from Luxembourg value added tax does not apply with respect to such services.

Under current Luxembourg tax law, where an individual Noteholder or Couponholder is a resident for inheritance tax purposes of Luxembourg at the time of his/her death, the Notes or Coupons are included in his/her taxable estate for inheritance tax purposes. Gift tax may be due on a gift or donation of Notes and Coupons if the gift is recorded in a deed passed in front of a Luxembourg notary or otherwise registered in Luxembourg.

## **B. UNITED STATES TAXATION**

The following is a summary based on present law of certain U.S. federal income tax considerations for prospective purchasers of the Notes. It addresses only Non-U.S. Holders that hold Notes as capital assets. It does not consider the circumstances of particular purchasers, such as entities treated as partnerships or trusts for U.S. federal income tax purposes, that are subject to special tax rules. The discussion is a general summary. It is not a substitute for tax advice. It deals only with Notes with a term of 30 years or less and it assumes the Notes will be treated as debt for United States federal income tax purposes.

**THE STATEMENTS ABOUT U.S. FEDERAL TAX CONSIDERATIONS ARE MADE TO SUPPORT THE MARKETING OF THE NOTES. NO TAXPAYER CAN RELY ON THEM TO AVOID TAX PENALTIES. EACH PROSPECTIVE PURCHASER SHOULD SEEK ADVICE FROM AN INDEPENDENT TAX ADVISOR ABOUT THE TAX CONSEQUENCES UNDER ITS OWN PARTICULAR CIRCUMSTANCES OF INVESTING IN THE NOTES UNDER THE LAWS OF LUXEMBOURG, THE UNITED STATES AND ITS CONSTITUENT JURISDICTIONS, AND ANY OTHER JURISDICTIONS WHERE THE PURCHASER MAY BE SUBJECT TO TAXATION.**

In this discussion, a **Non-U.S. Holder** is a beneficial owner of a Note that is not for U.S. federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity organised in or under the laws of the United States or its political subdivisions, (iii) a trust subject to the control of a U.S. person and the primary supervision of a U.S. court or (iv) an estate the income of which is subject to U.S. federal income taxation regardless of its source.

### ***Withholding Tax***

Interest paid to a Non-U.S. Holder on a Note issued by SES will be exempt from U.S. withholding tax. Interest paid to a Non-U.S. Holder on a Note issued by SES Americas with a maturity of more than 183 days (taking into account unilateral rights to roll or extend) will be exempt from U.S. withholding tax if (i) the Non-U.S. Holder does not actually or constructively own as much as 10 per cent. of an Issuer's voting shares or in the case of SES Americas, capital or profits interests, (ii) the Non-U.S. Holder is not a controlled foreign corporation related to an Issuer through share ownership, (iii) the Non-U.S. Holder is not treated as a bank holding a Note as an extension of credit

in the ordinary course of its banking business for U.S. federal income tax purposes and (iv) payments on the Notes are not contingent interest ineligible for the portfolio interest exemption from U.S. withholding tax (generally interest determined by reference to income, profits, cash flow, sales, dividends or other similar attributes of an issuer or any related person), (v) a properly executed W-8 (or successor form) has been received, or in respect of any Notes issued under the foreign targeted registered obligation rules, appropriate certification of non-U.S. beneficial ownership, and (vi) the Notes are immobilised with a clearing organisation or its depositary in accordance with procedures sufficient to cause such Notes to be treated as issued in registered form for United States federal tax purposes. Notes will be considered to be effectively immobilised so as to be treated as issued in registered form for United States federal tax purposes where (i) the Notes are represented by one or more global Notes in physical form that are issued to and held by a clearing organisation (or by a custodian or depositary acting as an agent of the clearing organisation) for the benefit of purchasers of interests in the Notes under arrangements that prohibit the transfer of the global Note except to a successor clearing organisation subject to the same terms, (ii) beneficial interests in the underlying Notes are transferable only through a book-entry system maintained by the clearing organisation (or an agent of the clearing organisation), and (iii) holders may obtain definitive Notes in bearer form only upon the occurrence of an Exchange Event.

Interest paid to a Non-U.S. Holder on a Note issued by SES Americas with a maturity of 183 days or less (taking into consideration unilateral rights to roll or extend) will be subject to U.S. withholding tax unless (i) the Note has a minimum denomination of not less than U.S.\$500,000 (or, if issued in a currency other than U.S. dollars, the equivalent amount in such currency determined based on the spot rate on the date of issuance), or (ii) the Notes are immobilised with a clearing organisation or its depositary in accordance with procedures sufficient to cause such Notes to be treated as issued in registered form for United States federal tax purposes.

If the Non-U.S. Holder is an entity treated as a partnership or trust for U.S. federal income tax purposes, interest paid to it may be subject to U.S. withholding tax unless all of its partners or beneficiaries can satisfy the conditions for exemption. Gain realised by a Non-U.S. Holder on the disposition of a Note will not be subject to U.S. tax unless (i) the gain is effectively connected with the holder's conduct of a U.S. trade or business (or, where a tax treaty applies, attributable to the holder's U.S. permanent establishment) or (ii) the holder is an individual present in the United States for at least 183 days during the taxable year of disposition and certain other conditions are met.

Notwithstanding the foregoing, in the case of Notes issued by SES America issued, or materially modified, after 31 December 2012, payments of interest (including any original issue discount) and premium, if any, made after 31 December 2013 and payments of principal on, as well as the proceeds from the sale, exchange or disposition of, such Notes made after 31 December 2016, generally will be subject to U.S. withholding tax under FATCA unless (i) the Non-U.S. Holder provides the Issuer, any paying agent, U.S. intermediary or any other non-U.S. financial institution intermediary through which it holds the Notes or receives payments on or with respect to such Notes with information necessary to determine whether the investor is a U.S. person or a non-financial, non-U.S. entity with material direct or indirect U.S. ownership and (ii) each non-U.S. financial institution through which such Non-U.S. Holder holds such Notes or receives payments on or with respect to such Notes has entered into an agreement with the IRS pursuant to which it agrees, among other responsibilities, to collect and provide to the IRS information about its direct and indirect U.S. accountholders and investors.

### ***Net Income Tax***

If a Non-U.S. Holder is engaged in a trade or business within the United States, interest on a Note (although exempt from U.S. withholding tax) will be subject to U.S. federal income tax on a net income basis if it is effectively connected with the holder's conduct of the U.S. trade or business (or,



where a tax treaty applies, attributable to the holder's U.S. permanent establishment) or (ii) the holder is an individual present in the United States for at least 183 days during the taxable year of disposition and certain other conditions are met.

### ***Information Reporting and Backup Withholding***

Payments of principal and interest on the Notes, except for interest exempt from United States income tax, and proceeds from the sale or other disposition of a Note may be subject to United States information reporting and back up withholding if the sale or payment is effected through a U.S. broker or another middleman with certain connections in the United States. Any amount withheld may be credited against a holder's U.S. federal income tax liability or refunded to the extent it exceeds the holder's liability.

### **EU Savings Directive**

Under EC Council Directive 2003/48/EC on taxation of savings income under the form of interest payments (or other similar income), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system deducting tax in relation to such payments at rates rising over time to 35 per cent. The ending of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries.

A number of non-EU countries including Switzerland, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the relevant Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuers are required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Savings Directive.

The European Commission has proposed certain amendments to the Savings Directive which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

## SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement dated 15 November 2012 (the **Programme Agreement**), agreed with SES and SES Americas a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes*”. In the Programme Agreement, SES and SES Americas have agreed to reimburse the Dealers for certain of their expenses in connection with any update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

### United States

The Notes and the guarantees have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in these paragraphs have the meanings given to them by Regulation S.

The Notes are in bearer form that are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering or the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes, other than (i) Notes with an initial maturity of one year or less (or 183 days or less in the case of Notes issued by SES Americas) (taking into consideration unilateral rights to roll or extend), or (ii) Notes which have been immobilised with a clearing organisation or its depository in accordance with procedures sufficient to cause such Notes to be treated as issued in registered form for United States federal tax purposes (other than those intended to be issued under the foreign targeted registered obligation rules of Treasury Regulation section 1.871-14(e) and IRS Notice 2012-20) will be issued in accordance with the provisions of either U.S. Treasury Regulation section 1.163-5(c)(2)(i)(D) (the **TEFRA D Rules**) or, in the case of Notes issued by SES, the TEFRA C Rules, as specified in the applicable Final Terms. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the TEFRA D Rules and TEFRA C Rules.

Notes issued by SES Americas with maturities at issuance of 183 days or less (taking into consideration unilateral rights to roll or extend) that, as specified in the applicable Final Terms, are intended to comply with U.S. Treasury Regulation section 1.6049-5(b)(10) will be issued in

compliance with the TEFRA D Rules (excluding the certification requirement) and will have a minimum denomination of not less than U.S.\$500,000 (or, if issued in a currency other than U.S. dollars, the equivalent amount in such currency determined based on the spot rate on the date of issuance). Notes issued by SES Americas with maturities at issuance of more than 183 days (taking into consideration unilateral rights to roll or extend) that, as specified in the applicable Final Terms, are intended to comply with the foreign targeted registered obligation rules of Treasury Regulation section 1.871-14(e) and IRS Notice 2012-20 will be issued in compliance with the TEFRA D Rules (excluding the certification requirement).

In addition, where the TEFRA C Rules are specified in the Final Terms as being applicable to any Tranche of Notes, the Notes must, in accordance with their original issuance, be issued and delivered outside the United States and its possessions and, accordingly, each Dealer represents, warrants and undertakes to the Issuer that, in connection with the original issuance of such Notes: (a) it will not offer, sell or deliver, directly or indirectly, any Notes within the United States or its possessions or to a United States person; and (b) it will not communicate, directly or indirectly, with a prospective purchaser if such Dealer or such prospective purchaser is within the United States or its possessions and will not otherwise involve the United States office of such Dealer in the offer and sale of Notes.

In addition, in respect of Notes issued in accordance with the TEFRA D Rules, each Dealer has represented, warranted and undertaken that:

- (a) except to the extent permitted under the TEFRA D Rules: (i) it has not offered or sold, and during the restricted period will not offer or sell, directly or indirectly, any Notes to a person who is within the United States or its possessions or to a United States person; and (ii) it has not delivered and will not deliver within the United States or its possessions any Notes sold during the restricted period;
- (b) it has, and throughout the restricted period will have, in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes are aware that the Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D Rules;
- (c) if it is a United States person, it is acquiring the Notes for purposes of resale in connection with their original issuance and, if it retains Notes for its own account, it will only do so in accordance with the requirements of U.S. Treasury Regulation section 1.163-5(c)(2)(i)(D)(6);
- (d) with respect to each affiliate of such Dealer that acquires Notes from such Dealer for the purpose of offering or selling such Notes during the restricted period, such Dealer either (i) repeats and confirms the representations, warranties and undertakings contained in subclauses (a), (b) and (c) above on behalf of such affiliate or (ii) undertakes to the Issuers that it will obtain from such affiliate for the benefit of the Issuer the representations, warranties and undertakings contained in subclauses (a), (b) and (c) above; and
- (e) with respect to any person other than an affiliate of such Dealer with whom such Dealer enters into a written contract, as defined in U.S. Treasury Regulation Section 1.163-5(c)(2)(i)(D)(4), for the offer or sale during the restricted period of Notes, such Dealer undertakes to the Issuer that it will obtain from such non-affiliate for the benefit of the Issuer the representations, warranties and undertakings contained in subclauses (a), (b), (c) and (d) above.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

### **Public Offer Selling Restriction under the Prospectus Directive**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression **an offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

### **United Kingdom**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the

issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (**FSMA**) by the Issuer;

it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to either Issuer; and

it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the **FIEA**) Accordingly, each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and shall not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, “resident of Japan” means any person resident in Japan, as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended).

## Republic of Italy

The offering of the Notes has not been registered with Commissione Nazionale per le Società e la Borsa (the **CONSOB**) pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered, sold or distributed, and will not offer, sell or distribute any Notes or any copy of this Prospectus on any offer document in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Article 34-ter, first paragraph, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (**Regulation No. 11971**); or
- (ii) in other circumstances which are expressly exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Moreover, and subject to the foregoing, any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**);
- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of

Italy may request information on the issue or the offer of securities in the Republic of Italy; and

- (c) in compliance with any other applicable laws and regulations, including any limitation or requirement imposed by CONSOB or other Italian authority.

## **General**

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of SES, SES Americas and any other Dealer shall have any responsibility therefor.

None of SES, SES Americas, the Arranger and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with any additional restrictions agreed between the relevant Issuer and the relevant Dealer.

## **GENERAL INFORMATION**

### **Authorisation**

The establishment of the Programme, the issue of Notes and the giving of the Guarantee by SES Americas have been duly authorised by a resolution of the partners of SES Americas dated 28 November 2005. The establishment of the Programme, the issue of Notes and the giving of the Guarantee by SES have been duly authorised by a resolution of the Board of Directors of SES dated 4 August 2005. The increase in the size of the Programme has been duly authorised by a resolution of the partners of SES Americas dated 15 June 2007 and by a resolution of the Board of Directors of SES dated 5 April 2007. The update of the Programme has been duly authorised by a resolution of the partners of SES Americas dated 12 November 2012 and by a resolution of the Board of Directors of SES dated 5 April 2007.

### **Approval, Listing and Admission to Trading**

Application has been made to the CSSF to approve this document as base prospectuses for the Issuers. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

### **Documents Available**

For the period of 12 months following the date of this Prospectus, copies of the following documents will, when published, be available for inspection from the registered office of SES and SES Americas and from the specified office of the Agent for the time being in Luxembourg:

- (a) the articles of association (with an English translation thereof) of SES and the partnership agreement of SES Americas;
- (b) the consolidated audited financial statements of SES Americas for the year ended 31 December 2011 and the consolidated and non-consolidated audited financial statements of SES in respect of the financial years ended 31 December 2010 and 31 December 2011, in each case together with the audit reports prepared in connection therewith. SES currently prepares audited consolidated and non-consolidated accounts on an annual basis and SES Americas prepares audited consolidated financial statements on an annual basis;
- (c) the most recently published audited annual financial statements and unaudited interim financial statements (if any) of SES and SES Americas, in each case together with any audit or review reports prepared in connection therewith. SES currently prepares unaudited consolidated interim financial statements on a half-yearly basis and SES Americas prepares unaudited management accounts on a half-yearly basis;
- (d) the Programme Agreement, the Agency Agreement, the Guarantee, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;
- (e) a copy of this Prospectus; and
- (f) any future prospectus, Supplement to the Prospectus, prospectuses, information memoranda and any Final Terms (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European

Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the relevant Issuer and the Paying Agent as to its holding of Notes and identity) to this Prospectus and any other documents incorporated herein or therein by reference.

In addition, copies of this Prospectus, each Final Terms relating to Notes which are listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and each document incorporated by reference are available on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)).

### **Clearing Systems**

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking, 42, Avenue JF Kennedy, L-1855 Luxembourg.

### **Conditions for determining price**

The price and amount of Notes to be issued under the Programme will be determined by the Issuers and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

### **Significant or Material Change**

There has been no significant change in the financial or trading position of SES since 30 June 2012 and there has been no material adverse change in the financial position or prospects of SES since 31 December 2011. There has been no significant change in the financial or trading position of SES Americas since 30 June 2012 and there has been no material adverse change in the financial position or prospects of SES Americas since 31 December 2011.

### **Litigation**

Except as described immediately below, none of SES, SES Americas or any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which SES or SES Americas are aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of SES or SES Americas or the Group.

In 2011, a dispute between SES and the manufacturer of one of its satellites regarding an outstanding incentive payment was settled. Under the final arbitration agreement, SES agreed to pay a total of approximately €11.7 million to the satellite manufacturer to settle outstanding satellite in orbit incentive payments and interest charges, €9.6 million of which was accounted for as an addition to the acquisition cost of the related satellite and €2.1 million was expensed as interest charges.

In October 2012, Eutelsat commenced arbitral proceedings against Stellar in relation to the 28.5°E orbital position. Stellar has been granted rights to use German Ku-band orbital frequencies at the 28.5°E orbital position effective from 4 October 2013 onwards pursuant to a 2005 agreement with German media service provider, Media Broadcast (**MB**) (as successor to T-Systems Business



Services). MB holds a license for these frequencies issued by the Bundesnetzagentur, the German regulator, on the basis of German filings that have priority under the rules of the ITU.

The agreement will give Stellar the right to use, on its fleet, 500 MHz of bandwidth at this orbital position adjacent to Stellar's 28.2°E in the frequency bands 11.45 – 11.70 GHz and 12.50 – 12.75 GHz in downlink and 14.00-14.50 GHz in uplink. Stellar has procured and will launch and operate new satellites (ASTRA 2E and ASTRA 2G) at 28.2°E/28.5°E, along with the recently launched ASTRA 2F satellite, to replace Stellar's existing fleet at 28.2°E and to provide new capacity. The new satellites in this neighbourhood will use the additional frequency spectrum as of October 2013 for DTH satellite television services in the U.K. and Ireland and for other services inside and outside of Europe.

Eutelsat is currently operating these frequencies on the Eurobird-1 satellite (also known as Eutelsat 28A) under a 1999 agreement with Deutsche Telekom AG (**DTAG**), the former license holder of these rights before it transferred its satellite activity to MB in 2002. Eutelsat has commenced arbitral proceedings against DTAG and MB in April 2011, claiming that it has the rights to use these frequencies beyond October 2013.

In the arbitral proceedings against SES, Eutelsat is seeking (i) a declaration that SES cannot use such frequency bands either from 28.5 East or nearby orbital positions without breaching a 1999 intersystem coordination agreement between Eutelsat and Stellar, (ii) an order prohibiting SES from using the frequency bands above and (iii) an order on damages. Stellar strongly disagrees with Eutelsat's position and will vigorously defend its right to use these frequencies from 4 October 2013 on the basis, among other things, that (i) Eutelsat's rights to use these frequencies will expire on 3 October 2013, (ii) nothing in the 1999 agreement prevents Stellar from using these frequencies as of 4 October 2013, (iii) pursuant to a 2005 agreement with MB, Stellar has been granted the rights to use these frequencies and (iv) the filings pursuant to which MB's license for these frequencies was issued by the Bundesnetzagentur have priority under the rules of the ITU.

The launches of ASTRA 2E and ASTRA 2G are scheduled for 2013 and 2014, respectively.

## **Auditors**

The auditors of SES and SES Americas are Ernst & Young, *Société Anonyme*, Cabinet de *révision agréé*. The auditors have audited the accounts of SES, without qualification, the consolidated financial statements being drawn up in accordance with International Financial Reporting Standards as adopted for use in the European Union and the non-consolidated financial statements being prepared in accordance with generally accepted accounting principles and regulations in Luxembourg for each of the two financial years ended on 31 December 2010 and 31 December 2011. The auditors have audited the accounts of SES Americas, without qualification, the consolidated financial statements being drawn up in accordance with International Financial Reporting Standards as adopted for use in the European Union for each of the two financial years ended 31 December 2010 and 31 December 2011. The auditors of the Issuer have no material interest in the Issuer. The auditors are part of the Institut des Réviseurs d'Entreprises.

The reports of the auditors of SES and SES Americas are included or incorporated in the form and context in which they are included or incorporated, with the consent of the auditors who have authorised the contents of that part of this Prospectus.

## **Dealers transacting with SES and SES Americas**

Certain of the Dealers and their affiliates, including parent companies, have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and

may perform services to each of SES, SES Americas and their affiliates in the ordinary course of business.

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