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PRESS RELEASE

SES launching capital raising to fund move to 100% of O3b Networks

Launching capital raising of 39.86 million new FDRs and 19.93 million new Class B shares in order to fund increasing SES's share of O3b to 100%

Strengthening SES's differentiated global network and capabilities with O3b's unique 'fibre in the sky' solution

Move to 100% enhances SES's long-term growth outlook and accelerates important commercial and financing synergies between the SES and O3b businesses

Luxembourg, 26 May 2016 – SES S.A. (Euronext Paris and Luxembourg Stock Exchange: SESG) announces that it is launching a capital raising to fund the acquisition of the remaining shares in O3b Networks. As a result, SES will own 100% of O3b Networks, a next generation satellite operator with a constellation of 12 High Throughput Satellites (HTS) at Medium Earth Orbit (MEO) that delivers a unique, global 'fibre in the sky' connectivity solution with ultra-low latency.

Acquisition of 100% of O3b delivers significant benefits to SES:

- **Expanding SES's global network and solutions**, by further incorporating O3b's unique, low latency satellite constellation, which is already in operation. O3b is a strong and positive fit within SES's thesis for building a future-proof and scalable technology solution
- **Augmenting SES's differentiated capabilities** by leveraging the capabilities and features of the combined fleets to deliver the best customer offering across the data-centric verticals
- **Enhancing SES's foundations for sustainable growth** with O3b's strong outlook representing an important accelerator of long-term growth
- **Accelerating commercial and financing synergies** by bringing SES and O3b closer together
- **Delivering attractive returns within SES's financial framework**, with the transaction generating an IRR in excess of SES's hurdle rate, while retaining the benefits of SES's investment grade credit status

Karim Michel Sabbagh, President and CEO, commented: *"Taking 100% control of O3b exceptionally strengthens the SES differentiation. O3b allows SES to expand its global reach and solutions, augments SES's essential capabilities across the data-centric verticals and enhances SES's foundations for sustainable growth.*

O3b's MEO constellation is a key accelerator in the execution of SES's differentiated strategy and substantially improves SES's competitive positioning, particularly for applications where low latency is an increasingly central feature. By moving to 100% now, SES and O3b can immediately begin to realise important commercial and financing synergies from bringing the two businesses even closer together.

SES and O3b will be uniquely positioned to provide customers with the optimal combination of technologies and solutions across a global GEO/MEO satellite network, allowing SES, O3b and our customers to all grow together. The transaction will also allow SES and O3b to develop a common technology and innovation roadmap.

The transaction exceeds SES's investment hurdle rates and will further enhance returns on SES's existing investment in O3b. The capital raising allows SES to capture the full benefits of O3b's fast-growing top-line and accelerate significant synergy opportunities, while re-affirming SES's long-standing commitment to maintaining its investment grade credit status (BBB/Baa2) and progressive dividend policy."

Increasing SES's share of O3b from a minority interest of 49.1% to 100% ownership

As announced on 29 April 2016, SES has agreed to pay USD 20 million to increase its fully diluted ownership of O3b from 49.1% to 50.5%. SES now intends to exercise its call option, under the purchase agreement, to acquire the remaining 49.5% of O3b shares for a consideration of USD 710 million, bringing SES's aggregate equity investment in O3b to date to USD 1.0 billion (EUR 900 million). As a result, the Board of O3b will no longer evaluate an Initial Public Offering (IPO) process.

The transaction is subject to regulatory approvals which are expected to be completed during H2 2016, as previously foreseen. There will be no changes to the management of O3b, which has been highly successful to date in delivering the fastest growing satellite network in terms of capacity contracted.

The transaction is expected to generate returns exceeding SES's hurdle rates for infrastructure investments and will further enhance the returns on SES's existing investment in O3b. On completion, SES will consolidate O3b's net debt, which is currently USD 1.2 billion with an average interest rate of 9.5% (including amortisation of loan origination costs and commitment fees), where significant refinancing synergies are possible and outlined below.

Expanding SES's global network with O3b's unique, 'game-changing' global solution

Since beginning commercial operations in September 2014, O3b has built a strong global customer base and now serves over 40 Enterprise, Mobility and Government clients across 31 countries. To date, over 50% of customers have already upgraded their initial service commitments, demonstrating the attraction of O3b's unique and 'game-changing' solution. As at 31 March 2016, O3b had a fully protected contract backlog of USD 350 million.

O3b has procured an additional eight satellites to accommodate rapidly-expanding demand, with four satellites expected to be launched during H1 2018, and the remaining four satellites expected to be launched in H2 2019. These procurements will increase the size of the current fleet from 12 to 20 satellites (including three satellites currently flying as in-orbit back-up). At 'steady-state' utilisation, which is targeted to be achieved by the end of the third year of a satellite's commercial service, the full operational constellation is expected to generate annualised revenue of between USD 32 million and USD 36 million per satellite.

O3b is expected to generate more than USD 100 million of revenue for the twelve months ended 31 December 2016, which represents nearly double the revenue recorded in the previous year. With the benefit of commercial and financing synergies, the acquisition is now expected to become free cash flow (before financing activities) and EPS accretive to SES in 2018.

As part of the IFRS purchase accounting treatment, the transaction will give rise to the recognition of a gain by SES of approximately USD 500 million relating to the remeasurement to fair value of the current non-controlling interest in O3b. The final amount will depend on the closing date of the transaction.

Accelerating commercial and financing synergies

The combination of SES's global geostationary (GEO) satellite network with O3b's global MEO satellite constellation will enable SES to provide major customers in the Enterprise, Mobility and Government market verticals with an unsurpassed satellite-enabled network, complemented by a robust ground network and innovative products. SES, with 100% ownership of O3b, will be capable of providing an integrated and differentiated suite of solutions, which can match the optimal satellite technologies to best serve the customers' requirements.

As a result of owning 100% of O3b, O3b will be able to utilise the benefits of SES's investment grade credit status and have wider access to attractive sources of funding to substantially reduce O3b's annual interest costs for its USD 1.2 billion of debt from an average of 9.5% per annum. In this context, around USD 300 million of the proceeds from the capital raising will be used to repay O3b's most expensive debt facilities, leading to a reduction in annual financing costs after initially covering any repayment charges.

SES will also be in a position to further significantly reduce O3b's financing charges and average interest rate (currently at 9.5%), as the group gradually optimises O3b's funding structure. SES is also considering the issuance of hybrid debt instruments as part of a process to optimise O3b's funding structure, which could generate further interest cost savings. An offering of such instruments could be launched at any time, depending on market conditions. The size of such issuance would also be determined according to prevailing market conditions.

Launching equity capital raising

SES is launching a placement (the "Placement") to institutional investors of 39,857,600 new fiduciary depositary receipts ("FDRs"), as well as certain existing FDRs as described below. Each FDR represents one Class A share.

The Placement is part of a capital increase, which will also comprise 19,928,800 Class B shares, necessary to maintain the ratio of 1:2 with the Class A shares, as provided in SES's articles of association. These new shares will rank pari passu with the existing A-shares and B-shares.

The existing Class B shareholders (Banque et Caisse d'Epargne de l'Etat, Société Nationale de Crédit et d'Investissement and Etat du Grand-Duché de Luxembourg) will subscribe for newly-issued Class B shares, pro rata to their existing holding of Class B shares. Class B shares have 40% of the economic rights of Class A shares. Etat du Grand-Duché de Luxembourg will subscribe for its pro rata portion of Class B shares by a combination of cash and an in-kind contribution of a number of FDRs that it currently owns (which will be sold in the Placement). The number of FDRs to be contributed will depend on the Placement price.

On a pro forma basis, SES's end of year Net Debt to EBITDA ratio is expected to remain below 3.3 times, and the company's BBB/Baa2 investment grade credit rating is expected to be re-affirmed by Standard & Poor's and Moody's. SES remains committed to maintaining a progressive dividend policy.

SES will use the proceeds raised to fund the total consideration of USD 730 million to increase its ownership of O3b to 100%. SES will also use around USD 300 million to repay O3b's most expensive debt facilities, leading to a reduction in annual financing costs after initially covering any repayment charges. The balance of the proceeds is to be used for general corporate purposes.

The Placement

Morgan Stanley & Co. International plc and J.P. Morgan Securities plc are acting as Joint Bookrunners (the "Joint Bookrunners") in connection with the Placement, and NOR Capital is acting as Financial Advisor to SES in connection with the Placement.

The Placement will be executed via an accelerated bookbuilding process to institutional investors. Books open immediately. Pricing and allocation of the FDRs is expected to be announced as soon as practicable following the closing of bookbuilding. In the United States, the Placement is being made only to qualified institutional buyers in accordance with Rule 144A under the U.S. Securities Act of 1933, as amended.

The placement will comprise 39,857,600 FDRs, as well as certain FDRs which are being contributed in kind to the Company by Etat du Grand-Duché de Luxembourg against subscription of new B shares, for a total placement size of approximately 40.90 million FDRs, depending on the Placement price.

In the context of the Placement, SES has agreed for the benefit of the Joint Bookrunners to a lock-up of 180 days, subject to customary exceptions. SES is preparing a Listing Prospectus for the listing of the FDRs on the Luxembourg Stock Exchange and Euronext Paris, which is expected to be approved by the Commission de Surveillance du Secteur Financier (CSSF) prior to settlement of the Placement. A draft of the Listing Prospectus is available to potential institutional investors on the Company's website (www.ses.com).

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