SES, Société Anonyme
Interim results for the six month period ended 30 June 2019

Contents:

OPERATIONAL REVIEW

H1 2019 underlying revenue of EUR 950.6 million was EUR 42.0 million (or -4.2%) lower at constant FX, compared with the prior year. Total Group revenue included periodic and other revenue of EUR 10.8 million (H1 2018: EUR 20.0 million).

Q2 2019 reported revenue of EUR 480.8 million (Q2 2018: EUR 503.8 million) included EUR 4.1 million of periodic and other revenue (Q2 2018: EUR 16.9 million). Q2 2019 underlying revenue of EUR 476.7 million was 5.4% lower (at constant FX) than Q2 2018.

REVENUE BY BUSINESS UNIT

			Change (%)	
EUR million	**H1 2019**	**H1 2018**	**Reported**	**Constant FX**
Video	**604.6**	658.5	-8.2%	-9.9%
- *Underlying*	**603.8**	650.0	-7.1%	-8.8%
- *Periodic*	**0.8**	8.5	n/m	n/m
Networks	**356.2**	322.2	+10.6%	+4.4%
- *Underlying*	**346.8**	311.4	+11.4%	+5.0%
- *Periodic*	**9.4**	10.8	n/m	n/m
Sub-total	**960.8**	980.7	-2.0%	-5.1%
- *Underlying*	**950.6**	961.4	-1.1%	-4.2%
- *Periodic*	**10.2**	19.3	n/m	n/m
Other(1)	**0.6**	0.7	n/m	n/m
Group Total	**961.4**	981.4	-2.0%	-5.1%

"Underlying" revenue represents the core business of capacity sales, as well as associated services and equipment. This revenue may be impacted by changes in launch schedule and satellite health status. "Periodic" revenue separates revenues that are not directly related to or would distort the underlying business trends on a quarterly basis. Periodic revenue includes: the outright sale of transponders or transponder equivalents; accelerated revenue from hosted payloads during the course of construction; termination fees; insurance proceeds; certain interim satellite missions and other such items when material.

1) Other includes revenue not directly applicable to Video or Networks.

Video: 63% of Group revenue (H1 2018: 67%)

At 30 June 2019, SES was delivering a total of 8,292 TV channels to viewers around the world. This represented an increase of 4% (year-on-year) where a reduction in North American TV channels was more than compensated by the expansion of new channels in International and Eastern European markets, as well as further High Definition adoption in Western Europe.

Overall, SES is now distributing 2,845 channels in High Definition (up 3% year-on-year) and 43 commercial Ultra High Definition channels (up 13% year-on-year). 68% of total TV channels are now broadcast in MPEG-4, or 71% also including HEVC.

Video underlying revenue of EUR 603.8 million was EUR 58.6 million (or 8.8%) lower at constant FX than the prior year. Total Video revenue included EUR 0.8 million of periodic revenue which was lower than the EUR 8.5 million recognised in H1 2018.

VIDEO REVENUE BY VERTICAL

EUR million	H1 2019	H1 2018	Change (%) Reported	Change (%) Constant FX
Video Distribution	**454.5**	495.5	-8.3%	-10.0%
- *Underlying*	**453.7**	487.0	-6.8%	-8.7%
- *Periodic*	**0.8**	8.5	n/m	n/m
Video Services	**150.1**	163.0	-7.9%	-9.4%
- *Underlying*	**150.1**	163.0	-7.9%	-9.4%
- *Periodic*	**-**	-	n/m	n/m
Video (total)	**604.6**	658.5	-8.2%	-9.9%
- *Underlying*	**603.8**	650.0	-7.1%	-8.8%
- *Periodic*	**0.8**	8.5	n/m	n/m

Video Distribution

H1 2019 underlying revenue was 8.7% lower (constant FX) than the prior year.

As expected, North American revenue decreased, primarily driven by the reduction in wholesale business related to a specific satellite used by a single customer. The ongoing switch-off of Standard Definition TV channels, which had already been replaced with HD TV channels, also contributed to the lower (year-on-year) revenue development in this region.

In Europe, the effect of certain long-term renewals secured in late 2018 and the reversal of some short-term capacity contracts that ended in Q3 2018 led to lower (year-on-year) revenue.

While trading conditions remain challenging, SES is making progress in its International business with new customers signed during 2018, albeit not yet fully offsetting the impact of challenges in specific markets that was experienced in 2018.

Following the outcome of the strategic review, announced in October 2018, the commercial operations of YahLive (a partnership between SES and YahSat in which SES has a 35% participation) will be fully integrated within SES Video from Q3 2019 with the focus to build on the existing commercial pipeline and drive operational efficiencies.

Q2 2019 underlying revenue of EUR 225.3 million was 9.2% lower (at constant FX) than Q2 2018.

Video Services

Underlying revenue was down (-9.4%) in H1 2019 compared with the prior year.

HD+ was stable (year-on-year) and the business secured important wins as Panasonic and Samsung both announced that their new TV sets sold in Germany will include the HD+ software, enabling consumers to access the HD+ platform without requiring a set-top box.

In MX1, the discontinuation of certain low-margin 'legacy' services led to lower revenue (year-on-year). This has continued to hold back the contribution from customer adoption of the MX1 360 platform and the Sports & Events business which are gaining traction.

Q2 2019 underlying revenue was EUR 75.2 million. The year-on-year comparison is affected by the additional revenue recognised in Q2 2018 in relation to the adoption of changes in IFRS 15 in the HD+ business. Excluding this impact, Video Service's revenue development (at constant FX) was comparable to the six months reduction of 9.4%.

Networks: 37% of Group revenue (H1 2018: 33%)

Underlying revenue of EUR 346.8 million was EUR 16.5 million (or 5.0%) higher at constant FX, compared with H1 2018, reflecting strong growth in Mobility and Government and robust performance in Fixed Data. There was EUR 9.4 million of periodic revenue in H1 2019 (EUR 10.8 million in H1 2018).

NETWORKS REVENUE BY VERTICAL

			Change (%)	
EUR million	H1 2019	H1 2018	Reported	Constant FX
Government	**141.9**	131.0	+8.4%	+3.3%
- *Underlying*	**139.9**	123.2	+13.5%	+7.9%
- *Periodic*	**2.0**	7.8	n/m	n/m
Fixed Data	**116.9**	114.0	+2.7%	-3.5%
- *Underlying*	**115.3**	111.0	+4.0%	-2.2%
- *Periodic*	**1.6**	3.0	n/m	n/m
Mobility	**97.4**	77.2	+26.0%	+17.8%
- *Underlying*	**91.6**	77.2	+18.6%	+10.9%
- *Periodic*	**5.8**	-	n/m	n/m
Networks (total)	**356.2**	322.2	+10.6%	+4.4%
- *Underlying*	**346.8**	311.4	+11.4%	+5.0%
- *Periodic*	**9.4**	10.8	n/m	n/m

Government

Underlying revenue grew by 7.9% (year-on-year) in H1 2019, reflecting further growth in both the U.S. and Global Government businesses.

Revenue from the U.S. Government continued to grow, supported by GEO-enabled network solutions and new MEO missions, with opportunities in the second half of the year to continue to expand MEO services, enabled by the blanket purchase agreement signed in 2018.

There was strong growth across the Global Government portfolio, driven by the expansion of humanitarian and peacekeeping operations, institutional projects and the full six months' contribution of GovSat-1 in H1 2019.

Q2 2019 underlying revenue of EUR 71.4 million was 6.3% higher (at constant FX) than Q2 2018.

Fixed Data

H1 2019 underlying revenue was down 2.2% (year-on-year) at constant FX.

Growth was reported in the Americas, and notably Latin America, supported by new and incremental services to Telcos and Mobile Networks Operators to deploy their mobile and enterprise networks and in the Energy segment especially due to new MEO services provided to leading service providers in the industry.

Lower revenue from wholesale capacity in EMEA and Asia-Pacific led to overall Fixed Data revenue being slightly lower than H1 2018 as this is yet to be offset by customer upgrades and new business that is expected to drive future growth.

Q2 2019 underlying revenue of EUR 56.6 million was 3.2% lower (at constant FX) than Q2 2018.

Mobility

Underlying revenue grew by 10.9% (year-on-year) at constant FX.

Aeronautical once again delivered strong growth driven by the steady increase in the fill rate of SES-15 and SES-14, meeting the strong demand for bandwidth and services from Aero Service Providers supporting North and Latin American airlines. This growth was furthered by the expansion of SES' Ka-based aero network and the restoration of services on behalf of Intelsat as part of the restoration agreement between the two companies that was activated during Q2 2019.

In Maritime, the cruise segment continued to lead growth with the expansion of agreements with existing cruise customers and contributions from new cruise operators signed. As a result, SES is now supporting four of the top five global cruise operators, representing significant vessel expansion potential.

Q2 2019 underlying revenue of EUR 48.2 million was 12.9% higher (at constant FX) than Q2 2018.

Future satellite capacity and fleet update

COMMITTED LAUNCH SCHEDULE

At the end of February 2019, SES-12 started to operate at 95° East, co-located with SES-8, and is relying on its combination of wide-beam and HTS capacities to deliver new services over the Asia-Pacific region.

Satellite	Region	Application	Launch Date
O3b (satellites 17-20)	Global	Fixed Data, Mobility, Government	Launched (4 April 2019)
SES-17	Americas	Fixed Data, Mobility, Government	H1 2021
O3b mPOWER (satellites 1-7)	Global	Fixed Data, Mobility, Government	H1 2021

In April 2019 the final four O3b satellites (satellites 17-20) were launched, completing the first generation of SES' successful and unique MEO constellation. The additional satellites entered operation very recently, enhancing coverage across the globe and enabling SES Networks to provide greater service availability and reliability.

FINANCIAL REVIEW

Income Statement

REVENUE, OPERATING EXPENSES AND EBITDA

EUR million	H1 2019	H1 2018	Change	Change (%)
Revenue	**961.4**	981.4	-20.0	-2.0%
Revenue (constant FX)	**961.4**	1,012.9	-51.5	-5.1%
Operating expenses	**(376.9)**	(360.3)	-16.6	-4.6%
Operating expenses (constant FX)	**(376.9)**	(374.6)	-2.3	-0.6%
EBITDA	**584.5**	621.1	-36.6	-5.9%
EBITDA (constant FX)	**584.5**	638.3	-53.8	-8.4%

Reported **revenue** was EUR 20.0 million below the prior period and included the benefit of the stronger U.S. Dollar in H1 2019 compared with the same period in 2018. At constant FX, revenue decreased by EUR 51.5 million (or 5.1%) with lower Video revenue partially offset by strong growth in Networks.

Operating expenses were EUR 16.6 million higher as reported (or EUR 2.3 million higher at constant FX) and included a restructuring charge of EUR 11.4 million as part of the company's ongoing optimisation initiatives (H1 2018: EUR 8.4 million). Excluding the restructuring charge, operating expenses were slightly favourable year on year (decrease of EUR 0.7 million).

Group **EBITDA** of EUR 584.5 million represented an EBITDA margin of 60.8% (H1 2018: 63.3%), or 62.0% excluding the restructuring charge noted above.

DEPRECIATION, AMORTISATION AND OPERATING PROFIT

EUR million	H1 2019	H1 2018	Change	Change (%)
Depreciation and impairment expense	**(323.0)**	(303.5)	-19.5	-6.4%
Amortisation expense	**(45.3)**	(39.9)	-5.4	-13.6%
Depreciation, impairment and amortisation expense	**(368.3)**	(343.4)	-24.9	-7.3%
Depreciation, impairment and amortisation expense (constant FX)	**(368.3)**	(356.9)	-11.4	-3.2%
Operating profit	**216.2**	277.7	-61.5	-22.1%
Operating profit (constant FX)	**216.2**	281.4	-65.2	-23.2%

Reported **depreciation, impairment and amortisation expense** increased by EUR 11.4 million compared with the prior period (at constant FX) primarily due to the entry into service of new satellites since 30 June 2018.

Operating profit represented an operating profit margin of 22.5% (H1 2018: 28.3%), or 23.7% excluding the restructuring charge as noted above.

PROFIT ATTRIBUTABLE TO SES SHAREHOLDERS

EUR million	H1 2019	H1 2018	Change	Change (%)
Net interest expense and other	**(89.0)**	(94.1)	+5.1	+5.4%
Capitalised interest	**6.1**	17.8	-11.7	-66.0%
Net foreign exchange gains	**1.5**	1.1	+0.4	+33.6%
Net financing costs	**(81.4)**	(75.2)	-6.2	-8.4%
Profit before tax	**134.8**	202.5	-67.7	-33.5%
Income tax (expense) / benefit	**22.4**	40.9	-18.5	-45.2%
Profit after tax	**157.2**	243.4	-86.2	-35.4%
Non-controlling interests	**12.0**	(15.7)	+27.7	n/m
Profit attributable to SES shareholders	**169.2**	227.7	-58.5	-25.7%
Coupon on hybrid (perpetual) bond, net of tax	(24.2)	(23.8)	-0.4	-1.7%
Adjusted profit attributable to SES shareholders	**145.0**	203.9	-58.9	-28.9%
Basic earnings per Class A share (in EUR)	0.32	0.45	-0.13	-28.9%

Net financing costs were EUR 6.2 million higher than the prior period with lower interest expenses were more than offset by lower capitalised interest, as some recent space and ground investments are now in service and ramping up.

The year-on-year comparison of **income tax expense and non-controlling interests** is affected by the one-off impact associated with the recognition of a deferred tax asset in H1 2018 and its corresponding impact on non-controlling interests.

Net profit attributable to SES shareholders of EUR 169.2 million (H1 2018: EUR 227.7 million) represented basic **earnings per share** of EUR 0.32 (H1 2018: EUR 0.45) after deducting the assumed coupon (net of tax) for the Group's hybrid (perpetual) bonds.

Cash Flow and Financing

FREE CASH FLOW BEFORE FINANCING ACTIVITIES

EUR million	H1 2019	H1 2018	Change	Change (%)
Net cash generated by operating activities	**553.5**	688.0	-134.5	-19.5%
Net cash absorbed by investing activities	**(173.7)**	(249.3)	+75.6	+30.3%
Free cash flow before financing activities	**379.8**	438.7	-58.9	-13.4%

Net cash generated by operating activities was lower than the prior year which benefitted from some periodic inflows in H1 2018. This was largely offset by lower **net cash absorbed by investing activities** of EUR 173.7 million, resulting in an overall decrease EUR 58.9 million (or -13.4%) in **free cash flow before financing activities** compared with the prior year. The ratio of free cash flow before financing activities to revenue was 39.5% in H1 2019 compared with 44.7% in H1 2018.

NET DEBT TO EBITDA RATIO

EUR million	30 June 2019	31 December 2018	Change	Change (%)
Borrowings[1]	**3,938.3**	**4,384.9**	+446.6	+10.2%
Cash and cash equivalents	**(322.5)**	**(909.1)**	-586.6	-64.5%
Net debt	**3,615.8**	**3,475.8**	-140.0	-4.0%
Net debt to EBITDA (rating agency)[2]	**3.50 times**	**3.29 times**		
Weighted average interest cost[3]	**3.63%**	**3.62%**		
Weighted average debt maturity	**7.3 years**	**7.0 years**		

1) As presented using IFRS recognition principles, where hybrid (perpetual) bonds are treated as 100% equity.
2) Rating agency methodology treats the hybrid bonds as 50% debt and 50% equity. Net debt to EBITDA represents the ratio of net debt plus 50% of the Group's EUR 1.3 billion of hybrid bonds, divided by the last 12 months' EBITDA.
3) Excluding loan origination costs, commitment fees and hybrid bonds (average coupon of 5.05%).

Compared with 31 December 2018, net debt increased by 4.0% mainly reflecting the higher proportion of interest and dividend payments in the first half of 2019. In line with the previous year's trend, cash outflows are expected to be moderate in H2 2019 relative to H1 2019, with the net debt to EBITDA ratio expected to be at or below 3.30 times by the end of 2019.

In June 2019, SES completed the renewal of the Group's EUR 1.2 billion Committed Revolving Credit Facility. The margin for the new five-year facility is 40 basis points (for a Baa2/BBB rating) above EURIBOR and is five basis points inside the pricing of the former syndicated and committed credit facility closed in January 2014.

Financial Outlook

The financial outlook assumes a EUR/USD FX rate of EUR 1 = USD 1.15, nominal launch schedule and satellite health status.

	FY 2019	FY 2020
Video revenue	EUR 1,225 - 1,255 million	EUR 1,200 - 1,250 million
Networks revenue	EUR 740 - 775 million	EUR 850 - 900 million
Other revenue	Approximately EUR 10 million	Approximately EUR 10 million
Group revenue	EUR 1,975 - 2,040 million	EUR 2,060 - 2,160 million
EBITDA	EUR 1,220 - 1,265 million[1]	EUR 1,260 - 1,340 million

1) Excluding a restructuring charge of EUR 25-30 million expected to be recognised in 2019.

This financial outlook, as presented in February 2019, is unchanged. At 30 June 2019, 90% of the 2019 expected Group revenue is now secured. Relative to H1 2019, second half revenue is expected to benefit from continued growth in Networks, notably in the Aeronautical, Maritime and Government segments, along with new services coming on-line on SES-12 and the additional O3b satellites, which recently came into operation. Growth in International and MX1 services, notably the Sports & Events business, is expected to contribute to the run rate in Video in the second half.

Expected capital expenditure (representing the net cash absorbed by the Group's investing activities excluding acquisitions and financial investments) for the period of 2019-2023 is consistent with SES' previous expectations and comprises EUR 450 million in 2019, EUR 390 million in 2020, EUR 1,200 million in 2021 (principally relating to the investment in O3b mPOWER), EUR 450 million in 2022 and EUR 450 million in 2023.

Business risks and their mitigation

For the remaining six months of the financial year, SES does not envisage any additional risks compared to the risk assessment performed for the year-end 31 December 2018, which are disclosed in full in the Annual Report 2018.

Related party transactions

Refer to note 10 - Related party transactions.

Responsibility statement

The Board of Directors and the executive management of the company reaffirm their responsibility to ensure the maintenance of proper accounting records disclosing the financial position of the group with reasonable accuracy at any time, and ensuring that an appropriate system of internal controls is in place to ensure that the group's business operations are carried on efficiently and transparently.

In accordance with Article 4 of the law of 11 January 2008 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, we declare that, to the best of our knowledge, the interim condensed consolidated financial statements for the half year ended 30 June 2019, prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted for use by the European Union give a true and fair view of the assets, liabilities, financial position and profit of the year of SES and its subsidiaries included in the consolidation taken as a whole.

In addition, the management's report includes a fair review of the development and performance of the business and the position of SES and its subsidiaries included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Romain Bausch
Chairman of the Board of Directors

Steve Collar
President and Chief Executive Officer

Report on Review of Interim Condensed Consolidated Financial Statements

To the Shareholders of
SES S.A.

We have reviewed the accompanying interim condensed consolidated financial statements of SES S.A. and its subsidiaries (the "Group"), which comprise the interim condensed consolidated statement of financial position as at 30 June 2019 and the related interim condensed consolidated income statement, statement of comprehensive income, statement of cash flows and statement of changes in shareholders' equity for the six-month period then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the interim condensed consolidated financial statements

The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of interim condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity") as adopted for Luxembourg by the "Institut des Réviseurs d'Entreprises". This standard requires us to comply with relevant ethical requirements and conclude whether anything has come to our attention that causes us to believe that the interim condensed consolidated financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework.

A review of interim condensed consolidated financial statements in accordance with ISRE 2410 is a limited assurance engagement. The "Réviseur d'entreprises agréé" performs procedures, primarily consisting of making inquiries of management and others within the Group, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these interim condensed consolidated financial statements.

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Conclusion

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

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 25 July 2019

Gilles Vanderweyen

Interim condensed consolidated income statement

For the six month period ended 30 June 2019

In millions of euros		**2019**	2018
Revenue		**961.4**	981.4
Operating expenses		**(376.9)**	(360.3)
EBITDA		**584.5**	621.1
Depreciation and impairment expense		**(323.0)**	(303.5)
Amortisation expense		**(45.3)**	(39.9)
Operating profit		**216.2**	277.7
Finance income		**1.5**	1.1
Finance costs		**(82.9)**	(76.3)
Net financing costs		**(81.4)**	(75.2)
Profit before tax		**134.8**	202.5
Income tax benefit	Note 8	**22.4**	40.9
Profit for the period		**157.2**	243.4
Attributable to owners of the parent		**169.2**	227.7
Attributable to non-controlling interests		**(12.0)**	15.7

Basic earnings per share (in euro)	Note 9	**2019**	2018
Class A shares		**0.32**	0.45
Class B shares		**0.13**	0.18

Diluted earnings per share (in euro)	Note 9	**2019**	2018
Class A shares		**0.32**	0.45
Class B shares		**0.13**	0.18

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

Interim condensed consolidated statement of comprehensive income

For the six month period ended 30 June 2019

In millions of euros	**2019**	2018
Profit for the period	**157.2**	243.4
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of post employment benefit obligation	**-**	(1.5)
Income tax effect	**-**	0.5
Remeasurements of post employment benefit obligation, net of tax	**-**	(1.0)
Income tax relating to treasury shares impairment reversal or charge	**4.3**	(4.4)
Total items that will not be reclassified to profit or loss	**4.3**	(5.4)
Items that may be reclassified subsequently to profit or loss		
Impact of currency translation	**40.4**	202.3
Income tax effect	**(2.5)**	(11.6)
Total impact of currency translation, net of tax	**37.9**	190.7
Net investment hedge	**(9.4)**	(47.9)
Income tax effect	**2.3**	12.8
Total net investment hedge, net of tax	**(7.1)**	(35.1)
Net movements on cash flow hedges	**-**	6.4
Total net movements on cash flow hedges, net of tax	**-**	6.4
Total items that may be reclassified subsequently to profit or loss	**30.8**	162.0
Total other comprehensive income for the period, net of tax	**35.1**	156.6
Total comprehensive income for the period, net of tax	**192.3**	400.0
Attributable to:		
Owners of the parent	**204.0**	382.3
Non-controlling interests	**(11.7)**	17.7

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

Interim condensed consolidated statement of financial position
As at 30 June 2019

In millions of euros	**30 June 2019**	31 December 2018
Non-current assets		
Property, plant and equipment	**5,350.4**	5,106.9
Assets in the course of construction	**777.3**	907.4
Total property, plant and equipment	**6,127.7**	6,014.3
Intangible assets	**4,710.0**	4,720.5
Deferred tax assets	**206.3**	162.3
Trade and other receivables	**292.4**	294.5
Deferred customer contract costs	**15.5**	10.3
Other financial assets	**11.0**	6.5
Total non-current assets	**11,362.9**	11,208.4
Current assets		
Inventories	**37.9**	35.1
Trade and other receivables	**537.4**	614.2
Deferred customer contract costs	**14.8**	17.5
Prepayments	**53.0**	62.8
Derivatives	**-**	0.2
Income tax receivable	**8.4**	12.0
Cash and cash equivalents	**322.5**	909.1
Total current assets	**974.0**	1,650.9
Total assets	**12,336.9**	12,859.3
Equity		
Attributable to the owners of the parent	**5,941.0**	6,148.4
Non-controlling interests	**90.7**	102.2
Total equity	**6,031.7**	6,250.6
Non-current liabilities		
Borrowings	**3,247.6**	3,908.5
Provisions	**16.5**	16.8
Deferred income	**344.9**	370.3
Deferred tax liabilities	**394.0**	412.5
Other long-term liabilities	**171.0**	133.9
Lease liabilities	**28.6**	28.6
Fixed assets suppliers	**500.0**	200.9
Total non-current liabilities	**4,702.6**	5,071.5
Current liabilities		
Borrowings	**690.7**	476.4
Provisions	**54.8**	48.6
Deferred income	**416.1**	476.1
Trade and other payables	**361.2**	367.5
Lease liabilities	**9.6**	9.5
Fixed assets suppliers	**59.9**	130.8
Derivatives	**-**	0.1
Income tax liabilities	**10.3**	28.2
Total current liabilities	**1,602.6**	1,537.2
Total liabilities	**6,305.2**	6,608.7
Total equity and liabilities	**12,336.9**	12,859.3

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

Interim condensed consolidated statement of cash flows

For the six month period ended 30 June 2019

In millions of euros	**2019**	2018
Profit before tax	**134.8**	202.5
Taxes (paid) / received during the period (net)	**(39.7)**	3.6
Adjustment for non-cash items	**432.4**	395.9
Consolidated operating profit adjusted for non-cash items and tax payments and before working capital changes	**527.5**	602.0
Changes in working capital	**26.0**	86.0
Net cash generated by operating activities	**553.5**	688.0
Cash flow from investing activities		
Payments for purchases of intangible assets	**(12.0)**	(15.1)
Payments for purchases of tangible assets	**(159.6)**	(231.6)
Other investing activities	**(2.1)**	(2.6)
Net cash absorbed by investing activities	**(173.7)**	(249.3)
Free cash flow before financing activities	**379.8**	438.7
Cash flow from financing activities		
Proceeds from borrowings	**-**	500.0
Repayment of borrowings	**(458.5)**	(26.9)
Coupon paid on perpetual bond	**(65.6)**	(65.6)
Dividends paid on ordinary shares[1]	**(326.7)**	(327.3)
Dividends paid to non-controlling interests	**(0.5)**	(3.1)
Interest paid on borrowings	**(113.7)**	(102.8)
Payments for acquisition of treasury shares	**(20.3)**	(0.6)
Proceeds from treasury shares sold and exercise of stock options	**26.1**	0.1
Lease payments	**(5.1)**	(5.2)
Other financing activities	**-**	(0.7)
Net cash absorbed by financing activities	**(964.3)**	(32.1)
Net foreign exchange movements	**(2.1)**	8.9
Net increase / (decrease) in cash	**(586.6)**	415.5
Cash and cash equivalents at beginning of the period	**909.1**	269.6
Cash and cash equivalents at end of the period	**322.5**	685.1

[1] Dividends are presented net of dividends received on treasury shares of EUR 4.2 million (30 June 2018: EUR 5.2 million).

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

Interim condensed consolidated statement of changes in shareholders' equity

For the six month period ended 30 June 2019

In millions of euros	Attributable to owners of the parent								Non-controlling interests	Total equity
	Issued capital	Share premium	Treasury shares	Perpetual bond	Other reserves	Retained earnings	Foreign currency translation reserve	Total		
At 1 January 2019	**719.0**	**1,635.5**	**(132.1)**	**1,300.0**	**2,673.5**	**278.6**	**(326.1)**	**6,148.4**	**102.2**	**6,250.6**
Result of the period	-	-	-	-	-	169.2	-	**169.2**	(12.0)	157.2
Other comprehensive income	-	-	-	-	4.3	-	30.5	**34.8**	0.3	35.1
Total comprehensive income (loss)	**-**	**-**	**-**	**-**	**4.3**	**169.2**	**30.5**	**204.0**	**(11.7)**	**192.3**
Allocation of 2018 result	-	-	-	-	278.6	(278.6)	-	**-**	-	-
Coupon on perpetual bond	-	-	-	-	(65.6)	-	-	**(65.6)**	-	**(65.6)**
Tax on perpetual bond coupon	-	-	-	-	8.9	-	-	**8.9**	-	**8.9**
Dividends declared[1]	-	-	-	-	(364.0)	-	-	**(364.0)**	-	**(364.0)**
Acquisition of treasury shares	-	-	(20.3)	-	-	-	-	**(20.3)**	-	**(20.3)**
Share-based compensation expense	-	-	-	-	5.8	-	-	**5.8**	-	**5.8**
Exercise of share-based compensation	-	-	14.7	-	(21.6)	-	-	**(6.9)**	-	**(6.9)**
Sale of treasury shares	-	-	31.5	-	-	-	-	**31.5**	-	**31.5**
Other movements	-	-	-	-	(0.8)	-	-	**(0.8)**	0.2	**(0.6)**
At 30 June 2019	**719.0**	**1,635.5**	**(106.2)**	**1,300**	**2,519.1**	**169.2**	**(295.6)**	**5,941.0**	**90.7**	**6,031.7**

[1] *Dividends are presented net of dividends received on treasury shares of EUR 4.2 million.*

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

Interim condensed consolidated statement of changes in shareholders’ equity

For the six month period ended 30 June 2018

	Attributable to owners of the parent										
In millions of euros	Issued capital	Share premium	Treasury shares	Perpetual bond	Other reserves	Retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
At 1 January 2018	**719.0**	**1,635.5**	**(160.0)**	**1,300.0**	**2,487.0**	**596.1**	**(0.8)**	**(588.9)**	**5,987.9**	**124.6**	**6,112.5**
Change in accounting policies[1]	-	-	-	-	-	(12.9)	-	-	**(12.9)**	-	(12.9)
Restated total equity at 1 January 2018	**719.0**	**1,635.5**	**(160.0)**	**1,300.0**	**2,487.0**	**583.2**	**(0.8)**	**(588.9)**	**5,975.0**	**124.6**	**6,099.6**
Result of the period	-	-	-	-	-	227.7	-	-	**227.7**	15.7	243.4
Other comprehensive income (loss)	-	-	-		(5.4)	-	6.4	153.6	**154.6**	2.0	156.6
Total comprehensive income (loss)	**-**	**-**	**-**	**-**	**(5.4)**	**227.7**	**6.4**	**153.6**	**382.3**	**17.7**	**400.0**
Allocation of 2017 result	-	-	-	-	233.2	(233.2)	-	-	**-**	-	-
Coupon on perpetual bond	-	-	-	-	(65.6)	-	-	-	**(65.6)**	-	**(65.6)**
Tax on perpetual bond coupon	-	-	-	-	9.3	-	-	-	**9.3**	-	**9.3**
Dividends declared[2]	-	-	-	-	-	(362.9)	-	-	**(362.9)**	(3.1)	**(366.0)**
Acquisition of treasury shares	-	-	(0.6)	-	-	-	-	-	**(0.6)**	-	**(0.6)**
Share-based compensation expense	-	-	-	-	5.2	-	-	-	**5.2**	-	**5.2**
Exercise of share-based compensation	-	-	5.3	-	0.4	-	-	-	**5.7**	-	**5.7**
Other movements	-	-	-	-	(0.7)	-	-	-	**(0.7)**	-	**(0.7)**
At 30 June 2018	**719.0**	**1,635.5**	**(155.3)**	**1,300.0**	**2,663.4**	**214.8**	**5.6**	**(435.3)**	**5,947.7**	**139.2**	**6,086.9**

[1] *Represents impact of the adoption of new International Financial Reporting Standards.*
[2] *Dividends are presented net of dividends received on treasury shares of EUR 5.2 million.*

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

Notes to the interim condensed consolidated financial statements

As at 30 June 2019

(In millions of euros, unless indicated otherwise)

Note 1 - Corporate information

SES S.A. ("the Company") was incorporated on 16 March 2001 as a limited liability company (Société Anonyme) under Luxembourg law. References to "the Group" in the following notes are to the company and its subsidiaries. SES trades under "SESG" on both the Luxembourg Stock Exchange and Euronext in Paris.

The interim condensed consolidated financial statements of SES S.A. as at and for the six month period ended 30 June 2019 were authorised for issue in accordance with a resolution of the directors on 25 July 2019. These interim condensed consolidated financial statements have been reviewed, not audited.

Note 2 - Basis of preparation and accounting policies

Basis of preparation

The interim condensed consolidated financial statements as at and for the six month period ended 30 June 2019 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at, and for the year ended 31 December 2018.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements as at, and for the year ended 31 December 2018.

New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are relevant for the Group and effective for annual periods beginning after 1 January 2019, and have not been early adopted in preparing these interim condensed consolidated financial statements:

1) Amendment to IFRS 3 - Definition of a Business Combination

The IASB has issued 'Definition of a Business (Amendments to IFRS 3)' aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets.

The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020. The amendment was not yet endorsed by EU.

2) Amendments to IAS 1 and IAS 8 on the definition of material

The International Accounting Standards Board (IASB) has issued 'Definition of Material (Amendments to IAS 1 and IAS 8)' to clarify the definition of 'material' and to align the definition used in the Conceptual Framework and the standards themselves.

The amendments are effective for annual reporting periods beginning on or after 1 January 2020 and earlier application is permitted. The amendment was not yet endorsed by EU.

3) Amendments to References to the Conceptual Framework in IFRS standards

The International Accounting Standards Board (IASB) has published its revised 'Conceptual Framework for Financial Reporting'. Included are revised definitions of an asset and a liability as well as new guidance on measurement and derecognition, presentation and disclosure. The new Conceptual Framework does not constitute a substantial revision of the document as was originally intended when the project was first taken up in 2004. The amendment was not yet endorsed by EU. The Group does not expect any significant impact of these amendments on its consolidated financial statements.

There are no other IFRSs or IFRIC interpretations except the ones disclosed in the annual consolidated financial statements as at and for the year ended 31 December 2018 or disclosed herewith, that are not yet effective that would be expected to have a material impact on the Group.

Note 3 - Alternative performance measures

SES regularly uses alternative performance measures to present the performance of the Group.

These measures may not be comparable to similarly titled measures used by other companies and are not measurements under IFRS or any other body of generally accepted accounting principles, and thus should not be considered substitutes for the information contained in the Group's financial statements.

i. Net debt

Net debt is defined as current and non-current borrowings less cash and cash equivalents, all as disclosed on the consolidated statement of financial position. The Group believes that net debt is relevant to investors, since it gives an indication of the absolute level of non-equity funding of the business. This can be compared to the income and cash flows generated by the business, and available undrawn facilities.

The following table reconciles net debt to the relevant balance sheet line items:

In millions of euros	**30 June 2019**	31 December 2018
Borrowings - non-current	**3,247.6**	3,908.5
Borrowings - current	**690.7**	476.4
Total borrowings	**3,938.3**	4,384.9
Less: Cash and cash equivalents	**(322.5)**	(909.1)
Net debt	**3,615.8**	3,475.8

ii. EBITDA and EBITDA margin

EBITDA is defined as profit for the period before the impact of depreciation, amortisation, net financing charges and income tax. EBITDA Margin is defined as EBITDA divided by revenue. The Group believes that EBITDA and EBITDA margin are useful supplemental indicators that may be used to assist in evaluating a company's operating performance.

The following table reconciles EBITDA to the income statement line items from which it is derived:

In millions of euros	**30 June 2019**	30 June 2018
Profit before tax	**134.8**	202.5
Add: Depreciation expense and impairment expense	**323.0**	303.5
Add: Amortisation expense	**45.3**	39.9
Add: Net financing costs	**81.4**	75.2
EBITDA	**584.5**	621.1

The following table provides a reconciliation of EBITDA margin:

In millions of euros	**30 June 2019**	30 June 2018
Revenue	**961.4**	981.4
EBITDA	**584.5**	621.1
EBITDA margin (%)	**60.8%**	63.3%

iii. *Operating profit and operating profit margin*

Operating profit is defined as profit for the period before the impact of net financing charges and income tax. The Group uses operating profit to monitor its financial return after both operating expenses and a charge representing the cost of usage of both its property, plant and equipment and definite-life intangible assets.

The following table reconciles operating profit to the income statement line items from which it is derived:

In millions of euros	**30 June 2019**	30 June 2018
Profit before tax	**134.8**	202.5
Add: Net financing costs	**81.4**	75.2
Operating profit	**216.2**	277.7

Operating profit margin is defined as operating profit as a percentage of revenue. SES believes that operating profit margin is a useful measure to demonstrate the proportion of revenue that has been realised as operating profit, and therefore an indicator of profitability.

The following table provides a reconciliation of operating profit margin:

In millions of euros	**30 June 2019**	30 June 2018
Revenue	**961.4**	981.4
Operating profit	**216.2**	277.7
Operating profit margin (%)	**22.5%**	28.3%

iv. *Net debt to EBITDA ratio*

Net debt to EBITDA ratio is defined as net debt divided by EBITDA. The Group believes that net debt to EBITDA ratio is a useful measure to demonstrate to investors its ability to generate the income needed to be able to settle its loans and borrowings as they fall due.

The following table reconciles the net debt to EBITDA ratio to net debt and EBITDA:

In millions of euros	**30 June 2019**	31 December 2018
Net debt	**3,615.8**	3,475.8
Twelve-month rolling EBITDA*	**1,218.9**	1,255.5
Net debt to EBITDA ratio	**2.97 times**	2.77 times

* 2019 twelve-month rolling EBITDA was calculated as follows:

In millions of euros	**30 June 2019**	30 June 2018
EBITDA as at 30 June 2019	**584.5**	621.1
Add: EBITDA as at 31 December 2018	**1,255.5**	1,324.2
Less: EBITDA as at 30 June 2018	**(621.1)**	(687.1)
EBITDA	**1,218.9**	1,258.2

Note 4 - Estimates

The preparation of the interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2018.

Impairment charges

During the first half of 2019 an impairment charge of EUR 4.8 million on space segment assets has been recorded by the Group in connection with the Yahlive payload of the Yahsat 1A satellite. During the first half of 2018, an impairment charge of EUR 5.5 million was recorded in connection with the AMC-10 satellite.

Other than for the Yahsat 1A satellite noted above, there were no additional impairment indicators for those assets which were subject to impairment charges as at of 31 December 2018: the satellites Ciel-2, ASTRA 5B and NSS-10 and the intangible assets of the MX1 cash generating unit.

Income tax

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

Note 5 - Segmental information

The Group continues to report its activities as a single reportable operating segment in 2019.

When analysing the performance of the operating segment, the comparative prior year figures are analysed as reported and at 'constant FX' - recomputed using the exchange rates applying for each month in the current period.

The financial results for the six month period ended 30 June 2019 for the SES satellite operations operating segment, and the comparative prior period figures at constant FX, are set out below:

In millions of euros	**2019**	Constant FX 2018	Change Favourable + /Adverse
Revenue	**961.4**	1,012.9	-51.5
Expenses	**(376.9)**	(374.6)	-2.3
EBITDA	**584.5**	638.3	-53.8
EBITDA margin (%)	60.8%	63.0%	-2.2 % points
Depreciation and impairment	**(323.0)**	(316.4)	-6.6
Amortisation	**(45.3)**	(40.5)	-4.8
Operating profit	**216.2**	281.4	-65.2

Note 6 - Fair value management of financial instruments

The interim condensed consolidated financial statements do not include all fair value management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group’s annual financial statements as at 31 December 2018.

The Group uses the following hierarchy levels for determining the fair value of financial instruments by valuation technique:

1) Level 1: Quoted prices in active markets for identical assets or liabilities;

2) Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable either directly or indirectly;

3) Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

As at 30 June 2019 the Group does not have financial assets or financial liabilities that are measured at fair value.

The Group has a number of financial instruments which are not measured at fair value in the balance sheet. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature. Significant differences were identified for the following category of financial instruments at 30 June 2019:

Borrowings: *In millions of euros*	Carrying amount	Fair value
Eurobond 2026 (EUR 500 million)	494.4	517.8
Eurobond 2020 (EUR 650 million)	649.5	670.9
Eurobond 2021 (EUR 650 million)	648.8	701.4
US Bond 2023 (USD 750 million)	657.6	666.4
US Bond 2043 (USD 250 million)	215.3	208.4
US Bond 2044 (USD 500 million)	429.3	417.7
Euro Private Placement 2027 (EUR 140 million) issued under EMTN	139.6	172.3
Coface	140.9	140.9
Fixed Term Loan Facility (LuxGovSat)	114.5	138.4
German Bond 2032 (EUR 50 million)	49.8	62.3
German Bond 2024 (EUR 150 million)	149.5	151.4
German Bond 2024 (EUR 250 million)	249.1	267.5
Total borrowings	**3,938.3**	**4,115.4**

In March 2019 the Group repaid USD 500 million on the maturity of the US Bond 2019.

Note 7 - Dividends declared and paid during the period

	Six month period ended 30 June	
In millions of euros	**2019[1]**	2018[2]
Class A dividend (2018: EUR 0.80, 2017: EUR 0.80)	**269.5**	271.1
Class B dividend (2018: EUR 0.32, 2017: EUR 0.32)	**61.4**	61.4
Total dividends declared and paid during the period	**330.9**	332.5

[1] Net of withholding tax of EUR 37.3 million not yet paid.

[2] Net of withholding tax of EUR 35.7 million.

Note 8 - Income tax benefit

The investments made by the Group in the period, mainly in the framework of the procurement programmes for SES-17 and the mPOWER constellation, gave rise to investment tax credits in the amount of EUR 54.6 million being recognised in the statutory accounts of the related Luxembourg entities.

Part of these investment tax credits are being utilised against current income tax during the period; therefore, only the remaining portion of EUR 47.9 million has been recognised as a deferred tax asset which is available for offset against future corporate income taxes in Luxembourg.

The income tax benefit of EUR 22.4 million recognised for the period ended 30 June 2019 is due primarily to the recognition of those deferred tax assets of EUR 47.9 million and the net reversal of deferred tax assets and liabilities of EUR 9.8 million. This income is partially offset by the current income tax expense for the period of EUR 40.7 million which includes a provision of EUR 3.8 million mainly due to withholding tax risks in various jurisdictions.

As a result of a change in the Luxembourg income tax rate from 18% to 17% effective 1 January 2019, the relevant current and deferred tax positions have been re-measured. The total impact of this re-measurement was a benefit of EUR 3.2 million which has been recognised as income tax benefit of the period.

Note 9 - Earnings per share

Earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders of each class of shares by the weighted average number of shares outstanding during the year as adjusted to reflect the economic rights of each class of share. The net profit for the year attributable to ordinary shareholders has been adjusted to include an assumed coupon, net of tax, on the perpetual bond.

For the period ended 30 June 2019, basic earnings per share of EUR 0.32 per Class A share (30 June 2018: EUR 0.45), and EUR 0.13 per Class B share (30 June 2018: EUR 0.18) have been calculated on the following basis:

Profit attributable to the owners of the parent for calculating basic earnings per share:

In millions of euros	Six month period ended 30 June	
	2019	2018
Profit attributable to owners of the parent	**169.2**	227.7
Assumed coupon on perpetual bond (net of tax)	**(24.2)**	(23.8)
Total	**145.0**	203.9

Assumed coupon accruals of EUR 24.2 million (net of tax) for the period ended 30 June 2019 (30 June 2018: EUR 23.8 million) related to the perpetual securities issued during 2016 have been considered for the calculation of the basic and diluted earnings available for distribution.

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

	Six month period ended 30 June	
	2019	2018
Class A shares (in million)	**377.7**	376.0
Class B shares (in million)	**191.7**	191.7
Total	**569.4**	567.7

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares which are primarily related to the share-based compensation plans. A calculation is done to determine the number of shares that could have been acquired at fair value based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options and the difference, if it results in a dilutive effective, is considered to adjust the weighted average number of share.

For the period ended 30 June 2019, diluted earnings per share of EUR 0.32 per Class A share (30 June 2018: EUR 0.45), and EUR 0.13 per Class B share (30 June 2018: EUR 0.18) have been calculated on the following basis:

Profit attributable to the owners of the parent for calculating diluted earnings per share:

In millions of euros	Six month period ended 30 June	
	2019	2018
Profit attributable to owners of the parent	**169.2**	227.7
Assumed coupon on perpetual bond (net of tax)	**(24.2)**	(23.8)
Total	**145.0**	203.9

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

	Six month period ended 30 June	
	2019	2018
Class A shares (in million)	**379.9**	377.6
Class B shares (in million)	**191.7**	191.7
Total	**571.6**	569.3

Note 10 - Related party transactions

No related party transactions have occurred during the six month period ended 30 June 2019 which have a significant impact on the financial position or results of the Group.

Note 11 - Post balance sheet events

There are no material events occurred after the reporting date until the date when the interim condensed consolidated financial statements were authorised by the Board of Directors.

Note 12 - Restructuring charges

Expenses of the period include an amount of EUR 11.4 million (30 June 2018: EUR 8.4 million) in connection with charges associated with the Group’s ongoing optimisation programme. The consolidated statement of financial position includes a provision of EUR 6.7 million in connection with these activities.

Note 13 - C-Band Update

Together with three other satellite operators, comprising together the ‘C-Band Alliance’, SES continues to take part in discussions with the relevant regulatory authorities in the United States in connection with the making available by satellite operators of part of their current C-Band spectrum in order to support the rapid deployment of 5G services.