SES GLOBAL

Your Satellite Connection to the World

Annual Report 2002

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Key financial highlights

> Growth in revenues by 38% to EUR 1.35 billion, reflecting the first full-year's contribution from SES AMERICOM, North America's premier satellite operator.

> EBITDA of EUR 1.1 billion, representing an EBITDA margin of 82%.

> Profit of the Group declined to EUR 205 million, after deduction of goodwill amortisation and financing charges related to the acquisition of SES AMERICOM.

> Strong net operating cash flow of EUR 1,052 million contributed to net debt reduction of EUR 479 million, to less than EUR 2.7 billion.

> Group synergies continued, including satellite as well as launch vehicle procurement and multi-satellite launch insurance.

> Contract backlog remains the highest in the industry at EUR 6 billion.

Revenues (EUR million)

2000	835.9
2001[1]	978.2
2002[2]	**1,349.3**

EBITDA (EUR million)

2000	708.7
2001[1]	794.6
2002[2]	**1,107.1**

Profit of the Group (EUR million)

2000	244.5
2001[1]	280.3
2002[2]	**204.5**

[1] Includes contribution from SES AMERICOM from November 9, 2001.

[2] Includes full-year contribution from SES AMERICOM.

Financial summary	**2002 EUR million**	2001[1] EUR million
Total revenues	**1,349.3**	978.2
EBITDA	**1,107.1**	794.6
Operating profit	**529.1**	524.3
Profit of the Group	**204.5**	280.3
Net operating cash flow	**1,051.8**	682.4
Capital expenditures	**683.8**	432.3
Net debt	**2,661.1**	3,140.0
Shareholders' funds	**3,575.1**	3,917.4
Earnings per A-share (in EUR)[2]	**0.34**	0.68
Net operating cash flow per A-share (in EUR)[3]	**1.78**	1.69
Total dividend recommended	**118.0**	131.0
Dividend recommended per A-share (in EUR)[4]	**0.20**	0.24
Employees	**808**	779

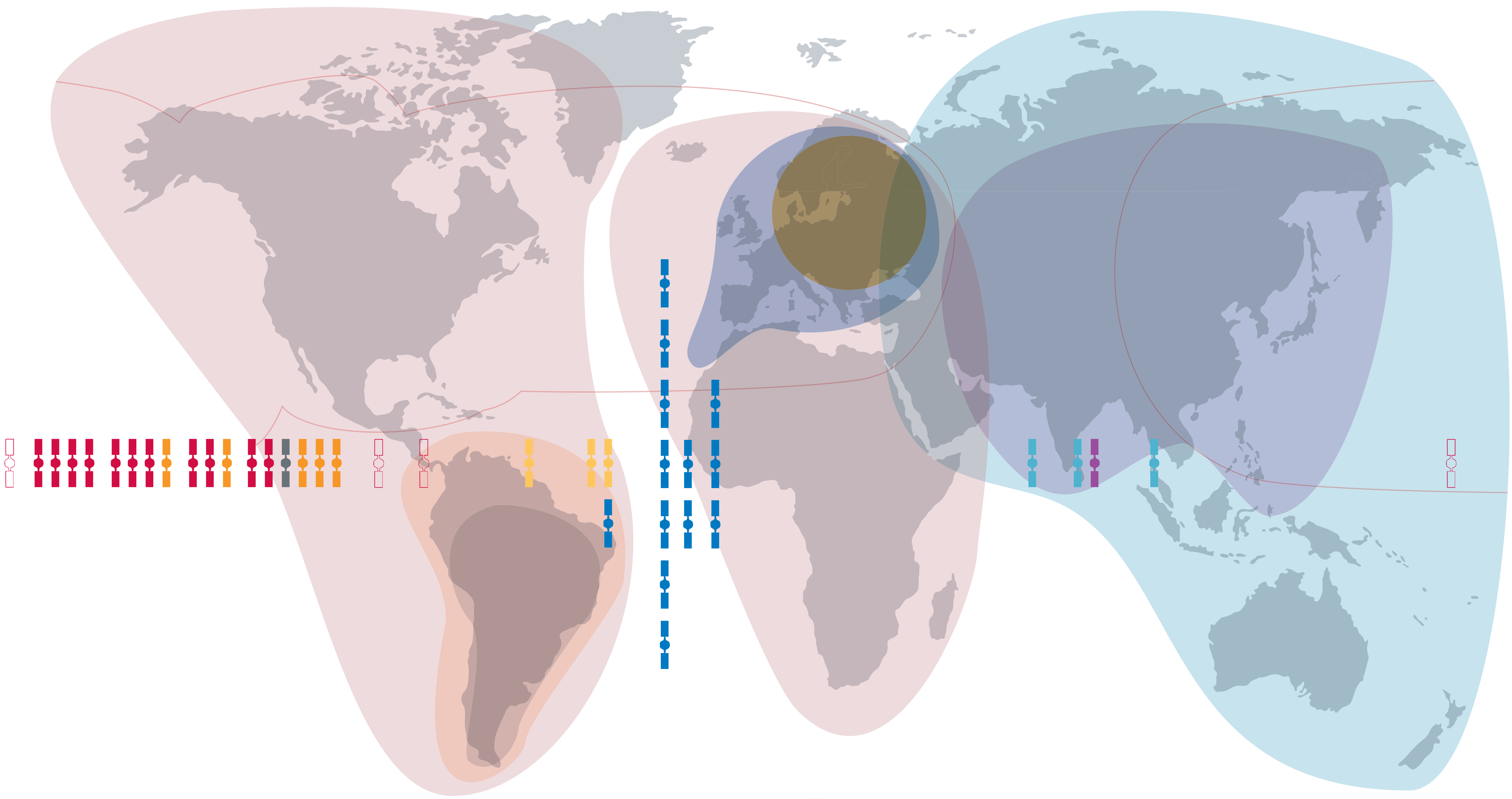
Key performance ratios in %		
EBITDA margin	**82.1%**	81.2%
Net income margin	**15.2%**	28.7%
Return on average equity	**5.5%**	11.3%
Net debt to equity	**74.4%**	80.2%

[1] The prior year comparative figures are taken from the audited consolidated financial statements of SES GLOBAL S.A.
[2] The basis of the computation of earnings per share is set out in Note 25 to the consolidated financial statement. Prior year earnings per share were restated as detailed in the Notes to the accounts.
[3] Net operating cash flow per A-share is calculated as for earnings per share but using the net operating cash flow for the period rather than the net profit.
[4] Recommended by Directors and subject to shareholder approval.
[5] The relevant Euro/US dollar exchange rates used in the preparation of the financial statements were as follows: December 31, 2001 – EUR 1:USD 0.89; December 31, 2002 – EUR 1:USD 1.05; average rate January to December 2002 – EUR 1:USD 0.935

SES GLOBAL

Satellite fleet

Satellite	Position
ASTRA	
ASTRA 1A	5.2° East
ASTRA 1B	19.2° East
ASTRA 1C	19.2° East
ASTRA 1D	24.2° East
ASTRA 1E	19.2° East
ASTRA 1F	19.2° East
ASTRA 1G	19.2° East
ASTRA 1H	19.2° East
ASTRA 2A	28.2° East
ASTRA 2B	28.2° East
ASTRA 2C	19.2° East
ASTRA 2D	28.2° East
ASTRA 3A	23.5° East
AMERICOM	
AMC-1	103° West
AMC-2	85° West
AMC-3	87° West
AMC-4	101° West
AMC-5	79° West
AMC-6	72° West
AMC-7	137° West
AMC-8	139° West
Gstar 4	105° West
Satcom C3	131° West
Satcom C4	135° West
Satcom C1	37.5° West
TDRS-5	174.3° West
TDRS-6	47° West
Spacenet 4	172° East
ASIASAT	
AsiaSat 1	122° East
AsiaSat 2	100.5° East
AsiaSat 3S	105.5° East
AMERICOM ASIA-PACIFIC	
AAP-1	108.2° East
NORDIC SATELLITE AB	
SIRIUS W	13° West
SIRIUS 2	4.8° East
SIRIUS 3	5° East
STAR ONE	
Brasilsat A2	63° West
Brasilsat B1	70° West
Brasilsat B2	65° West
Brasilsat B3	84° West
Brasilsat B4	92° West
NAHUELSAT	
Nahuel-1	71.8° West



Your satellite connection to the world

SES GLOBAL is the world's premier provider of satellite-delivered services. As a strategic management company, SES GLOBAL operates through a unique network of leading satellite operators around the world. This network comprises the fully owned SES ASTRA in Europe and SES AMERICOM in the US, as well as participations in regional satellite operators.

SES ASTRA — An SES GLOBAL Company

SES ASTRA is Europe's leading direct-to-home satellite operator. The ASTRA fleet currently comprises 13 satellites, delivering TV and radio services to 92 million homes throughout Europe, including 57 million households connected to cable networks. ASTRA also transmits high-speed broadband services and provides capacity for two-way satellite applications. Additionally, the product portfolio includes direct-to-cable and occasional use services.

SES AMERICOM — An SES GLOBAL Company

SES AMERICOM operates a fleet of 15 satellites serving the Americas, Europe and the Asia-Pacific region, including satellites providing transoceanic services. Satellite capacity is contracted to all major US cable programmers and broadcasters serving the key cable networks. SES AMERICOM's two largest cable 'neighbourhoods' serve all the main cable networks in the US. The company also offers a full range of broadband services to enterprise and government markets.

AsiaSat

The AsiaSat fleet provides transponder capacity for broadcast, broadband and telecommunications services in the Asia-Pacific region, reaching over 80 million homes. AsiaSat's three spacecraft currently serve public and private TV and radio broadcasters from around the world.

SIRIUS

Nordic Satellite AB operates the three SIRIUS satellites, providing communications solutions in Europe for television and radio broadcasting as well as for data transmission, Internet and multimedia services. SIRIUS reaches more than five million homes in the Nordic, Baltic and Eastern European countries.

Star One

Star One operates Brasilsat, Latin America's largest satellite fleet. The five Brasilsat satellites support a full range of customer services, including broadband Internet access, telephony, broadcasting and networking. Star One transmits channels on behalf of TV networks to their affiliates and is also received by more than ten million home antennae.

nahuelSAt — Satelites de Telecomunicacion

The Argentinian satellite operator provides transponder capacity for transmissions covering the whole of Latin America up to the southern United States. Its Nahuel-1 satellite is used to transmit and distribute TV signals, telephony, Internet backbone and data transmission.

AMERICOM ASIA-PACIFIC

AMERICOM ASIA-PACIFIC provides networking services, including DTH and VSAT applications. The AAP-1 satellite serves the Asia-Pacific region with market-specific beams covering China, North-East Asia, the Philippines and India.

Chairman's statement
Solid performance in a challenging year

René Steichen

I am delighted to report that SES GLOBAL achieved a solid performance during 2002, the first year in which SES AMERICOM fully contributed to the business of SES GLOBAL. We welcome the outstanding track record in satellite operations, as well as the experience and customer commitment which SES AMERICOM brings to the Group. The first full-year consolidation of the results of SES AMERICOM obviously had an important impact on SES GLOBAL's results in 2002.

These solid results were achieved despite challenging market conditions. In particular, the unfavourable macro-economic environment in the main markets of the SES GLOBAL companies impacted the existing customer base and resulted in a slowdown of new business acquisition. During 2002, SES GLOBAL took positive steps to ensure that the Group was well positioned to meet the challenges of the adverse economic climate in the telecoms and media sectors. These steps enabled the company to reduce significantly its controllable cost base and support gross margins in the future.

Solid revenues and strong cash flow

In 2002, SES GLOBAL sustained solid revenues and profitability. Revenues increased by 38% to EUR 1.35 billion. Our aggressive cost-cutting programme ensured that operating expenses were held broadly level on a like-for-like basis before non-recurring charges (e.g. provisions for restructuring costs). EBITDA stood at EUR 1.1 billion, representing an EBITDA margin of 82%. As expected, the AMERICOM acquisition had a dilutive impact on the net profit of the Group which declined to EUR 205 million, as a consequence of the charge for amortisation of the AMERICOM acquisition goodwill, and transaction financing costs.

SES GLOBAL had a strong net operating cash flow of EUR 1,052 million, which enabled the Company to reduce its net debt aggressively by EUR 479 million to EUR 2.66 billion. Debt reduction was supported by the weakness of the US dollar against the Euro. This debt level provides the Group with considerable financial security, and with the capacity and the flexibility to fund its future development.

SES GLOBAL retains the highest contract backlog within the industry, worth EUR 6 billion.

A unique structure to leverage synergies

As a strategic management company, SES GLOBAL oversees its operating companies (SES ASTRA and SES AMERICOM) and holds strategic participations in regional satellite operators.

Inherent synergies within the Group are successfully leveraged by means of a unique model of interdependence across the SES GLOBAL family.

In order to function effectively and flexibly, SES ASTRA and SES AMERICOM operate with full P&L authority in their respective markets, enabling them to maximise their market position, revenues, and profits.

At the same time, the operating companies are bound by the common strategic road map which is developed at the SES GLOBAL level. The CEOs of both SES ASTRA and SES AMERICOM are members of the Executive Committee of SES GLOBAL. This ensures that the strategic priorities of each operating company are being taken into account properly and that the overall Group strategy is efficiently coordinated. This structure effectively stimulates the full creativity and business acumen inherent in all Group companies.

Outlook

SES GLOBAL's systematic and stringent cost control, coupled with its sound business strategy, has ensured that we are well positioned to take advantage of future opportunities for growth as they arise in the markets around the world.

Although we expect revenues to decline slightly due to a combination of factors, mainly non-recurring items, exchange rate developments, and the soft demand for transponder capacity, we expect to maintain strong EBITDA margins in 2003.

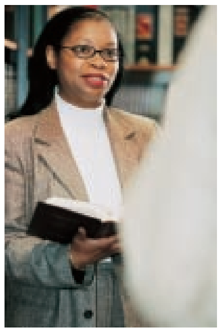
I am confident that SES GLOBAL launches into the 2003 business year as the world's leader in satellite operations – a financially sound company with a stable shareholder base and ready to seize growth opportunities as they arise.

I thank the management and staff, whose excellent work and commitment to providing our customers with a service of outstanding quality enabled the Group to achieve a solid performance in 2002.

René Steichen
Chairman of the Board of Directors

A GLOBAL culture
SES GLOBAL's unique structure breeds a new company culture – a feeling of belonging to the same corporate universe, sharing the same vision and the same mission. The SES GLOBAL culture takes its roots from the very traditions and values cherished by both SES AMERICOM and SES ASTRA: Leadership built on Excellence and Innovation. All with the customer in mind.






President and CEO's statement

Global leadership with a solid foundation

Romain Bausch

2002 saw SES GLOBAL confirm its industry leadership: revenues, EBITDA, EBITDA margin, net operating cash flow, contracted backlog and net debt reduction all exceed those of our competitors in the satellite operating industry, maintaining SES GLOBAL's position as a formidable market force. SES GLOBAL posts solid growth figures for the year 2002, mainly as a result of the first-time full-year contribution of SES AMERICOM.

On an industry-wide basis, the revenues of most satellite operators remained flat in 2002. This was due to the impact of an adverse macro-economic environment, especially in the telecoms and media sectors. The existing capacity overhang in some regions of the world and in some satellite market applications led to pricing pressure in certain areas, especially for point-to-point satellite transmissions. However, established video broadcasting neighbourhoods for direct-to-home and cable distribution, which remain the core business of the SES GLOBAL companies' activities, suffered to a lesser degree.

New opportunities to bring future growth

The consolidation of the industry has increased the competitive pressure. While video broadcasting is poised to remain the most important source of revenue for satellite operators in the near future, this segment is forecast to develop at a slower pace, albeit with significant pockets of regional growth.

Broadband services are expected to remain the growth driver of the future. Satellite's strong position in broadcasting applications allows the bundling of direct-to-home television with Internet services to result in one of the most promising growth opportunities. Broadband corporate networks and VSAT-type applications are similarly showing growth opportunities. Our expectation is that the engine of growth in these market segments will start to ignite in 2004, while 2003 will still see flat or declining revenue streams.

The results of 2002 confirm the successful implementation of our strategy. Under the umbrella of SES GLOBAL, we created a unique model of interdependent satellite operators with leading positions in their respective markets.

These operating companies and the SES GLOBAL partners stand out among their industry competitors because of their focus on highest quality service, customer support, prudent but aggressive innovation, and because of the deep customer relationships in their respective markets. All this creates a solid base for future growth.

Synergies bring significant benefits

The SES GLOBAL Group is now effectively leveraging the potential of the synergies inherent in its structure. We have consistently promoted the exchange of expertise between operating companies, thus achieving significant benefits.

In the US, the AMERICOM2Home^{SM} open-architecture platform for direct-to-home broadcasting was launched with the objective of replicating the successful European ASTRA model. In Europe, SES AMERICOM's experience in developing cable 'neighbourhoods' is being applied to the creation of similar direct-to-cable services.

Synergies also generated cost savings. The procurement of launch services was optimised by the incorporation of existing launch options held by SES ASTRA into a package of four launches newly contracted by SES AMERICOM. The strength of the

Highlights

> SES GLOBAL relies on a solid business foundation and operations covering the widest range of satellite communications markets.

> We have consistently promoted the exchange of expertise between operating companies, achieving significant benefits.

> Established video broadcasting neighbourhoods, which are at the core of SES GLOBAL companies' activities, suffered to a lesser degree from pricing pressures.

> SES GLOBAL acted as an 'early bird' consolidator by creating a unique model of interdependent satellite operators.

Group's technical record supported the conclusion of a ground-breaking insurance agreement covering all six of SES AMERICOM's currently scheduled satellite launches which will result in considerable savings over current market rates in the event that all spacecraft launches are successful.

Further synergies are under development, such as a combined SES ASTRA and SES AMERICOM satellite procurement programme which was launched in February 2003 and includes up to three new spacecraft.

Today, SES GLOBAL is a Group with a solid business foundation and operations covering a wide range of satellite communications markets: direct-to-home broadcasting and cable distribution, broadband one-way and two-way services, corporate networks and telecommunications. This highly diversified business has the potential to build on each of these markets as they develop.

Increased strength through integration

SES GLOBAL has experienced an exciting period of growth via acquisition and is now entering a phase of consolidation. While we do not exclude ourselves from possible M&A activities, our focus is now to benefit from predominantly organic growth.

We will be guided by a three-pronged strategy:

First, we intend to consolidate and strengthen the core business of our operating companies – by increasing ASTRA's and AMERICOM's share of the video direct-to-home and cable markets in Europe and in North America; and by providing diversified services including government services and international connectivity.

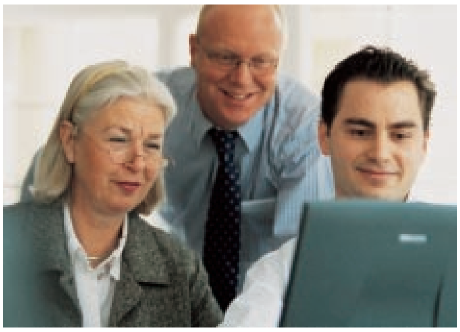
Secondly, we will continue to export products and services with a successful track record to new markets – by implementing AMERICOM2Home℠ in the US; by establishing a direct-to-cable neighbourhood in Europe at the 23.5/24.2° East orbital position; and by taking advantage of business opportunities in Eastern Europe, the US, Africa and Asia.

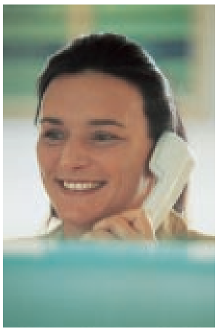
Thirdly, we plan to launch new satellite-based services: two-way broadband offerings; specific service models supporting video-on-demand, store-and-forward and streaming applications; and the development of open standards-based, low cost two-way broadband and DTH interactive terminals.

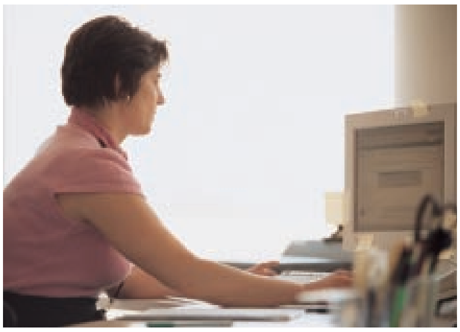
We are committed to our brand statement: to be 'Your satellite connection to the world'. In today's world, satellite is mission-critical for the distribution and broadcasting of news and entertainment, for the efficient operation of corporate networks, for the availability of tele-medicine, for the distribution of Internet content, and for countless other services. We are committed to be the satellite provider of choice for any application. And our customers, and their end-users, are always uppermost in our mind.

Romain Bausch
President and CEO

Excellence
Excellence of service is embedded in the culture of the SES GLOBAL operating companies: delivering their customers' services with the highest technical quality and with the widest reach. SES GLOBAL companies feature a satellite network availability rate of 99.999%.







World-wide and world-class: the satellite fleet of the SES GLOBAL companies distributes programming of the world's leading TV and radio broadcasters, placing you right at the heart of the action. Wherever you are.


GOAL

Operational review

SES GLOBAL

Your satellite connection to the world

Global industry leadership built on regional strength
SES GLOBAL was born out of the combination of premier satellite operators in the world's key regions: SES ASTRA in Europe, SES AMERICOM in North America (both 100% owned SES GLOBAL companies); AsiaSat, Nordic Satellite AB (NSAB), Star One, Nahuelsat, and AMERICOM ASIA-PACIFIC (in which SES GLOBAL holds participations). They are all members of a family of interdependent satellite operators under the umbrella of SES GLOBAL.

SES GLOBAL leads the satellite industry not only in terms of revenue generation, backlog, and the size of the satellite fleet of its operating companies. Our companies are also renowned for setting the industry benchmark in terms of customer service, operational quality and reliability, and depth of reach. Some 95% of the world's population live within the footprint of the satellite fleet of the SES GLOBAL companies and partners. Each of these satellite operators is a leader in its own regional market, providing the highest quality services and access to the largest audiences in Europe, North and South America, and the Asia-Pacific region.

Shaping the future
The SES GLOBAL world-class network is built on a track record of prudent and successful innovation. SES GLOBAL companies and partners infuse satellite services into the fabric of life. Satellites bring televised and radio news, information and entertainment broadcasts to viewers and listeners around the globe – either directly to a small home dish or via cable networks; satellites give Internet surfers high-speed access to web pages; satellites are the backbone of many corporate data and communications networks; satellites deliver distance-learning and tele-medicine; satellites transmit ready-to-print newspaper pages to decentralised printing plants; and with the same reliability, satellites relay information related to credit card transactions. Satellites expand horizons, and provide a communication channel to the world.

Statement on the environmental and social impact of SES GLOBAL activities
SES GLOBAL is committed to a strategy of respect for the world's natural environment. As a strategic Group management company, our activities are mainly office and technology-based, and we ensure that these have the least possible direct impact on the natural environment.

Highlights

> Global leadership built on regional strength.

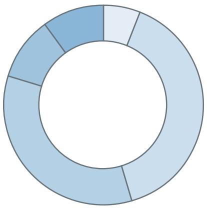
> 95% of the world's population lives within the footprint of the satellite fleet of the SES GLOBAL operating companies and partners.

> Setting the industry benchmark in terms of quality of service.

> We make satellite a part of the fabric of life.

> SES GLOBAL: a synonym for a successful track record of prudently aggressive innovation.

Headcount at year-end 2002



SES GLOBAL

- complies with the statutory requirements and regulations applicable within the countries of the company's operations;
- promotes the most efficient use of energy and natural resources;
- avoids, reduces and recycles as much waste material as possible, with yearly third-party audits and attribution of ecological quality certificates;
- disposes of any hazardous materials that were employed in the most environmentally-friendly way; and
- conducts environmental training and encourages staff to adopt environmentally correct attitudes in their professional activities.

The same guidelines are applied by the operating companies, SES ASTRA and SES AMERICOM, whose activities as satellite communications providers are also technology and office-based. In addition to the general rules described above, the operating companies also focus on:

- applying best practice to outsourced activities such as the manufacturing and launching of spacecraft; and
- limiting the amount of radiation emitted from the company's Earth stations, with yearly internal and third-party audits by accredited organisations specialised in the field of industrial safety.

In 2002, SES GLOBAL initiated a corporate social responsibility programme supporting activities with a focus on education and culture. These activities take place both on the SES GLOBAL level and within the operating companies.

Innovation at the service of the market
SES GLOBAL's operating companies have built their business on a prudent, yet highly innovative use of proven technologies. SES ASTRA enabled the soaring development of direct-to-home reception in Europe. SES AMERICOM introduced frequency re-use and in-orbit sparing to optimise transmission capacity.

The broadcasting of TV and radio channels is at the core of the business of SES GLOBAL companies. They have created a tradition of excellence in reliably transmitting the widest choice of channels in the highest technical quality.

Operational review

SES ASTRA
An SES GLOBAL Company

A tradition of excellence

81% of the commercially available transponders on the ASTRA Satellite System were contracted at year-end 2002.

Satellite operations

During the year 2002, the ASTRA satellite fleet operated without disruption, featuring an availability rate of over 99.999% on the space segment, and an Earth station availability of more than 99.98%. At year-end, the ASTRA satellite fleet consisted of 13 spacecraft, seven of which were operating at 19.2° East, three at 28.2° East, two at 23.5/24.2° East and one at 5.2° East.

In 2002, the Company expanded the ASTRA Satellite System through the successful launch and deployment of ASTRA 3A. The spacecraft operates at 23.5° East and features an optimised coverage for the German-language markets in Europe (Germany, Austria, Switzerland). ASTRA 3A replaces Deutsche Telekom's Kopernikus satellite. Deutsche Telekom contracted for ten transponders on the 20-transponder spacecraft, predominantly to provide cable feeds to the German market. The remaining capacity is marketed by SES ASTRA mainly for the transmission of broadband and IP services.

Following the successful deployment of ASTRA 3A at 23.5° East, ASTRA 1D remained at 24.2° East to enhance the third ASTRA orbital position over Europe.

Of the 196 transponders which are commercially available on the ASTRA Satellite System at 19.2°, 28.2°, and 23.5/24.2°, 159 (81%) were contracted as of December 31, 2002. In addition, ASTRA provides capacity on ASTRA 1A in inclined orbit at 5.2° East, via a steerable beam on ASTRA 2B at 28.2° East for use outside of Europe, and at 28.5° East, on leased third-party capacity.

In November 2002, the Company filed an insurance claim regarding the loss of eight of the 28 transponders on ASTRA 1G, co-located at 19.2° East, due to a spacecraft battery anomaly. Because of ASTRA's unique inter-satellite protection scheme, this has not resulted in any disruption to the services carried by the satellite.

On November 26, 2002, ASTRA 1K, launched from the Baikonur Cosmodrome, failed to reach its correct orbit due to the anomalous functioning of the fourth stage (Block DM) of the Proton-K rocket. The satellite could not be recovered for commercial use and was safely de-orbited in December 2002. The loss of the spacecraft, which was scheduled to be co-located at 19.2° East to provide back-up and extended coverage and flexibility of service in both Ku-band and in Ka-band, did not affect existing services at 19.2° East. ASTRA 2C continues to provide comprehensive back-up for the frequency bands that were to be served by ASTRA 1K, while interactive Ka-band services continue to be provided by the existing Ka-band payload on ASTRA 1H.

The company filed an insurance claim for the loss of ASTRA 1K to the value of EUR 291.5 million. This claim has been settled and payment received subsequent to the year-end 2002.

Continued audience growth

At year-end 2002, the number of satellite and cable homes served by the ASTRA Satellite System in 30 European countries[1] reached 92 million, up from 91 million a year earlier. This continued growth confirms ASTRA's position as Europe's leading broadcast satellite system.

[1] Austria, Belarus, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Ukraine, United Kingdom.

Highlights

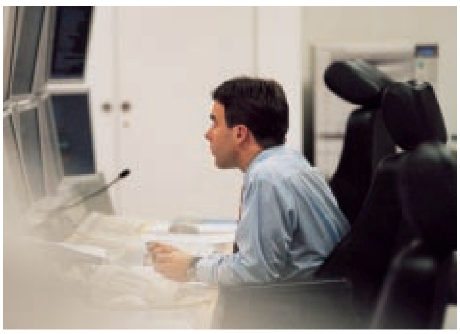
> Expanded satellite fleet: ASTRA 3A was successfully launched and deployed at 23.5° East.

> Increased channel choice: the number of channels transmitted via ASTRA increased to 1,174.

> Enhanced services: in a soft broadband services market, ASTRA signed up new customers.

ASTRA: pioneer and market leader

ASTRA pioneered the development of direct-to-home reception and has for years been the leading broadcast satellite system in Europe. Using a high performance satellite fleet at two orbital positions, ASTRA transmits an unrivalled variety of more than 1,100 TV and radio services of leading European and international broadcasters to 92 million homes in Europe's main language markets. In addition, ASTRA delivers a comprehensive portfolio of broadband and data communications services throughout Europe.

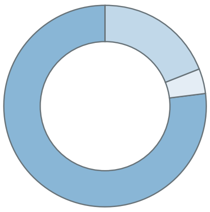


The increase was driven by the dynamic development of digital direct-to-home (DTH) reception. At year-end, 15 million homes received digital services via ASTRA at 19.2° or 28.2° East, up from 14 million at year-end 2001. Total (analogue and digital) DTH reception via ASTRA grew to more than 34 million homes. Digital reception now accounts for 44% of ASTRA's total DTH reception, up from 42% in 2001.

In a very competitive environment, ASTRA has consolidated its strong position in the digital marketplace, and is now received by four out of five digital satellite homes in Europe.

ASTRA is received by 19 million exclusively analogue satellite homes. Approximately two-thirds of these homes (more than 13 million) are located in the German-language countries with a strong analogue channel line-up.

Digital TV market in Europe*
Year-end 2002



Base: 25 million digital TV households.
*30 European countries within ASTRA footprint.

In 2002, digital reception (via satellite, cable, and terrestrial) in Europe continued to grow. 25 million homes received digital services at year-end 2002, an increase of 1.5 million compared to the prior year. With a share of more than three quarters of the total digital market, satellite is by far the most popular digital reception mode in Europe.

Source: SES ASTRA, Satellite Monitors, Year-end 2002.

Broadcast services

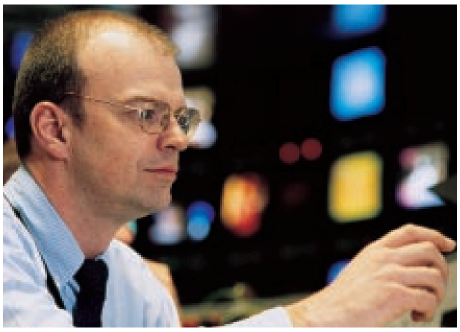
SES ASTRA's primary commitment is to further enhance the high quality of its services and products. ASTRA's reach, as well as the company's technical and marketing support solutions provide highest value to broadcast and broadband customers within a comprehensive customer support environment.

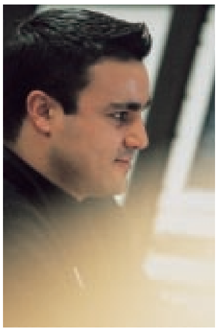
During 2002, the total number of broadcast services transmitted via ASTRA satellites at 19.2° East, 28.2° East and 23.5/24.2° East increased from 1,127 to 1,174. The increase is due to the continued development of digital services. The number of analogue channels continued to decline.

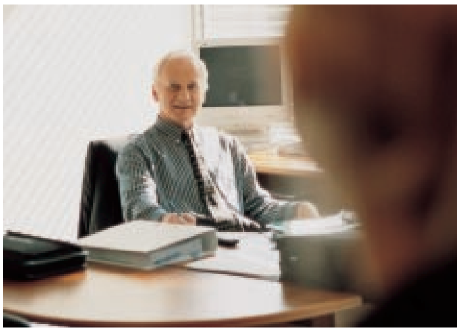
Among the most dynamic markets, the UK and Ireland continued to display the highest growth rates. The number of digital services (TV and radio) at 28.2° East, serving the British Isles, increased by 9.6% to 398. In the continental European marketplace, the impact of declining advertising revenues and particularly of the restructuring of a major customer in Germany resulted in a virtually unchanged number of services transmitted via 19.2° East (738 vs 739).

New services added during the year 2002 on ASTRA at 19.2° East include:

- CanalSatellite concluded long-term contracts for two additional transponders in order to diversify the CanalSatellite bouquet line-up with new general interest channels, premium movie and sports contents and interactive TV applications;
- Polish media holding company Fincast contracted for transponder capacity for digital free-to-air transmission of Tele 5 Poland and Polonia 1;
- CNBC renewed the capacity contracted for analogue distribution in a multi-year agreement;
- Tele2 AB Group contracted for the transmission in digital free-to-air of Tango TV, a Luxembourg-language entertainment channel;
- German entertainment channel Tele 5 contracted for one full-time transponder for analogue transmission;





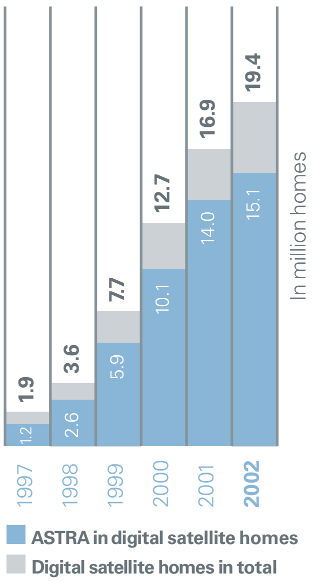


With an extensive experience in delivering satellite broadcasting and broadband services throughout Europe, SES ASTRA also provides communications solutions which are optimally tailored to meet the needs of its customers. These include high-speed DSL via satellite services, direct-to-cable offerings and occasional use services.

Operational review

SES ASTRA An SES GLOBAL Company

ASTRA coverage in digital satellite homes in Europe



Source: SES ASTRA, Satellite Monitors, Digital Pay TV Operators.

Broadcast services continued

- T-Systems contracted for one satellite transponder to meet increasing demand for digital data transmissions via satellite;
- ARTE, the French-German culture channel contracted for additional capacity to extend its broadcasting hours;
- PIN 24, a home-shopping channel operated by MTG, launched on ASTRA on a part-time basis; and
- Bibel TV contracted for additional capacity for the distribution of religious-type content to the German language market.

Following the insolvency filing of BetaDigital (Kirch Group), which had contracted for 11.5 transponders, SES ASTRA concluded a contract amendment under which BetaDigital terminated the contract and Premiere contracted for 7.5 of these transponders.

Main customers and services developments at 28.2° East include:

- BBCi contracted for an additional transponder in order to enhance the interactive programming made available to TV viewers in the UK;
- The BBC also renewed two transponder contracts for a ten-year term;
- British Telecom and Kingston inmedia signed long-term full-transponder contracts with SES ASTRA for third-party capacity leased at 28.5° East;
- Sony GoPlay contracted for capacity for interactive services;
- Ideal Shopping Direct contracted for additional capacity for the distribution of two home shopping channels; and
- Invest TV contracted for additional capacity to enhance its channel line-up.

Broadband services

In 2002, the demand for broadband capacity remained soft in Europe. Main developments in the line-up of broadband services on ASTRA included:

- Deutsche Telekom commercially launched the T-DSL via satellite service 'powered by ASTRA' to provide high-speed satellite Internet connectivity throughout Germany at DSL speed, and extending and complementing the terrestrial DSL offer;
- BySky, a satellite Internet provider, launched a broadband Internet service at DSL speed to residential users in the Netherlands;
- following the creation of SATLYNX, a joint-venture between SES GLOBAL and Gilat Satellite Networks, SATLYNX contracted for six transponders on ASTRA and on third-party capacity contracted by ASTRA, to provide interactive broadband services via satellite to customers in Europe; and
- in a separate development, the ASTRA Broadband Interactive System, the first commercial system to implement the DVB-RCS standard for two-way satellite-based broadband communications, won an Innovation Award for Systems Development and Applications from the Society of Satellite Professionals International.

Satellite co-location = flexibility and security

ASTRA introduced the co-location of spacecraft in order to maximise the flexibility and reliability of the satellite system at 19.2° and 28.2° East. Co-locating means to position several satellites at one orbital slot. This results in a most efficient use of the available frequency spectrum; in addition co-location enables the creation of an unrivalled reserve and back-up capacity scheme.

Currently, seven satellites are co-located at ASTRA's prime orbital slot at 19.2° East. In addition to their active payload, these satellites carry spare capacity to provide back-up facilities for other satellites. For example, ASTRA 1E's active transponder payload uses the frequency band D while providing back-up capacity in frequency bands C and B, operated on ASTRA 1C and ASTRA 1B. Should a technical problem occur on a satellite, back-up transponders can be immediately activated, providing customers with unique security and revenue protection. A similar back-up system is in place at ASTRA's orbital position at 28.2° East.

Other services

SES ASTRA generated revenues through ASTRA 1A, operated in inclined orbit at 5.2° East. During the year under review, the spacecraft provided contribution services on behalf of several European broadcast customers. NSAB contracted one transponder on ASTRA 1A for occasional use.

Other developments

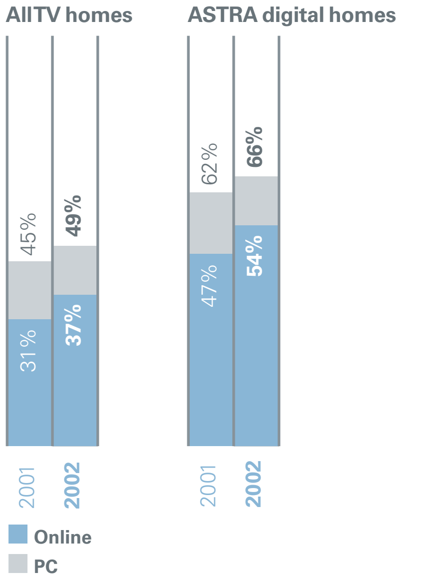
During 2002, SES ASTRA effected a restructuring of the Sales and Marketing Department, substantially reinforcing the sales group and enhancing the Company's potential to capture growth opportunities. Over the year, the headcount of SES ASTRA decreased from 385 to 319, due to the transfer of a certain number of employees to SES GLOBAL and SATLYNX, as well as in an effort to adapt the Company's headcount to the increasingly competitive market situation.

In a post year-end development, the Luxembourg Court of Appeals determined the amount of dividends to be paid by SES ASTRA to Mr. Clay T. Whitehead in the litigation opposing the Company to Mr. Whitehead over the withholding of dividends on Founder shares. The Court accepted the dividend calculation as put forward by SES ASTRA, corresponding to an amount of EUR 30,052,325 covering the years 1992 to 2001. This dividend will be paid out of shareholders' reserves and will therefore have no impact on the profit and loss account.

In early 2003, SES ASTRA issued a request for proposals for two satellites providing replacement capacity mainly for ASTRA 1K lost during launch in November 2002, as well as for ASTRA 1D and ASTRA 1E at end of life.

More information on SES ASTRA is available at **www.ses-astra.com**

ASTRA – Extensive reach in the broadband universe

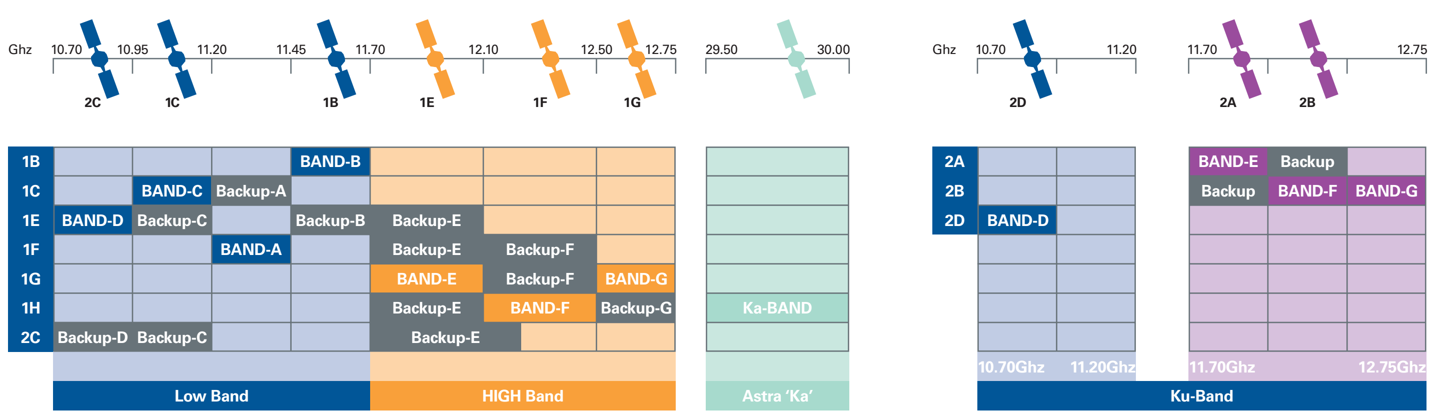


ASTRA provides a solid foundation for the successful roll-out of broadband DSL via satellite services all over Europe. The proportion of ASTRA digital satellite homes owning a PC (66%) and using an online connection (54%) has increased compared to the prior year and is significantly higher than in average TV homes (PC: 49%; online: 37%).

Source: SES ASTRA, Satellite Monitors.

ASTRA Satellite System at 19.2° East

ASTRA Satellite System at 28.2° East



High-speed two-way broadband connections via the satellites of the SES GLOBAL companies bridge the distance – they ensure that you are connected and are able to participate in the action.

Operational review

SES AMERICOM
An SES GLOBAL Company

Leadership and innovation

Satellite operations

During the year 2002, the AMERICOM satellite fleet and the supporting terrestrial networks operated with a high degree of reliability, featuring an availability rate of 99.999% on the space segment and of 99.99% on the ground network. The AMERICOM satellite fleet consisted of 16 satellites until the end of the first quarter 2002, when the K-2 spacecraft was retired after more than 16 years of operation. This spacecraft had operated since 1985 at 81° West and provided services approximately seven years beyond its design life. Since March 2002, AMERICOM delivers services from 15 satellites at 15 orbital positions.

In November, 2002, upon the retirement of the C-515 satellite, the Satcom C1 spacecraft was redeployed to 37.5° West to provide interim service over the Atlantic Ocean. AMERICOM acquired the C-515 satellite in 2000 as part of the acquisition of Columbia Communications Corporation.

Of the 368 transponders which were commercially available on the SES AMERICOM satellite system, 299 (81%) were contracted as of December 31, 2002. In addition, the occasional use and broadcast special event inventory of 16 transponders were regularly under contract throughout the year.

SES AMERICOM has contracted for the construction of eight next generation satellites, six of which it expects to launch before the end of 2004 and two of which it has the option to return to the manufacturer or could launch if market conditions warrant. Four of these spacecraft will replace existing satellites and the remainder will be additional capacity.

In early 2003, AMERICOM issued a request for proposals for a BSS satellite, AMC-14, planned for 105.5° West to support AMERICOM2Home^{SM}, pending grant by the US Federal Communications Commission (FCC) of US market access for DBS services at 105.5° West, and satisfactory customer agreements.

In June 2002, SES AMERICOM signed launch service agreements with International Launch Services for the launch of two satellites, and with Arianespace for the launch of two further satellites. The launches of two other satellites scheduled before the end of 2004 were contracted in previous years.

In November 2002, AMERICOM signed a precedent-setting insurance agreement that covers the launch and first year of operations of six spacecraft. The placement is performance-based and features rates that reflect the industry-leading quality performance and reliability of both the AMERICOM and ASTRA satellite fleets.

The AMERICOM satellite fleet featured an availability rate of 99.999% on the space segment.

Highlights

> Highest degree of reliability maintained: the AMERICOM satellite fleet featured a 99.999% availability.

> Services line-up expanded with business continuity services.

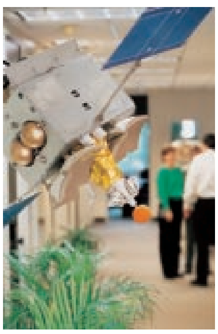
> 81% transponder utilisation rate was achieved.

> Residential services push: plans for the AMERICOM2HOME ^{SM} platform were launched.

> AMERICOM Government Services (AGS) growth exceeded that of all other business segments.

AMERICOM: The sky's premier cable neighbourhood

SES AMERICOM is the premier distributor of cable programming in North America. The combination of signal strength, geographic coverage, signal availability and built-in reliability makes the AMERICOM satellite neighbourhood the top choice to reach cable head-ends and more than 80 million American TV households.



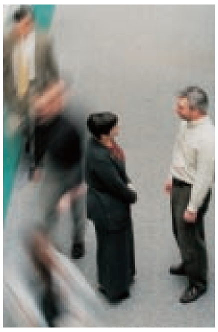
New contracts and services

As of December 31, 2002, the SES AMERICOM satellite fleet transmitted audio-visual programming on behalf of most major cable programmers as well as TV and radio broadcasters to all major networks and head-ends in the US, multiple dwelling units and hotels. Two thirds of SES AMERICOM's transponder capacity is contracted for media distribution. The balance of the fleet's capacity supports a wide variety of broadband, telecommunications, Internet and data services.

Main developments

- Crown Media US signed a multi-year transponder agreement for satellite capacity on AMC-11 for the distribution of the Hallmark Channel; AMC-11 is planned for operation from 2004 as a replacement for Satcom C3 at 131° West;
- Home Box Office (HBO) signed a multi-transponder service agreement to use AMC-4 at 101° West in 2003 for the distribution of four analogue multiplex feeds for the backyard dishes in all 50 states of the US;
- HSN, the originator of TV shopping, signed a long-term transponder agreement for next generation C-band capacity on AMC-10, the successor satellite to Satcom C4 at 135° West. AMC-10 is scheduled for operation in 2004;
- The European Broadcasting Union (EBU) selected SES AMERICOM to provide satellite capacity to support the EBU and its members in the television coverage of the Winter Olympic Games from Salt Lake City, Utah, in 2002. SES AMERICOM provided a transatlantic connection from the US to Europe;
- Stratos, a specialised VSAT network services company, signed a multi-year agreement for one Ku-band transponder on AMC-4 at 101° West to support enterprise data and communications networks;
- SES AMERICOM and iDirect, a leading provider of broadband IP solutions over satellite, will jointly market and revenue-share Ku-band satellite capacity on AMC-6 at 72° West to provide enterprises in the Caribbean and in North and Central America with high-speed, two-way private IP networks and broadband connections to the Internet. Additionally, the two companies are cooperating on a suite of Business Continuity solutions to be marketed directly by SES AMERICOM;
- Deutsche Welle, one of the world's leading international broadcasting services, signed an agreement for C-band capacity on AMC-1 at 103° West, to deliver German TV and radio programming into North America and the Caribbean. The agreement also covers digital transmission services, DigitalC®, a fully protected video MCPC solution;

Unquestionable customer commitment
The satellite-delivered services provided by SES AMERICOM are deeply rooted in a timeless, customer-first philosophy. The company's visionary leadership, its people and expertise, its global fleet and global partnerships all add up to solutions that begin and end with customer commitment that, in a word, is unrivalled.



Operational review

AGS delivered impressive growth and net profit in 2002.

Main developments continued

- SES AMERICOM acquired a 20% interest in Florida-based Internet Satellite Platform, Inc., ISAT, a leading provider of satellite-based internet connection solutions to ISPs, Data CLECs and rural cable operators. Marketing wholesale services to organisations in North and South America, ISAT uses Ku-band capacity on AMC-6 at 72° West;
- Kingston inmedia, the satellite-centric broadband solutions division of London-based Kingston Communications, signed a multi-year agreement for a transponder on SIRIUS 2 at 5° East, to support its MCPC distribution of digital television channels and IP services throughout the UK and Western Europe;
- Space Communications Corporation, SCC, of Japan signed a multi-year transponder agreement for SES AMERICOM's planned satellite, AMC-13, when it becomes operational at 172° East. The agreement also includes transmission services provided by SES AMERICOM to facilitate access to the US Internet backbone. On an interim basis, SCC will use capacity on SES AMERICOM's Spacenet 4, the satellite currently operating at 172° East, to provide communications services between Japan and North America;
- ARINC Inc entered into a joint development agreement with SES AMERICOM to facilitate the launch of the SkyLink (SM) broadband communications service for executive aircraft, using SES AMERICOM Ku-band capacity over North America.

AMERICOM Government Services

After 29 years of service to the US federal government, SES AMERICOM formalised this portion of its business by establishing AGS. The business unit is dedicated to providing specialised, satellite-based telecommunications solutions – bandwidth, infrastructure and networking – to federal government agencies and their contractors. AGS delivered impressive revenue growth and net profit in 2002. AGS is currently under contract to serve multiple federal agencies directly, including the Departments of Commerce, Defence, Interior, Justice, and Transportation. AGS also works closely with many leading commercial contractors, including Arrowhead Space and Communication, AT&T, Bechtel, Comsat General, CSC, Dyncorp, Lockheed Martin, Mitre, and Worldcom.

A state-of-the-art facilities network forms the terrestrial backbone of the SES AMERICOM satellite fleet. Four 24/7 network operations centres and six dedicated Earth Stations provide satellite access, uplink services and vital fleet monitoring.

4,000 bits of data are transmitted for monitoring purposes every other second from each individual satellite, ensuring that SES AMERICOM's customers are guaranteed optimal levels of service at all times of the day and night.

AMERICOM residential satellite services
In 2002, AMERICOM announced plans to provide video and broadband Internet direct-to-home services on AMERICOM2Home℠, a multi-satellite, multi-frequency platform to be initiated in 2003 at 105° West and fully implemented at 105° and 105.5° West by 2005.

A Ku/Ka-band hybrid satellite, AMC-15, is under construction with a planned launch into the 105° West orbital location during the third quarter of 2004. AMC-15 will support additional broadcast and high-speed broadband connections to the home. With authority from the ITU and a licence from the government of Gibraltar for 105.5° West, SES AMERICOM petitioned the FCC to grant the Company authority to offer satellite capacity to third parties that will provide direct-to-home satellite video channels to the US consumer. This capacity will be offered on the proposed AMC-14 satellite pending FCC grant of US market access for DBS services at 105.5° West, and satisfactory customer agreements.

The AMERICOM2Home℠ open platform is modelled on the success of the ASTRA system in Europe and will leverage the technology of existing systems and ASTRA expertise, thus providing the consumer with more programming choices and enhanced functionality through a single home antenna.

Cable2® Neighbourhood
Cable TV households (millions)

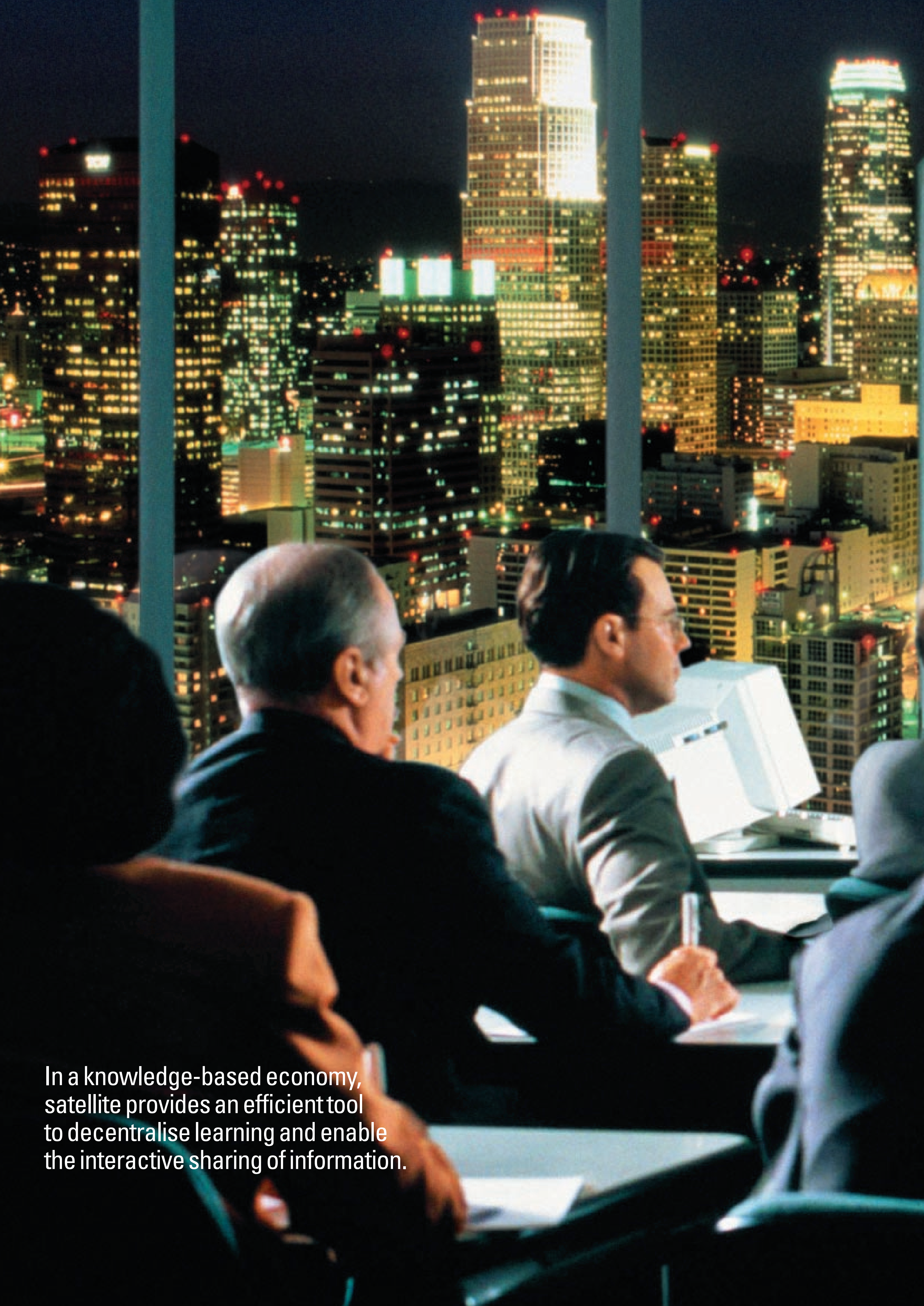
1999	48.3
2000	53.8
2001	59.7
2002	**60.7**

Cable 2® is America's newest premium cable neighbourhood, formed by AMC-1 and AMC-4 satellites, at 103° West and 101° West, respectively. The close proximity of the two spacecraft permits both satellites to be received by a single ground antenna – and SES AMERICOM's ongoing antenna-seeding program has increased the neighbourhood's value to cable programmers through increased penetration. Cable 2® is also home to DigitalC® – an SES AMERICOM service featuring intra-and inter-satellite restoration protection, a widely-used compression platform (Scientific-Atlanta PowerVu®) and high-performance, 50-state coverage.

Other developments
During 2002, the headcount of SES AMERICOM decreased from 292 to 277. This decrease resulted from the implementation of SES AMERICOM's Expense Reduction Strategy put in place to proactively address a changing industry and market environment. One phase of the strategy focused on operating expense reduction, while the other phase focused on resource reduction by capitalising on opportunities for global workforce synergies, integration or outsourcing.

More information on SES AMERICOM is available at **www.ses-americom.com**

Around the clock, teams of highly skilled engineers monitor the quality of transmission signals sent to and from the AMERICOM satellites to ensure the highest reliability of service.



In a knowledge-based economy, satellite provides an efficient tool to decentralise learning and enable the interactive sharing of information.

Operational review
Global partners

Financial highlights

In HK$ million	2002	2001
Revenues	**951**	969
EBITDA	**798**	847
Net profit	**555**	563

More information on AsiaSat is available on **www.asiasat.com**

AsiaSat
Linking Asia in space

Asia Satellite Telecommunications Holdings Limited (AsiaSat) is Asia's premier satellite operator. The AsiaSat fleet covers an area in the Asia-Pacific region that is home to more than two-thirds of the world's population.

AsiaSat provides satellite services to both the broadcast and telecommunications industries. Public and private television and radio broadcasters from around the world were using the AsiaSat satellites during 2002 to distribute more than 120 analogue and digital television channels and 90 radio channels to over 80 million homes throughout the region. Telecommunications customers use AsiaSat for public telephone networks, private VSAT networks, high-speed Internet and broadband services.

AsiaSat operated three satellites during 2002: AsiaSat 1 at 122° East (in inclined orbit), AsiaSat 2 at 100.5° East, and AsiaSat 3S at 105.5° East.

SES GLOBAL holds 34.10% of the equity of AsiaSat. The company is listed on the stock exchanges of Hong Kong and New York. AsiaSat employed 83 permanent staff at the end of 2002.

AsiaSat maintained a clear leadership position in the Asia-Pacific market throughout 2002. While the company increased the number of its customers, it reported a marginal decline in revenues and profits in a soft market environment. Demand drivers for AsiaSat's services continue to be the distribution of broadcast services and the provision of telecommunications networks to users who need last mile connectivity over wide geographic coverage at a fixed cost.

AsiaSat's satellite fleet operated without interruption of service during 2002. At year-end, the utilisation rate of the 36 MHz C-band transponders was maintained at 78% (2001: 79%) and the overall transponder utilisation rate of the fleet was 64% (2001: 65%) despite the highly competitive conditions in a weak market. Demand for Ku-band capacity remained soft in 2002.

As this report went to press, AsiaSat 4, the fourth satellite of the AsiaSat fleet, was being readied for launch. The new spacecraft will enable AsiaSat to provide higher power coverage with excellent elevation angles over Australasia and Greater China. AsiaSat 4 features 28 C-band transponders and 16 Ku-band transponders providing regional coverage, as well as four Hong Kong BSS (Broadcast Satellite Service) transponders covering Hong Kong and Southern China. The spacecraft is scheduled to be operational at 122° East and will replace AsiaSat 1 by the end of April 2003.

The construction of AsiaSat's new Earth Station at the Tai Po Industrial Estate in Hong Kong's New Territories progressed on schedule in 2002. The new infrastructure is expected to be operational in the second half of 2003. The new Earth station duplicates many of the circuits and facilities currently provided by the Stanley Earth Station, and significantly increases AsiaSat's commitment to provide the highest quality and reliability of service to its customers, while expanding the range of services offered to customers.

Both the new space and ground infrastructure enable AsiaSat to capture business growth opportunities as they arise and as the Asia-Pacific market recovers.

The AsiaSat satellite control centre in the company's Causeway Bay headquarters, Hong Kong.

In 2002, AsiaSat's satellite fleet, covering an area from the Middle East to Australia, operated without interruption of service.

Star One

Reinforcing the leadership position

Star One owns and operates the largest C-band satellite system in South America. A fleet of five satellites (Brasilsat B1, B2, B3, B4 and A2) supports the full range of services including broadband Internet access, telephony, TV broadcasting and corporate networks. The Company's customers include Embratel, TV broadcasters such as Globo and SBT, and corporations such as Petrobrás, ABN Amro, HSBC and Banco do Brasil.

Star One is headquartered in Rio de Janeiro, Brazil. SES GLOBAL holds a 19.99 % investment in Star One.

During 2002, Star One achieved growth in a difficult environment. The positive development was driven by accomplishments mainly in the space segment area, as well as in the field of broadband solutions via satellite, both for the SOHO and the corporate markets with the introduction of EasyBand Corporate and EasyCast.

Star One reinforced its position as Latin America's leading satellite operator, winning the licence for the use of Ku-band at the 65° West orbital position in an auction held by ANATEL. This orbital slot will be occupied by the Company's first new generation satellite, Star One C1, scheduled to be launched in 2005 and providing both C-band and Ku-band capacity.

Star One initiated negotiations for the construction of a replacement satellite for Brasilsat B1, operating in C-band at 70° West. Currently, B1 is used by TV networks to transmit channels in analogue and digital to their affiliates across Brazil. In addition, Brasilsat B1 is received via more than ten million home antennae.

After a year of major challenges and accomplishments, in 2003 Star One plans to grow throughout South America, introducing new services, such as the Company's most recent product, the Americas Connection – this service will provide satellite connectivity for the entire American continent, and was launched in December 2002.

Financial highlights

In BRL million	**2002**	2001
Revenues	**347**	314
EBITDA	**259**	263
Net profit	**82**	62

More information on Star One is available on **www.starone.com.br**

Star One's Guaratiba Earth Station, located in Rio de Janeiro, Brazil. Star One operates Brasilsat, Latin America's largest satellite fleet, and is the leading South American capacity provider of broadcasting, networking, trunking and radio services.

Operational review
Global partners

Financial highlights

In SEK million	2002	2001
Revenues	**577**	591
EBITDA	**277**	77
Net profit	**90**	(63)

More information on Nordic Satellite AB is available on **www.nsab-sirius.com**

Financial highlights

In ARS million	2002	2001
Revenues	**63**	35
EBITDA	**31**	25
Net profit/(loss)	**(95)**	(2)

More information on Nahuelsat is available on **www.nahuelsat.com.ar**

Nordic Satellite AB (NSAB)

Focus on Nordic and Baltic States

Nordic Satellite AB (NSAB) is the owner and operator of TV and telecommunications satellites SIRIUS 2, SIRIUS 3 and SIRIUS W (in inclined orbit), located at 5° East and 13° West.

NSAB provides satellite transmission capacity for the distribution of TV and radio channels and for various telecommunications and broadband services, such as VSAT applications, Internet and occasional use services. The SIRIUS satellites primarily cover the Nordic region, but also the Baltic countries and parts of Eastern Europe.

NSAB employed 40 staff at year-end 2002.

SES GLOBAL owns a 50% stake in NSAB, the remaining 50% being owned by the Swedish Space Corporation (SSC).

As a result of the Company´s focus on the markets of the Baltic countries as well as those of Central and Eastern Europe, new contracts have been signed for the distribution of TV and radio services in the Baltics, Ukraine and Romania. In a continuous effort to enhance the network infrastructure, NSAB established new uplink stations in Riga and Kiev.

Significant efforts were made to develop broadband services, especially Internet services via satellite. Swepet Satellit AB, an Internet service provider, contracted for transmission capacity on the SIRIUS satellite system to provide high speed Internet connections for customers throughout the Nordic countries.

The Company concluded a number of contracts for VSAT services (data and telecommunication services via satellite for Business-to-Business applications) particularly in Eastern Europe.

Nahuelsat

Expanding the network

Nahuelsat S.A. is the operator of the Argentinian Nahuel satellite system, which offers Ku-band coverage to the whole of Latin America and up to the Southern US.

The Nahuel-1 satellite, launched in 1997, serves customers in Latin America and the US. Nahuel-1 provides capacity for the distribution of TV channels and telecommunications services such as telephony, Internet backbone connections, and data transmission.

Nahuelsat has an outstanding track record of network availability and customer support.

Nahuelsat is based in Buenos Aires, Argentina. SES GLOBAL holds a 28.75% participation in the Company.

In the framework of the challenging economic conditions in Argentina, Nahuelsat continued to expand the network of local representatives in different countries of Latin America. Nahuelsat aims to access these different markets through alliances with local operators.

TTC antennae used for the control of the SIRIUS satellites. The antennae are located at the SIRIUS Satellite Control Centre in Esrange, in the far north of Sweden.

Nahuelsat's Earth command station, located in Benavídez, 41 km from Buenos Aires.

SATLYNX

Europe's leading broadband satellite services provider

SATLYNX is a joint venture between SES GLOBAL, Gilat Satellite Networks and potentially Alcatel Space. The Company was created in June 2002 with the mission to provide an extensive portfolio of two-way broadband satellite services all across Europe.

SATLYNX manages network services through wholesale agreements with resellers and primarily direct sales for pan-European networks. SATLYNX operates in various European markets with a strong local presence in France, the UK, Germany, and Spain. The Company is headquartered in Luxembourg, with operational centres in Germany and Luxembourg. SES GLOBAL owns a 50% stake in SATLYNX.

The Company serves corporate customers such as Agip, Q8, Esso, telecoms operators such as BT Openworld and NeoSky, and Internet Service Providers such as Tiscali and La Poste. SATLYNX concluded a contract with P&T Luxembourg to offer Internet Services to SOHOs and SMEs in the Luxembourg territory and its adjacent regions.

Following its formation in mid-2002, SATLYNX rapidly integrated the operations of Gilat Europe with the Broadband Interactive team and services contributed by SES to the joint venture. SATLYNX has remained strongly focused on business development. In the current challenging business climate SATLYNX has identified a number of opportunities which it will be developing in the coming months.

SATLYNX

Financial highlights

In EUR million	2002
Revenues	**14.4**
EBITDA	**(14.6)**
Net profit/(loss)	**(35.2)**

More information on SATLYNX is available on **www.satlynx.com**

The SATLYNX Operational Centre, located in Backnang, Germany. SATLYNX has created an unrivalled portfolio of reliable and cost-efficient two-way satellite broadband service solutions for a wide range of applications across Europe.

SES GLOBAL shareholders

SES GLOBAL shareholders[1]	Number of shares	Voting interest represented by FDR's /shares held	Economic interest by FDR's/shares held
A-shares			
GSH Global Satelliten-Beteiligungs-Holding GmbH (100% DTAG)	42,516,140	5.77%	7.21%
DT-Satelliten-Holding-GmbH (100% DTAG)	35,068,860	4.76%	5.94%
Loran Telecommunications S.A.	22,453,750	3.04%	3.81%
Dresdner Bank Luxembourg S.A.	18,130,000	2.46%	3.07%
Deutsche Bank Luxembourg S.A.	15,800,000	2.14%	2.68%
Luxempart S.A.	13,380,000	1.81%	2.27%
Rebelco S.A.	10,000,000	1.36%	1.70%
Audiolux S.A.	8,010,000	1.09%	1.36%
Commerzbank AG	7,900,000	1.07%	1.34%
Banque Générale du Luxembourg S.A.	6,182,610	0.84%	1.05%
Private and other A shareholders <1% economic interest	10,765,230	1.46%	1.82%
A shares held as FDRs (free float)	120,133,410	16.29%	20.36%
Total A-shares	**310,340,000**	**42.08%**	**52.60%**
B-shares			
BCEE	80,225,463	10.88%	5.44%
SNCI	80,215,463	10.88%	5.44%
Etat du Grand-Duché de Luxembourg	85,376,910	11.58%	5.79%
Total B-shares[2]	**245,817,836**	**33.33%**	**16.67%**
C-shares			
GE Capital total holding	148,228,155	20.10%	25.12%
State Street Bank & Trust Company[3]	33,067,517	4.48%	5.61%
Total C-shares	**181,295,672**	**24.58%**	**30.73%**
Total shares	**737,453,508**	**100.00%**	**100.00%**

[1] Significant shareholdings as of March 26, 2003.

[2] Class B-shares: A share of Class B carries 40% of the economic rights of an A or C-share.

[3] Voting Trust: An amount of 33,067,517 ordinary C-shares has been transferred to State Street Bank and Trust (Voting Trust) resulting in a GE Capital Voting percentage of 20.1% and economic percentage of 30.73%. The voting trust will vote proportionate with all other shares.

Board of Directors

Composition of the Board of Directors and of the Committees set up by the Board as of December 31, 2002.

Chairman
René Steichen

Vice-Chairmen
John F. Connelly
Gerd Tenzer
Jean-Paul Zens

Members
Charles Alexander
Wolfgang A. Baertz
Ernst-Wilhelm Contzen
Jean-Claude Finck
Richard Goblet d'Alviella
Raymond Kirsch
Dr. Joachim Kröske
Dr. Raphael Kübler
Hadelin de Liedekerke Beaufort
Denis J. Nayden
Gaston Reinesch
Victor Rod
Luis Sanchez Merlo
Christian Schaack
Georges Schmit
Gaston Schwertzer
François Tesch

Observers
Fred Arbogast, Representative of the Personnel Delegation of SES ASTRA
Pierre Goerens, Commissioner of the Luxembourg Government at SES ASTRA

Secretary to the Board of Directors
Roland Jaeger, General Counsel

Chairman's Office (since September 12, 2002)
René Steichen, Chairman
John F. Connelly
Gerd Tenzer
Jean-Paul Zens

Bureau of the Board (until September 12, 2002)
René Steichen, Chairman
John F. Connelly
Gerd Tenzer
Jean-Paul Zens
Wolfgang A. Baertz
Richard Goblet d'Alviella
Raymond Kirsch
François Tesch

Audit Committee
René Steichen, Chairman
Ernst-Wilhelm Contzen
Gaston Reinesch
Christian Schaack

Compensation Committee
René Steichen, Chairman
John F. Connelly
Gerd Tenzer
Jean-Paul Zens

2002 Activities report of the Board of Directors

The year 2002 was the first full year of existence of SES GLOBAL following its inception under its current form on November 9, 2001, at the occasion of the closing of the transaction by which SES GLOBAL acquired 100% of GE AMERICOM stock and other assets. On November 8, 2001, SES GLOBAL had become the owner of the entire stock of SES ASTRA. The combination of SES ASTRA and SES AMERICOM created the world's premier satellite service provider.

The list of major shareholders of SES GLOBAL is published on page 28, and a chart displaying the organisational structure of the SES Group is included on page 2 of the present activities report.

Corporate governance structure of SES GLOBAL
On May 6, 2002, the General Meeting of Shareholders elected the Board members for a period of three years. The list of Board members is published on page 29. The Board met the same day and elected Mr. René Steichen as Chairman as well as three Vice-Chairmen: Mr. Gerd Tenzer (proposed by shareholders of category A), Mr. Jean-Paul Zens (proposed by shareholders of category B) and Mr. John F. Connelly (proposed by the shareholder of category C). The Board also established the Bureau of the Board, the Audit Committee and the Compensation Committee.

At its meeting of September 12, 2002, the Board replaced the Bureau of the Board by a body designated as 'Chairman's Office' comprising the Chairman and the three Vice-Chairmen. This newly created body prepares the agenda of the Board meetings and allows the three Vice-Chairmen to organise individual meetings with the respective Board members of the respective category of shareholders to prepare the upcoming Board meetings.

The Commissioner of the Government at SES ASTRA, Mr. Pierre Goerens, and a representative of the SES ASTRA personnel delegation, Mr. Fred Arbogast, participate as observers at the meetings of the SES GLOBAL Board.

The list of members of the Chairman's Office, the Audit Committee and the Compensation Committee are published on page 29.

The Executive Committee of SES GLOBAL, in charge of the daily management, continues to be composed of Mr. Romain Bausch, President and CEO, Mr. Robert Bednarek, Executive Vice President, Corporate Development, Mr. Jürgen Schulte, Chief Financial Officer, Mr. Ferdinand Kayser, President and CEO of SES ASTRA, and Mr. Dean Olmstead, President and CEO of SES AMERICOM.

Activities of the Audit Committee
The Audit Committee held three meetings dedicated in particular to the review of the half-year financial results, the adoption of the Internal Audit Charter and the Internal Audit Plan, the endorsement of a risk mapping approach as well as the review of the 2002 results to be submitted to the Board and subsequently the shareholders at the statutory General Meeting.

The Audit Committee endorsed the principles of cooperation between the External and the Internal Auditors and recommended to strengthen the Internal Audit function by an additional recruitment.

Activities of the Compensation Committee
The Compensation Committee held three meetings to address matters related to the adaptation of the Complementary Pension Scheme and of the Executive Stock Option Plan. The Committee submitted proposals to the Board for determining the exercise price applicable for the 2002 Stock Option grant and a methodology for determining grants for upcoming years.

In view of the implementation of the Stock Option Plan the Company continued the acquisition of its own FDR's with the goal to have them distributed to the staff. Currently the Company owns 3,226,190 FDR's and 100,000 shares of category A.

The Compensation Committee also addressed issues related to a succession planning for senior positions at the level of SES GLOBAL, SES ASTRA and SES AMERICOM.

Activities of the Board of Directors

The Board was particularly involved in decision-making processes related to the following actions:

- to set up rules and a reporting methodology for the two 100% owned subsidiaries (SES ASTRA and SES AMERICOM) as well as the other important participations of the Group;
- to define financing-related matters involving SES GLOBAL and its two 100% owned affiliates; and
- to decide on or endorse proposed business decisions submitted by the two wholly-owned affiliates.

At its meeting of January 31, 2002 the Board adopted a format for the monthly management reporting by the Executive Committee, including information on the status and development of the Company, its two wholly-owned affiliates and the participations in the other entities such as AsiaSat, NSAB, StarOne, Nahuelsat and SATLYNX.

The Board was informed on a monthly basis by the Executive Committee according to the determined format.

The Board closely followed the financing needs of the Company and had a regular assessment on the appropriateness of a public equity offering in the US or of other models of public offerings. However, due to the negative market situation, which worsened dramatically during the year 2002 and in early 2003, the Board advised against such offerings.

At its December meeting, the Board approved the SES Group budget for the year 2003. The Board also had discussions on the adoption of a Strategic Plan up to the year 2010.

The Board addressed submissions for business developments for the two wholly-owned affiliates related to the development of the two-way broadband services in conjunction with Gilat at the level of SATLYNX, of direct-to-home services by SES AMERICOM under the designation of Americom2Home^{SM}, of ISAT, ARINC and IP Direct projects.

Human Resources

At year-end 2002 SES GLOBAL S.A. had a staff of 48 employees, and the entire SES GLOBAL Group employed a total of 808 staff.

Other matters

The Board followed the actions undertaken by SES ASTRA deriving from the Luxembourg Court of Appeals decision of July 10, 2002, in the Whitehead litigation. The Court of Appeals ruled in favour of Mr. Whitehead by declaring his request for dividends founded and thus did not uphold the judgment of first instance of January 26, 2001, which had dismissed Mr. Whitehead's claim. In its decision rendered on February 12, 2003, the Court of Appeals accepted the dividends as indicated by SES ASTRA and retained the figures put forward by the Company. The payout of the dividend amount will not affect the profitability of the Company as these amounts will be paid out of shareholder reserves.

On a regular basis, based on proposals by the Executive Committee, the Board designated the SES representatives at the Board of affiliate companies.

The Board of Directors considers that despite the difficult business environment the developments of SES GLOBAL Group have evolved in a satisfactory manner and expresses its thanks to Management and all employees for their contribution and dedication.

Executive Committee

The Executive Committee is in charge of the daily management of SES GLOBAL. The Committee includes the President and CEO of SES GLOBAL, Chairman of the Executive Committee, the Chief Financial Officer and the Executive Vice President Corporate Development of SES GLOBAL, as well as the CEOs of the operating companies. The inclusion of the CEOs of the operating companies ensures close ties to the markets. The Executive Committee embodies decades of combined experience in satellite operations and broadcasting.

Romain Bausch
President and CEO of SES GLOBAL
Chairman of the Executive Committee

Chairman of the Board of Directors of SES ASTRA, SES AMERICOM and AsiaSat*; Vice-Chairman of the Board of Directors of Nordic Satellite AB; and Member of the Board of Directors of SATLYNX.

Joined SES in May 1995.

Previous appointments
Administrator General in the Luxembourg Ministry of Finance; Member of the Board of Directors of Société Européenne des Satellites (SES); Vice-Chairman of SES' Board of Directors; Chairman of Société Nationale de Crédit et d'Investissement; Government Commissioner to Compagnie Luxembourgeoise de Télédiffusion (CLT); and Government Commissioner to Banque Internationale à Luxembourg.

Education
Master of Arts in Economics and Business Administration, University of Nancy (France).

Luxembourgish national, born July 3, 1953.

* Since January 1, 2003, Vice-Chairman of the Board of Directors of AsiaSat.

Robert A. Bednarek
Executive Vice President Corporate Development of SES GLOBAL

Member of the Executive Committee of SES GLOBAL; Vice-Chairman of the Board of Directors of SATLYNX; Member of the Board of Directors of SES ASTRA, SES AMERICOM, AsiaSat, and Star One; and Board Member of Gilat Technologies, Ltd (appointment ended in September 2002).

Joined SES GLOBAL in January 2002.

Previous appointments
Executive Vice-President and Chief Technology Officer, PanAmSat Corporation; Senior Vice-President, Engineering & Operations, PanAmSat Corporation; Co-founder and Partner of Rubin, Bednarek & Associates; and Deputy Chief Scientist of the US Corporation for Public Broadcasting.

Education
B.Sc. degree in Electrical Engineering, University of Florida.

US national; born October 6, 1957.

Ferdinand Kayser
President and CEO of SES ASTRA

Member of the Executive Committee of SES GLOBAL; Member of the Board of Directors of SES AMERICOM, Nordic Satellite AB and SATLYNX.

Joined SES ASTRA in January 2002.

Previous appointments
Managing Director at Kirch Pay Co Holding and Premiere Medien GmbH & Co. KG; Managing Director at Premiere Medien GmbH & Co. KG; Executive Vice President at CLT-UFA; Executive Vice President, Member of the management board, responsible for all TV activities, RTL; and Senior Vice President at CLT Multi Media.

Education
Master of Economics University of Paris I, Panthéon-Sorbonne.

Luxembourgish national, born July 4, 1958.

Dean A. Olmstead
President and CEO of SES AMERICOM

Member of the Executive Committee of SES GLOBAL; Member of the Board of Directors of SES ASTRA, SES AMERICOM, AMERICOM GOVERNMENT SERVICES and AMERICOM ASIA-PACIFIC.

Joined SES in January 1998.

Previous appointments
Executive Representative of SES in the Americas; Director of Business Development, Member of the Management Committee of SES ASTRA; and Executive Vice-President, Engineering and Operations, DirecTV Japan.

Education
B.Sc. degree in Economics-Mathematics from Western Washington University; M.Sc. degree in Engineering Economic Systems from Stanford University School of Engineering; and completed Ph.D. studies in Economics from the American University in Washington, D.C.

US national, born July 3, 1955.

Jürgen Schulte
Chief Financial Officer of SES GLOBAL

Member of the Executive Committee of SES GLOBAL; Member of the Board of Directors of SES ASTRA, SES AMERICOM, AsiaSat, Nordic Satellite AB and Star One.

Joined SES in June 1991.

Previous appointments
Management positions held in the financial and administrative departments of General Electric (USA) affiliates in Brussels, New York, Madrid, Frankfurt and Luxembourg.

Education
Master degree in Business Administration, University of Münster (Germany).

German national, born May 15, 1943.

Management discussion and analysis

The consolidated financial results presented for the year ended December 31, 2002, reflect the first full-year reporting period subsequent to the acquisition of SES AMERICOM ('AMERICOM') on November 9, 2001. The strong reported growth in revenues and EBITDA is accounted for primarily by the impact of AMERICOM – although the acquisition, as expected, reduces the profit of the Group level as explained below. With strong growth in net operating cash flow and a solid contract backlog, the results underline the strength and growth potential of the new expanded business.

Given the significant impact of the AMERICOM acquisition and the proportional consolidation of SATLYNX on these financial statements, we have addressed our comments not only to movements in the consolidated Group results, but also to developments in the business excluding the impact of AMERICOM and SATLYNX. References made to 'same scope basis' are to figures excluding the consolidated impact of the results of the investments in AMERICOM, Americom Asia-Pacific LLC and Nahuelsat SA (all acquired under the AMERICOM acquisition) and SATLYNX.

Segment information For the year ended December 31, 2002	ASTRA EUR million	AMERICOM EUR million	AsiaSat EUR million	Other[1] EUR million	Group EUR million
Revenues	**675.4**	**501.5**	**130.9**	**41.5**	**1,349.3**
EBITDA	**611.0**	**404.0**	**105.6**	**(13.5)**	**1,107.1**
Depreciation	(177.0)	(146.2)	(22.9)	(15.5)	(361.6)
Amortisation	(28.6)	(156.4)	(11.2)	(20.2)	(216.4)
Operating profit	**405.4**	**101.4**	**71.5**	**(49.2)**	**529.1**
Net financing cost[2]	10.5	(70.5)	(13.1)	2.3	(70.8)
Value adjustments on investments	(7.0)	(12.8)	0.0	(1.0)	(20.8)
Profit on ordinary activities	**408.9**	**18.1**	**58.4**	**(47.9)**	**437.5**
Taxes	(123.0)	(60.0)	(4.0)	(1.3)	(188.3)
Share of associates' results	0.0	0.0	(1.9)	7.4	5.5
Minority interest	0.0	0.0	(50.2)	0.0	(50.2)
Profit of the Group	**285.9**	**(41.9)**	**2.3**	**(41.8)**	**204.5**
Segment assets	2,274.4	4,647.4	664.4	554.9	8,141.1
Segment liabilities	529.9	2,961.2	378.1	426.3	4,295.5
Capital expenditure	200.7	417.6	58.9	6.6	683.8

[1] The segment 'other participations' comprises: the fully consolidated Group companies SES GLOBAL S.A., SES Finance S.A, and SES do Brasil; the 50% proportionally consolidated interests in AMERICOM ASIA-PACIFIC, NSAB and SATLYNX; and the equity investments in Star One and Nahuelsat.

[2] Segment net financing charge is stated after the allocation of transaction financing costs.

Group revenues	**2002 EUR million**	2001 EUR million	Variance EUR million	Variance %	2002 on same scope basis EUR million	Variance to 2001 EUR million	Variance to 2001 %
Total revenues	**1,349.3**	978.2	371.1	+37.9%	837.1	(60.5)	–6.7%

Compared to the prior year, revenues grew strongly, due to the first full-year contribution by AMERICOM in 2002 of EUR 501.5 million, compared to EUR 80.6 million in the post November 9, 2001 period in the prior year. SATLYNX contributed EUR 7.2 million to Group revenues.

On a same scope basis, revenues fell by 6.7%, with revenue decreases at ASTRA of EUR 64.1 million and AsiaSat of EUR 7.5 million being partially mitigated by growth at NSAB of EUR 10.9 million. The AsiaSat revenue decline was partly due to unfavourable exchange movements, the decline being 5.4% in EUR and 2.3% in local currency, while the increase in NSAB revenues was primarily due to termination payments. The revenues consolidated for NSAB were EUR 30.8 million which represent 50% of this company's revenues.

Excluding the impact of once-off analogue termination payments in 2001 and 2002, ASTRA recurring revenues declined by EUR 46.1 million (6.6%). The decrease in recurring revenues was driven principally by the reversion during 2002 of capacity at 19.2° East by Premiere and certain broadband customers. In contrast, revenues generated at 28.2° East, and ASTRA's third orbital location at 23.5° East/24.2° East, continued to grow, mainly reflecting the transponders contracted at these positions in 2001 and 2002 with ITV, BBC and Deutsche Telekom. In particular, the revenues at 28.2° East grew by 15.8% to EUR 177.6 million.

At AMERICOM, year-on-year US dollar revenues decreased by 7.1% primarily driven by customer insolvencies, contract restructurings, and early contract terminations due to unfavourable economic conditions.

Earnings before interest, tax, depreciation and amortisation ('EBITDA')	2002 EUR million	2001 EUR million	Variance EUR million	Variance %	2002 on same scope basis EUR million	Variance to 2001 EUR million	Variance to 2001 %
Staff costs	**101.7**	47.2	54.5	+115.5%	47.6	6.7	+16.4%
External and other operating charges	**197.6**	139.3	58.3	+41.9%	135.4	3.3	+2.5%
Insurance proceeds[1]	**(336.5)**	(2.9)	(333.6)	–	(336.5)	(333.6)	–
Asset write-downs[1]	**279.4**	–	279.4	–	279.4	279.4	–
EBITDA	**1,107.1**	794.6	312.5	+39.3%	711.2	(16.3)	–2.2%
EBITDA margin %	**82.1%**	81.2%	+0.9 % pts	–	85.0%	+3.9 % pts	–
EBITDA margin excluding exceptional items%	**77.8%**	80.9%	–3.1% pts	–	78.1%	–2.6 % pts	–

[1] Insurance proceeds and asset write-downs in 2002 relate to the insurance claims for ASTRA 1K and ASTRA 1G.

The EBITDA margin of the Group remains strong at 82.1% compared to 81.2% in 2001. Excluding the impact of the insurance proceeds and asset write-downs linked to ASTRA 1K and ASTRA 1G, the EBITDA margin of the Group is 77.8%. The EBITDA margins of the main operating companies remain robust (ASTRA 82.0%; AMERICOM 80.6%; AsiaSat 80.7%) with Group EBITDA% being negatively impacted due to the first time proportional consolidation of SATLYNX. The EBITDA margin excluding the exceptional gains and SATLYNX was 78.8%. The ASTRA reported EBITDA margin was 90.5% but excluding the impact of the insurance proceeds and asset-write downs the EBITDA margin was 82.0%.

Staff costs at Group level increased by EUR 54.5 million of which the first full-year consolidation of AMERICOM contributed EUR 42.9 million and the first time proportional consolidation of SATLYNX contributed EUR 3.6 million. Group headcount increased from 779 to 808. On a same scope basis, staff costs rose by EUR 6.7 million (16.4%), which included a non-recurring charge for staff restructuring in ASTRA of EUR 3.6 million. Excluding this non-recurring charge, same scope staff costs increased by 7.6%.

On a same scope basis, external and other operating charges increased slightly by EUR 3.3 million (2.5%) due principally to higher in-orbit insurance and bad debts. The increase in in-orbit insurance was driven by ASTRA satellites entering service in late 2000 (ASTRA 2B) and in 2001 (ASTRA 2D and ASTRA 2C) reaching the end of their first year in-service (the first year of in-orbit insurance being capitalised). Bad debt expense was EUR 3.7 million higher due to the difficult economic environment in 2002. Consultancy costs associated with financing activities amounting to EUR 5.0 million were expensed in the year. All other costs were closely controlled with a reduction of EUR 8.1 million (8.5%) achieved compared to the prior year.

AMERICOM costs increased by 15.9% year-on-year due primarily to a USD 5.0 million employee severance charge and USD 3.7 million in increased third-party transponder rental costs.

The insurance proceeds of EUR 336.5 million relate to two satellite insurance claims made by ASTRA in 2002. A claim was made for a total constructive loss of ASTRA 1K after this satellite failed to reach its correct orbital location on November 26, 2002 due to the failure of the second firing of the Block DM fourth stage during the launch procedure. The satellite was successfully de-orbited on December 10, 2002. The total value of this claim was EUR 291.5 million.

A claim for EUR 45.0 million was made for the lost operational capacity of ASTRA 1G arising due to the failure of one of the spacecraft's battery cells. The loss of the battery cell, which was identified in the first 12 months after the satellite's launch in December 1997, has resulted in a special battery management programme for the satellite being introduced in particular during the eclipse season. In November 2002 following the eclipse season, ASTRA management concluded that despite the battery management programme a loss of eight of the satellite's 28 transponders has occurred and an insurance proof of loss was filed on this basis. With respect to both of these losses, there was no negative impact on continued customer service reflecting the robustness of the ASTRA satellite fleet configuration.

In relation to the satellite insurance claims, asset write-downs of EUR 279.4 million have been booked. The ASTRA 1K satellite has been fully written-off including the related ground equipment. This has resulted in an exceptional charge in 2002 of EUR 265.4 million. The net accounting gain on the ASTRA 1K claim of EUR 26.1 million is due principally to interest expense on ASTRA satellite procurements only being capitalised since the change in accounting policy on November 9, 2001. A write-down of EUR 14.0 million of the carrying value of ASTRA 1G has been made in 2002 reflecting the lost transponder years.

The prior year insurance proceeds related to the recognition of in-orbit insurance proceeds concerning an ASTRA 1A claim made due to partial loss of capacity. The total proceeds were EUR 23.4 million and were amortised over the 24 months commencing April 1, 1999.

Depreciation and amortisation	2002 EUR million	2001 EUR million	Variance EUR million	Variance %	2002 on same scope basis EUR million	Variance to 2001 EUR million	Variance to 2001 %
Depreciation	**361.6**	203.8	157.8	+77.4%	208.1	26.7	+14.7%
Amortisation	**216.4**	66.5	149.9	+225.6%	53.5	10.7	+25.0%

The increase in depreciation at the Group level of EUR 157.8 million is almost entirely due to the full-year consolidation of the depreciation charges at AMERICOM (EUR 146.2 million), AAP (EUR 3.4 million) and SATLYNX (EUR 3.9 million). These three companies contribute EUR 131.1 million of the EUR 157.8 million increase compared to 2001.

The charge for depreciation at ASTRA rose by EUR 27.4 million due to higher space and ground segment depreciation. Space segment depreciation increased due to the successful taking into service of ASTRA 3A in the second quarter of 2002 as well as the full-year depreciation impact of the satellites ASTRA 2D and ASTRA 2C which became operational in February 2001 and September 2001 respectively. ASTRA 1B was fully depreciated in the course of 2001. Following the contribution of the broadband activities from ASTRA to SATLYNX, an accelerated depreciation of EUR 23.5 million has been booked in ASTRA on related ground equipment.

Of the EUR 149.9 million increase in the Group charge for amortisation, EUR 132.7 million arose on the goodwill and other intangible assets generated on the acquisition of AMERICOM. The goodwill was valued at USD 2,367.1 million at December 31, 2001 and, as a result of final purchase accounting adjustments, is valued at USD 2,436.8 million at December 31, 2002. The goodwill is being amortised over the 20-year period from November 9, 2001. The remaining increase of EUR 17.2 million is mainly due to the amortisation of the goodwill arising on the establishment of SATLYNX (EUR 6.5 million) and the NSAB accelerated write-off of EUR 9.5 million as outlined below.

Impairment reviews have been undertaken on all the Group's investments and as a result of this a provision of EUR 9.5 million has been made against the goodwill arising on the consolidation on the investment in NSAB, to reflect the current trading position of this company. The residual amount of the NSAB goodwill of EUR 59.9 million is being amortised over the period to September 30, 2020.

At AMERICOM, depreciation was similar to the prior year, there being no significant additions or disposals of assets in use in 2002.

Operating profit	2002 EUR million	2001 EUR million	Variance EUR million	Variance %	2002 on same scope basis EUR million	Variance to 2001 EUR million	Variance to 2001 %
Operating profit	**529.1**	524.3	4.8	+0.9%	449.6	(53.7)	–10.7%

At the operating profit level, the impact of the first full-year consolidation of AMERICOM remains positive. On a same scope basis, operating profit declined by EUR 53.7 million of which ASTRA contributed EUR 22.7 million due to lower revenues and higher depreciation as explained above.

Net financing charges including value adjustments on financial assets	2002 EUR million	2001 EUR million	Variance EUR million	Variance %	2002 on same scope basis EUR million	Variance to 2001 EUR million	Variance to 2001 %
Interest received and similar income	**(61.8)**	(24.4)	(37.4)	–152.5%	(55.0)	(31.1)	–130.1%
Interest paid and similar expenses	**132.6**	72.2	60.4	+83.6%	51.3	(0.1)	–0.2%
Value adjustments	**20.8**	20.8	–	–	8.0	(12.8)	–61.5%
Total	**91.6**	68.6	23.0	+33.6%	4.3	(44.0)	–68.4%

Interest received and similar income for 2002 includes EUR 22.8 million of realised and unrealised exchange gains, primarily on US dollar liabilities, an increase of EUR 13.2 million compared to the prior year. Interest income has increased by EUR 24.2 million in the year due to the strong operating cashflow performance of the Group in 2002.

The increase in interest paid and similar expenses of EUR 60.4 million results primarily from the full-year impact of the financing obtained for the AMERICOM transaction.

Value adjustments to the carrying value of financial assets of EUR 20.8 million have been made in 2002, primarily relating to the Group's investments in Gilat (EUR 9.9 million), Netsystem.com (EUR 7.1 million) and PhoenixStar (EUR 3.2 million) to reflect the trading positions of the companies.

Taxation	2002 EUR million	2001 EUR million	Variance EUR million	Variance %	2002 on same scope basis EUR million	Variance to 2001 EUR million	Variance to 2001 %
Taxes	**188.3**	112.6	75.7	67.1%	129.4	29.1	+29.0%
Reported tax rate	**43.0%**	24.7%	+18.3% pts	–	29.1%	+7.1% pts	–

The Group's reported tax rate was 43.0% compared to 24.7% in 2001. This increase is mainly due to the non-deductibility for tax purposes of the amortisation charges on the goodwill and intangible assets created on the acquisition of AMERICOM. Excluding the non-deductible charges for the amortisation of consolidated goodwill, and for the amortisation of intangibles arising on the acquisition of AMERICOM, the effective book tax rate or headline tax rate for the year was 30.1%.

On a cash tax basis, no significant taxes are payable for 2002 due to the five-year depreciation period for AMERICOM satellites for tax purposes and due to the accelerated amortisation of the capitalised franchise fee and deductibility of unrealised exchange losses in ASTRA (with related exchange gains only being taxed when realised).

Share of associates' result	2002 EUR million	2001 EUR million	Variance EUR million	Variance %	2002 on same scope basis EUR million	Variance to 2001 EUR million	Variance to 2001 %
Share of associates' result	**5.5**	(9.8)	15.3	–	7.7	17.5	+178.6%

The share of associates' result in 2002 comprises a profit of EUR 9.5 million from the Star One investment, partially offset by losses relating to Nahuelsat of EUR 2.2 million and Speedcast of EUR 1.8 million.

Minority interests	2002 EUR million	2001 EUR million	Variance EUR million	Variance %	2002 on same scope basis EUR million	Variance to 2001 EUR million	Variance to 2001 %
Profit attributable to minority interest	**50.2**	53.0	(2.8)	–5.3%	50.2	(2.8)	–5.3%

The minority interest of EUR 50.2 million relates to the 65.9% share of AsiaSat profits attributable to the other AsiaSat shareholders.

Profit of the Group	2002 EUR million	2001 EUR million	Variance EUR million	Variance %	2002 on same scope basis EUR million	Variance to 2001 EUR million	Variance to 2001 %
Profit of the Group	**204.5**	280.3	(75.8)	–27.0%	273.4	(18.5)	–6.3%
Net profit margin	**15.2%**	28.7%	–13.5% pts	–	32.7%	+0.2% pts	–
Earnings Per A-Share (EUR)	**0.34**	0.68	(0.34)	–50.0%	–	–	–
Net operating cash flow per A-share (EUR)	**1.78**	1.69	0.09	+5.3%	–	–	–

At EUR 204.5 million, Profit of the Group was down EUR 75.8 million or 27.0% compared to 2001 mainly due to the impact of the AMERICOM acquisition. Though it makes a strong contribution at the EBITDA level, the impact of AMERICOM at the Profit of the Group level is dilutive due to the amortisation and transaction charges being set off against its trading performance.

On a same scope basis, profit declined 6.3% reflecting the macro-economic climate and the resulting lower revenues of 6.7%. The profit for the year was reduced by the restructuring costs, accelerated depreciation and goodwill amortisation, and the value adjustments on financial assets described above. These costs, although negatively impacting the 2002 results, provide a stronger balance sheet going forward and provide the framework for continued cost management.

The profit of the Group includes a positive contribution from the investment in Star One, accounted for under the equity method and after deducting transaction financing costs, of EUR 6.1 million. The proportionately consolidated investments in SATLYNX, NSAB and AMERICOM ASIA-PACIFIC generated negative contributions to profit of the Group of EUR 20.8 million, EUR 11.0 million and EUR 4.0 million respectively. The equity accounted investment in Nahuelsat generated a negative contribution to profit of the Group of EUR 2.2 million.

Earnings per A-share declined compared to the prior year mainly due to the dilutive impact of the AMERICOM transaction on the profit of the Group as outlined above and due to the effect of the additional shares issued in connection with the transaction.

Net operating cashflow per A-share increased reflecting the strong operating cashflow performance of the Group.

Capital expenditure	2002 EUR million	2001 EUR million	Variance EUR million	Variance %	2002 on same scope basis EUR million	Variance to 2001 EUR million	Variance to 2001 %
Capital expenditure	**683.8**	432.3	251.5	+58.2%	261.6	(109.5)	–29.5%

Capital expenditure in the year increased by EUR 251.5 million, reflecting the number of satellites under construction in the Group during the year. On a same scope basis, capital expenditure decreased by EUR 109.5 million reflecting the three satellite programmes in progress in 2002 (ASTRA 3A, ASTRA 1K and AsiaSat 4) compared to four in 2001 (+ ASTRA 2C).

Net operating cash flow	2002 EUR million	2001 EUR million	Variance EUR million	Variance %	2002 on same scope basis EUR million	Variance to 2001 EUR million	Variance to 2001 %
Net operating cash flow	**1,051.8**	682.4	369.4	+54.1%	633.6	33.9	+5.6%

Net operating cash flow continued to grow at the Group level, increasing by 54.1% compared to the prior year. On a same scope basis, the increase was 5.6%, mainly through effective working capital management. After deducting the net cash absorbed by investing activities of EUR 745.4 million, the free cash flow for the period was EUR 306.4 million. The net cash absorbed by investing activities included EUR 683.8 million of capital expenditures, and EUR 42.0 million of payments to acquire the Group's share of SATLYNX (net of cash acquired).

Net debt
Net debt fell by EUR 478.9 million to EUR 2,661.1 million. Liabilities were reduced by net loan repayments of EUR 438.8 million as well as a favourable impact of the strengthening Euro on the Group's US dollar denominated debt amounting to EUR 426.5 million being partially offset by a decrease in cash holdings of EUR 386.4 million, compared to the position at December 31, 2001. The net debt to equity ratio fell by 5.8 percentage points to 74.4%.

Contract backlog
The combined Group contract backlog at December 31, 2002 was EUR 5,979.6 million compared to EUR 6,757 million at the end of the prior year. The impact of the weakening of the dollar on the AMERICOM backlog explains EUR 300 million of this movement, with the remaining reduction also reflecting the status of renewal cycles with certain contracts, with important renewals expected in 2003.

Dividend
The Board of Directors has recommended a dividend per A-share of EUR 0.20. This will result in a total dividend payment of EUR 118.0 million. The dividend will be paid on May 20th, 2003, subsequent to approval by the shareholders at the Annual General Meeting on May 6, 2003.

SES GLOBAL S.A. consolidated accounts

Report of the independent auditor

To the Shareholders of
SES GLOBAL S.A.
Société Anonyme
Betzdorf

Following our appointment by the General Meeting of the Shareholders on May 6, 2002, we have audited the accompanying consolidated accounts of SES GLOBAL S.A. for the year ended December 31, 2002 and have read the related consolidated management report. These consolidated accounts and the consolidated management report are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these consolidated accounts based on our audit and to check that the consolidated management report is consistent with the consolidated accounts.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated accounts. An audit also includes assessing the accounting principles used and significant estimates made by the Board of Directors, as well as evaluating the overall consolidated accounts presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying consolidated accounts give, in conformity with Luxembourg legal and regulatory requirements, a true and fair view of the consolidated financial position of SES GLOBAL S.A. as at December 31, 2002 and of the consolidated results of its operations for the year then ended.

The consolidated management report is consistent with the consolidated accounts.

Ernst & Young
Société Anonyme
Réviseur d'entreprises

Werner Weynand

Luxembourg, March 20, 2003

Consolidated balance sheet

December 31, 2002

Assets	Note	2002 EUR million	2001 EUR million
Fixed assets			
Intangible assets	4		
Goodwill		**2,470.1**	2,906.0
Other intangibles		**935.9**	1,109.7
		3,406.0	4,015.7
Tangible assets in use	5		
Land and buildings		**94.6**	84.1
Plant and machinery			
– space segment		**2,332.6**	2,769.3
– ground segment		**120.8**	103.7
Other fixtures and fittings, tools and equipment		**17.9**	21.0
		2,565.9	2,978.1
Payment on account and assets in course of construction	6	**1,008.1**	952.0
		3,574.0	3,930.1
Financial assets			
Investments in associates	9	**77.5**	140.9
Long term investments	10	**8.4**	22.6
Other financial assets	11	**40.1**	46.3
		126.0	209.8
Current assets			
Inventories	12	**4.0**	–
Trade debtors	13	**169.6**	203.1
Other debtors	22	**382.9**	98.1
Investments	14	**23.1**	20.6
Cross currency interest rate swap agreements	15	**74.3**	–
Cash at bank and on deposit		**286.9**	673.3
		940.8	995.1
Prepayments and deferred charges		**90.0**	114.4
Deferred tax assets	18	**4.3**	6.1
Total assets		**8,141.1**	9,271.2

The notes are an integral part of the consolidated accounts.

Liabilities	Note	2002 EUR million	2001 EUR million
Capital and reserves			
Subscribed capital	16	**921.8**	175.8
Treasury shares at cost		**(17.8)**	(8.8)
Share premium account		**2,819.7**	3,696.7
Reserves			
– Legal reserve		**17.6**	17.6
– Other reserves		**9.8**	–
– Currency exchange reserve		**(380.8)**	(4.1)
Result brought forward		**0.3**	–
Profit of the Group		**204.5**	40.2
		3,575.1	3,917.4
Minority interests			
In capital and reserves		**220.3**	220.9
In the result for the year		**50.2**	53.0
		270.5	273.9
Provisions for liabilities and charges			
Provisions for pensions	17	**0.6**	4.2
Other provisions	17	**6.7**	7.1
Provisions for deferred taxes	18	**709.0**	573.1
		716.3	584.4
Creditors			
Amounts payable after more than one year			
Amounts owed to credit institutions	20	**2,318.6**	3,659.2
Other liabilities	21	**14.9**	18.0
		2,333.5	3,677.2
Amounts payable in less than one year			
Subordinated loans	19	**–**	148.7
Amounts owed to credit institutions	20	**629.4**	5.4
Payments received on account		**5.5**	6.9
Trade creditors		**159.4**	130.1
Tax and social security payable		**52.8**	130.9
Other liabilities	21	**98.8**	57.3
		945.9	479.3
Deferred income			
Upfront payments		**186.3**	213.9
Other deferred income		**113.5**	125.1
		299.8	339.0
Total liabilities		**8,141.1**	9,271.2

The notes are an integral part of the consolidated accounts.

Consolidated profit and loss account

Year ended December 31, 2002

	Note	**2002 EUR million**	2001[1] EUR million	Period from incorporation to 31.12.2001[2] EUR million
Net turnover	30	**1,321.0**	962.4	219.5
Other operating income		**28.3**	15.8	15.4
Total revenues	3	**1,349.3**	978.2	234.9
External charges	30	**(177.0)**	(122.5)	(28.8)
Staff costs	26	**(101.7)**	(47.2)	(12.5)
Other operating charges	13	**(20.6)**	(16.8)	(4.1)
Proceeds from satellite insurance claims	22	**336.5**	2.9	–
Asset write-down related to insurance claims	23	**(279.4)**	–	–
Depreciation and amortisation	4,5	**(578.0)**	(270.3)	(81.1)
Operating profit		**529.1**	524.3	108.4
Interest receivable and similar income		**61.8**	24.4	0.1
Interest payable and similar charges		**(132.6)**	(72.2)	(14.7)
Value adjustment on investments	10,11	**(20.8)**	(20.8)	(20.8)
Profit on ordinary activities		**437.5**	455.7	73.0
Taxes	24	**(188.3)**	(112.6)	(21.9)
Profit for the financial year		**249.2**	343.1	51.1
Share of associates' result	9	**5.5**	(9.8)	(2.4)
Profit attributable to minority interests		**(50.2)**	(53.0)	(8.5)
Profit of the Group		**204.5**	280.3	40.2
Basic and diluted earnings per share[3]	25			
(Subsequent to 1:10 share split)				
A – shares		**0.34**	0.68	
B – shares		**0.13**	0.19	
C – shares		**0.34**	0.10	

The notes are an integral part of the consolidated accounts.

[1] The prior year comparative figures represent figures for the period January 1, 2001 to December 31, 2001 as if the exchange offer between Société Européenne des Satellites S.A. and SES GLOBAL S.A. had not occurred.

[2] SES GLOBAL S.A. was incorporated on March 16, 2001 but did not trade until subsequent to the completion of the exchange offer described in Note 1 to the financial statements.

[3] Prior year earnings per share were restated as detailed in the Notes to the accounts.

Consolidated statement of cash flow

Year ended December 31, 2002

	2002 EUR million	2001[1] EUR million
Cash flow from operating activities		
Consolidated net income before taxes	**437.5**	455.7
Taxes paid during the year	**(88.8)**	(56.2)
Net financing charges	**44.6**	44.7
Depreciation and amortisation	**578.0**	270.3
Amortisation of client upfront payments	**(76.3)**	(41.9)
Other non-cash items in Profit and Loss Account	**(3.8)**	13.2
Provision for pension and other provisions	**(4.0)**	(0.3)
Result on disposal of fixed assets	**0.9**	–
Consolidated operating profit before working capital changes	**888.1**	685.5
Changes in operating assets and liabilities		
Increase in inventories	**(1.7)**	–
Decrease in trade debtors	**41.8**	5.4
Decrease in other debtors	**53.7**	22.9
Decrease/(increase) in prepayments and deferred charges	**2.0**	(71.6)
Increase in trade creditors	**34.2**	5.8
(Decrease)/increase in other creditors	**(11.4)**	3.7
(Decrease)/increase in payments received on account	**(1.4)**	5.4
Increase in upfront payments	**54.8**	38.6
(Decrease) in other deferred income	**(8.3)**	(13.3)
Cash generated/(absorbed) by operations	**163.7**	(3.1)
Net operating cash flow	**1,051.8**	682.4
Cash flow from investing activities		
Purchase of intangible assets	**(2.7)**	(10.0)
Purchase of tangible assets	**(683.8)**	(432.3)
Disposal of tangible assets	**3.2**	1.4
Purchase to acquire SATLYNX (net of cash acquired)	**(42.0)**	–
Purchase to acquire AMERICOM (net of cash acquired)	**(7.9)**	(2,398.7)
Investment in non-consolidated financial assets	**(12.2)**	(7.1)
Net cash absorbed by investing activities	**(745.4)**	(2,846.7)
Cash flow from financing activities		
New borrowings	**20.2**	3,659.2
New borrowings other than from loans	**1.1**	–
Repayment of borrowings	**(458.9)**	(870.4)
Dividends paid on ordinary shares (net of dividends received)	**(130.4)**	(107.4)
Dividends paid to minority shareholders	**(7.4)**	(7.4)
Net financing paid on non-operating activities	**(39.4)**	(44.7)
Exercise of share options by employees	**–**	0.6
Acquisition of FDRs	**(10.8)**	(5.0)
Dividends from equity investments	**8.8**	–
Proceeds from share issue, net	**–**	20.3
Net cash (absorbed)/generated by financing activities	**(616.8)**	2,645.2
Movements in exchange	**(76.0)**	29.0
(Decrease)/increase in cash	**(386.4)**	509.9
Cash at beginning of the year	**673.3**	163.4
Cash at end of the year	**286.9**	673.3

The notes are an integral part of the consolidated accounts.

[1] The amounts presented represent figures for the period January 1, 2001 to December 31, 2001 as if the exchange offer between Société Européenne des Satellites S.A. and SES GLOBAL S.A. had not occurred (see Note 1).

Consolidated statement of changes in shareholders' equity

Year ended December 31, 2002

	Subscribed capital EUR million	Treasury shares EUR million	Share premium account[1] EUR million	Legal reserve EUR million	Other reserves EUR million	Currency exchange reserve EUR million	Result brought forward EUR million	Profit of the year EUR million	Total EUR million
At January 1, 2001	**111.0**	**(3.8)**	**5.4**	**11.1**	**608.4**	**13.6**	**49.9**	**244.5**	**1,040.1**
Allocation of result	–	–	–	–	116.6	–	127.9	(244.5)	–
Dividend	–	–	–	–	–	–	(108.0)	–	(108.0)
Purchase of treasury shares	–	(5.0)	–	–	–	–	–	–	(5.0)
Result for the period	–	–	–	–	–	–	–	240.1	240.1
Impact of currency translation	–	–	–	–	–	(43.0)	–	–	(43.0)
Prior to share exchange	111.0	(8.8)	5.4	11.1	725.0	(29.4)	69.8	240.1	1,124.2
Exchange offer of Class A and B shares	111.0	(8.8)	1,040.3	11.1	–	(29.4)	–	–	1,124.2
Issuance of additional shares	64.8	–	2,660.1	6.5	–	–	–	–	2,731.4
Issuing costs	–	–	(3.7)	–	–	–	–	–	(3.7)
Result for the period	–	–	–	–	–	–	–	40.2	40.2
Impact of currency translation	–	–	–	–	–	25.3	–	–	25.3
At December 31, 2001	**175.8**	**(8.8)**	**3,696.7**	**17.6**	**–**	**(4.1)**	**–**	**40.2**	**3,917.4**
Allocation of result	–	–	–	–	39.9	–	0.3	(40.2)	–
Transfer (Note 16)	746.0	–	(746.0)	–	–	–	–	–	–
Dividend	–	–	(131.0)	–	–	–	–	–	(131.0)
Purchase of treasury shares	–	(9.0)	–	–	–	–	–	–	(9.0)
Result for the year	–	–	–	–	–	–	–	204.5	204.5
Impact of currency translation	–	–	–	–	–	(376.7)	–	–	(376.7)
Transfer to liabilities (Note 28)	–	–	–	–	(30.1)	–	–	–	(30.1)
At December 31, 2002	**921.8**	**(17.8)**	**2,819.7**	**17.6**	**9.8**	**(380.8)**	**0.3**	**204.5**	**3,575.1**

The notes are an integral part of the consolidated accounts.

[1] Included in the share premium account is an amount of EUR 21.0 million relating to unpaid founder share dividends (Note 28). This amount is not available for distribution to the ordinary shareholders.

Notes to the consolidated accounts

December 31, 2002

Note 1 Corporate information

The consolidated financial statements of SES GLOBAL S.A. for the year ended December 31, 2002 were authorised for issue in accordance with a resolution of the Directors on March 20, 2003.

SES GLOBAL S.A. ('SES GLOBAL' or 'the Company') was incorporated on March 16, 2001 as a limited liability company (Société Anonyme) under Luxembourg law. References to 'the Group' in the following Notes are to the Company and its subsidiaries, joint ventures and associates.

The Company had no trading activities between the date of incorporation and completion of the exchange offer described below on November 8, 2001.

On November 8, 2001, all the existing shareholders of Société Européenne des Satellites (subsequently renamed SES ASTRA S.A. ('SES ASTRA')) exchanged their shares in SES ASTRA for shares in SES GLOBAL. For every one share in SES ASTRA the shareholder received ten shares in SES GLOBAL. As a result of the exchange offer, SES GLOBAL owns 100% of SES ASTRA, 50% of Nordic Satellites AB. ('NSAB'), 34.10% of Asia Satellite Telecommunication Holdings Limited ('AsiaSat'), 19.99% of Star One S.A.('Star One'), 100% of SES Multimedia S.A. and 10% of the satellite technology company ND Satcom GmbH ('ND Satcom'). SES ASTRA also holds a 28.75% interest in Nahuelsat S.A. acquired on November 9, 2001 under the transaction below. As a result of the exchange, the ultimate shareholders of the Company were the same as the previous shareholders of SES ASTRA.

On November 9, 2001, SES GLOBAL also acquired GE American Communications Inc. stock and other satellite related assets from General Electric Capital Corporation ('GE Capital') for a consideration consisting of USD 2,413.5 million in cash and 181,295,672 shares in SES GLOBAL. These assets are held through the Company's 100% subsidiary SES GLOBAL Americas Inc. ('SES AMERICOM'). As a result, SES GLOBAL acquired through SES AMERICOM, 100% of Columbia Communications, 50% of AMERICOM Asia-Pacific LLC ('AAP') and an 18.4% stake in the satellite technology company Gilat Satellite Networks Limited ('Gilat'). These entities continue to be held by SES AMERICOM with the exception of Gilat which was transferred to SES Capital Belgium S.A., a wholly-owned subsidiary of SES ASTRA.

In 2002, SES GLOBAL acquired through its subsidiary SES Finance a 50% interest in SATLYNX S.A. ('SATLYNX'), a Luxembourg company providing two-way interactive services by satellite.

SES GLOBAL trades under 'SESG' on the Luxembourg Stock Exchange and on the Frankfurt Stock Exchange.

The prior year comparative figures of the consolidated accounts have been prepared to reflect both the legal presentation as well as a re-organisation under common control. Accordingly:

- in the profit and loss account, the second column shows comparative consolidated results for the 12- month period ended December 31, 2001 stated as if the exchange offer had never happened. The consolidated results for the period from incorporation to December 31, 2001 are presented in the third column, thereby reflecting the legal presentation;
- in the consolidated statement of cash flow, the comparative results are for the 12-month period ended December 31, 2001, and as if the exchange offer had never happened.

Note 2 Summary of significant accounting policies

Basis of preparation

The consolidated accounts are prepared on the historical cost basis, except for the measurement at fair value of derivative financial instruments, and in accordance with accounting principles and regulations generally accepted in the Grand Duchy of Luxembourg.

Basis of consolidation

The consolidated accounts comprise the accounts of the Company and its controlled subsidiaries, after the elimination of all material inter-company transactions. Subsidiaries are consolidated from the date the Company obtains control until such time as control ceases. Acquisitions of subsidiaries are accounted for using the purchase method of accounting. The financial statements of subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Adjustments are made to conform any dissimilar material accounting policies that may exist.

Joint ventures

The Company's interests in jointly controlled entities are accounted for by proportional consolidation, which involves recognising a proportional share of the joint ventures' assets, liabilities, income and expenses with similar items in the consolidated accounts on a line-by-line basis.

Investments in associates

Investments in associates over which the Company has significant influence are accounted for under the equity method of accounting and are carried in the balance sheet at the lower of the equity-accounted amount and the recoverable amount. The pro rata share of income (loss) of associates is included in income. The carrying value of such investments includes a goodwill component where the consideration paid exceeded the fair value of the Company's share of the underlying assets.

Note 2 Summary of significant accounting policies continued

Consolidated subsidiaries, joint ventures and associates

The consolidated accounts include the accounts of the subsidiaries, joint ventures and associates listed below:

	Effective interest (%) 2002	Effective interest (%) 2001	Method of consolidation
SES ASTRA S.A., Luxembourg	100.00	100.00	Full
SES GLOBAL – Americas, Inc., USA	100.00	100.00	Full
SES Finance S.A., Luxembourg	100.00	100.00	Full
Held through SES ASTRA S.A.:			
ASTRA Marketing GmbH, Germany	100.00	100.00	Full
ASTRA Marketing Ltd, United Kingdom	100.00	100.00	Full
ASTRA Marketing Iberica S.A., Spain	100.00	100.00	Full
ASTRA Marketing France S.A., France	100.00	100.00	Full
ASTRA Marketing Polska Sp. z o.o., Poland	100.00	100.00	Full
SES Ré S.A., Luxembourg	100.00	100.00	Full
SES Capital Luxembourg S.A ., Luxembourg	100.00	100.00	Full
SES Multimedia S.A., Luxembourg	100.00	100.00	Full
SES Capital Belgium S.A., Belgium	100.00	100.00	Full
SES GLOBAL-South Americas Inc., USA	100.00	100.00	Full
Nahuelsat S.A., Argentina	28.75	28.75	Equity
Held through SES GLOBAL-Americas, Inc.			
SES Subsidiary 23 Inc., USA	100.00	100.00	Full
SES Subsidiary 24 Inc., USA	100.00	100.00	Full
SES Subsidiary 25 Inc., USA	100.00	100.00	Full
SES Subsidiary 26 Inc., USA	100.00	100.00	Full
SES AMERICOM, Inc., USA	100.00	100.00	Full
SES AMERICOM (Asia 1A) LLC, USA	100.00	100.00	Full
SES AMERICOM International Holdings, Inc. USA	100.00	100.00	Full
SES AMERICOM UK Ltd., UK	100.00	100.00	Full
SES AMERICOM (Singapore) Pty., Ltd.	100.00	100.00	Full
Columbia Communications Corporation, USA	100.00	100.00	Full
AMERICOM Government Services, Inc., USA	100.00	100.00	Full
SES AMERICOM California, Inc., USA	100.00	100.00	Full
SES Satellites International, Inc., USA	100.00	100.00	Full
Communications Satellite Int. Marketing Inc., USA	100.00	100.00	Full
Columbia/Wig USA Communications, Inc., USA	100.00	100.00	Full
SES AMERICOM Colorado, Inc., USA	100.00	100.00	Full
SES Satellites (Gibraltar) Ltd., Gibraltar	100.00	100.00	Full
SES AMERICOM do Brasil, Ltda., Brazil	100.00	–	Full
SES AMERICOM do Brasil Multimidia, Ltda., Brazil	100.00	–	Full
SES AMERICOM do Brasil Multimidia Holdings, Ltda., Brazil	100.00	–	Full
SES AMERICOM (Brazil) Holdings, LLC, USA	100.00	–	Full
EVidient, Inc. (liquidated in 2002), USA	–	100.00	Full
Starsys Global Positioning Inc., USA	80.00	80.00	Full
AMERICOM Asia Pacific LLC, USA	50.00	50.00	Proportional
Sistemas Satelitales de Mexico S. de R.L. de C.V., Mexico	49.00	49.00	Equity

	Effective interest (%) 2002	Effective interest (%) 2001	Method of consolidation
Held through SES Finance S.A.			
SES do Brasil S.A., Brazil	100.00	100.00	Full
Bowenvale Ltd, British Virgin Islands	49.50	49.50	Full
Asia Satellite Telecommunications Hldgs. Ltd, Bermuda	34.10	34.10	Full
Nordic Satellite AB, Sweden	50.00	50.00	Proportional
Norwegian Digital Swap A/S, Norway	50.00	50.00	Proportional
Sirius Satellite Services SIA, Latvia	50.00	50.00	Proportional
SATLYNX S.A., Luxembourg	50.00	–	Proportional
SATLYNX sro, Czech Republic	50.00	–	Proportional
SATLYNX S.A., France	50.00	–	Proportional
SATLYNX GmbH, Germany	50.00	–	Proportional
SATLYNX Srl, Italy	50.00	–	Proportional
SATLYNX Ltd., UK	50.00	–	Proportional
SATLYNX BV, The Netherlands	50.00	–	Proportional
SATLYNX Europe SL, Spain	50.00	–	Proportional
iBEAM Europe Ltd., UK (in liquidation)	33.33	33.33	Equity
PhoenixNet Holdings Ltd, Hong Kong	36.52	36.52	Equity
Speedcast Ltd, Hong Kong	36.52	36.52	Equity
Star One S.A., Brazil	19.99	19.99	Equity

On January 15, 1999, the Company acquired, through its wholly-owned subsidiary SES Finance S.A., a 49.5% interest in Bowenvale Limited ('Bowenvale'), a limited liability company incorporated in the British Virgin Islands, which controls 68.90% of the ordinary shares of AsiaSat. The Company and Chinese International Trust and Investment Corporation ('CITIC'), have equal voting rights at Bowenvale's shareholder and Board meetings. They have entered into a shareholders' agreement under the terms of which the Company has been given the right to assist AsiaSat in important areas that relate to the operation and further development of new satellite services, due to their knowledge and expertise in this area. The holding of shares, as well as the presence of the Company on the Board of Directors and their significant influence in the definition and development of the satellite business, explains the full consolidation of AsiaSat in the Group's financial statements.

Intangible assets

Goodwill

Goodwill represents the difference between the cost of acquisition of shares in a consolidated company and the Group's share in the fair value of the net assets acquired at the date of acquisition. Such items are amortised over their useful economic life on a straight-line basis, from the date of acquisition. The current maximum period of amortisation is 20 years. It is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Goodwill is stated at cost less accumulated amortisation and any impairment in value.

Other intangibles

Intangible assets, consisting principally of rights of usage of orbital frequencies and acquired transponder service agreements, are amortised on a straight-line basis over their useful lives. The current lives in use range from 20 to 21 years.

Developments costs

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

Tangible assets

Land and buildings

Land is recorded at acquisition cost. Buildings are shown in the balance sheet at cost less depreciation. Buildings are depreciated over their estimated useful life on a straight-line basis. The depreciation period is primarily 25 years.

Plant and machinery – space segment

The cost of the space segment includes the procurement of satellites together with launch expenses, insurance, and other related costs. Relevant finance charges arising during the construction period of satellites are capitalised. The Group's satellite depreciable lives range from ten to 16 years.

Plant and machinery – ground segment

Machinery and equipment is depreciated evenly over its estimated useful life, which is between three to 15 years.

Other fixtures, fittings, tools and equipment

All such items are depreciated evenly over the estimated useful lives of between three to 15 years.

Payments on account and assets in course of construction

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

Loan origination costs

Loan origination costs are capitalised and included in prepaid expenses. They are amortised over the loan periods.

Note 2 Summary of significant accounting policies continued

Financial assets
Long-term investments and other financial assets are carried in the balance sheet at cost. An assessment is made at each balance sheet date to determine where there is objective evidence that a financial asset may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss recognised, being the difference between the estimated recoverable amount and the carrying amount, and recorded in the profit and loss account for the period.

Inventories
Inventories primarily consist of customer premises equipment (CPE), related accessories and network equipment spares and are stated at the lower of cost or market value, with cost determined on a moving average basis and market value based on the estimated realisable value.

Debtors
Debtors are stated at anticipated realisable value.

Investments
Fiduciary Depository Receipts purchased for use in connection with staff stock option plans are initially valued at acquisition cost. The difference between acquisition cost and exercise price is amortised on a straight-line basis over the vesting period.

Cash and cash equivalents
Cash on hand and in banks and short-term deposits which are held to maturity are carried at cost. Cash and cash equivalents are defined as cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purposes of the Consolidated Statement of Cash Flow, cash and cash equivalents consist of cash on hand and deposits in banks, net of outstanding bank overdrafts.

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

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

Dividends
The Company declares dividends after the accounts for the year have been approved. Accordingly dividends are recorded in the subsequent year's accounts.

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

Deferred taxes
The Group provides for deferred income taxes on all temporary differences between financial and tax reporting, including tax losses and tax credits available for carry-forward. Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred tax. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Translation of foreign currencies
The Company maintains its accounting records in Euro (EUR) and the consolidated accounts are expressed in this currency. The costs of non-monetary assets are translated at the rate applicable on the date of payment, except when currencies are bought in advance under forward contracts specifically for the acquisition of such assets, in which case the cost of acquisition is translated at the forward rate. All other assets and liabilities are translated at closing rates of exchange.

During the year, expenses and income expressed in foreign currencies are recorded at exchange rates prevailing on the date they occur or accrue. All exchange differences resulting from the application of these principles are included in the profit and loss account.

Goodwill and fair value adjustments arising on the acquisition of a 100%-owned foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Subsidiary companies keep their accounts in their respective currencies. The assets and liabilities of consolidated subsidiaries are translated into Euro at the year-end exchange rates, while the income and expense items of these subsidiaries are translated at the average exchange rate of the year. The related foreign exchange differences are included in the currency exchange reserve.

Those SES ASTRA marketing subsidiaries that do not maintain their accounts in Euro are dependent upon SES ASTRA for funding and represent an integral part of SES ASTRA's operations. Accordingly the temporal method of currency translation is applied to these companies' accounts for the purposes of presenting the consolidated accounts.

The principal foreign currency exchange rates used by the Group during the year were as follows:

	Closing rate December 31, 2001	Average rate for the year 2002	Closing rate December 31, 2002
United States dollar	EUR 1 = USD 0.89	EUR 1 = USD 0.935	EUR 1 = USD 1.05
Hong Kong dollar	EUR 1 = HKD 6.91	EUR 1 = HKD 7.29	EUR 1 = HKD 8.16
Swedish Krona	EUR 1 = SEK 9.42	EUR 1 = SEK 9.17	EUR 1 = SEK 9.14

Concentration of credit risk
Cash and cash equivalents are primarily maintained with major financial institutions. These deposits are due upon demand and, therefore, bear minimal risk.

The Company provides satellite transponders and related services and extends credit to customers in the commercial satellite communications market. Management monitors its exposure to credit losses and maintains allowances for anticipated losses that are charged to other operating charges.

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

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

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

Advertising costs
The company expenses all advertising costs as incurred.

Derivative financial instruments
The Company recognises all derivatives on the balance sheet at fair value. On the date the derivative instrument is entered into, the Company designates the derivative as either:
(1) a hedge of the fair value of a recognised asset or liability or of an unrecognised firm commitment (fair value hedge);
(2) a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognised asset or liability (cash flow hedge); or
(3) a hedge of a net investment in a foreign operation.

Changes in the fair value of a derivative that is designated as and meets all the required criteria for a fair value hedge, along with the gain or loss on the hedged asset or liability that is attributable to the hedged risk, are recorded in current period earnings. Changes in the fair value of a derivative that is designated as and meets all the required criteria for a cash flow hedge are recorded in the currency exchange reserve and reclassified into earnings as the underlying hedged item affects earnings. Changes in the fair value of a derivative or non-derivative that is designated as and meets all the required criteria for a hedge of a net investment are recorded in the currency exchange reserve. Changes in the fair value of a derivative that is not designated as a hedge are recorded immediately in earnings.

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

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

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

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Notes to the consolidated accounts continued

December 31, 2002

Note 2 Summary of significant accounting policies continued

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

Note 3 Segment information

The Group's business comprises principally the three companies SES ASTRA, SES AMERICOM and AsiaSat, which are organised and managed separately. Each represents a strategic business unit serving different regional markets.

The following table presents revenue and expenditure information and certain asset information regarding geographical segments for the year ended December 31, 2002:

	SES ASTRA EUR million	SES AMERICOM EUR million	AsiaSat EUR million	Other EUR million	Group EUR million
Revenue	675.4	501.5	130.9	41.5	1,349.3
EBITDA[1]	611.0	404.0	105.6	(13.5)	1,107.1
Depreciation	(177.0)	(146.2)	(22.9)	(15.5)	(361.6)
Amortisation	(28.6)	(156.4)	(11.2)	(20.2)	(216.4)
Operating profit	405.4	101.4	71.5	(49.2)	529.1
Net financing cost[2]	10.5	(70.5)	(13.1)	2.3	(70.8)
Value adjustments on investments	(7.0)	(12.8)	–	(1.0)	(20.8)
Taxes	(123.0)	(60.0)	(4.0)	(1.3)	(188.3)
Share of associates' results	–	–	(1.9)	7.4	5.5
Minority interest	–	–	(50.2)	–	(50.2)
Profit of the group	285.9	(41.9)	2.3	(41.8)	204.5
Segment assets[3]	2,274.4	4,647.4	664.4	554.9	8,141.1
Segment liabilities	529.9	2,961.2	378.1	426.3	4,295.5
Capital expenditure	200.7	417.6	58.9	6.6	683.8

[1] Earnings before interest, taxation, depreciation and amortisation.

[2] Segmental net financing cost is stated after the allocation of transaction financing costs.

[3] Segmental assets comprise:

	SES ASTRA EUR million	SES AMERICOM EUR million	AsiaSat EUR million	Other EUR million	Group EUR million
Intangible assets	514.9	2,611.4[4]	179.3	100.4	3,406.0
Tangible assets	1,154.7	1,912.4	396.2	110.7	3,574.0
Financial assets	24.4	1.4	22.8	77.4	126.0
Other assets	580.4	122.2	66.1	266.4	1,035.1
Segment assets	2,274.4	4,647.4	664.4	554.9	8,141.1

[4] This represents the remaining net book value of the intangible assets arising on the acquisition of SES AMERICOM as described in Note 4 to the accounts. As at December 31, 2002, the remaining balances were: goodwill EUR 2,189.5 million (2001: EUR 2,640.3 million); other purchased intangible assets of EUR 421.9 million (2001: EUR 576.6 million).

In the segmental results are included not only the direct financial results of the segments concerned, but also centrally-allocated acquisition related financing charges and income. The corresponding financing balances are also allocated to the appropriate segment in the segmental assets and liabilities.

Note 4 Intangible assets

	Goodwill EUR million	Other intangibles[1] EUR million	Development costs EUR million	Total EUR million
Cost at January 1, 2001	306.5	–	–	306.5
Accumulated amortisation at January 1, 2001	(24.8)	–	–	(24.8)
Net book value at January 1, 2001	**281.7**	**–**	**–**	**281.7**
Movements in 2001				
Extension of scope	2,653.4	579.6	–	3,233.0
Additions	–	560.0	–	560.0
Impact of currency translation	6.3	1.3	–	7.6
Amortisation	(35.3)	(31.2)	–	(66.5)
Impact of currency translation	(0.1)	–	–	(0.1)
Cost at December 31, 2001	2,966.2	1,140.9	–	4,107.1
Accumulated amortisation at December 31, 2001	(60.2)	(31.2)	–	(91.4)
Net book value at December 31, 2001	**2,906.0**	**1,109.7**	**–**	**4,015.7**
Movements in 2002				
Extension of scope	43.5	–	–	43.5
Additions	10.4	0.9	–	11.3
Purchase allocation	62.6	(48.5)	–	14.1
Transfer from assets in course of construction	–	–	8.5	8.5
Impact of currency translation	(406.6)	(85.8)	–	(492.4)
Amortisation	(151.9)	(54.4)	(0.6)	(206.9)
Purchase allocation amortisation	(2.2)	2.2	–	–
Impairment	(9.5)	–	–	(9.5)
Impact of currency translation	17.8	3.9	–	21.7
Cost at December 31, 2002	2,676.1	1,007.5	8.5	3,692.1
Accumulated amortisation at December 31, 2002	(206.0)	(79.5)	(0.6)	(286.1)
Net book value at December 31, 2002	**2,470.1**	**928.0**	**7.9**	**3,406.0**

[1] Includes rights of usage of orbital frequencies and acquired transponder service agreements.

Goodwill

The goodwill brought forward balance relates to the acquisition of SES AMERICOM, SES Capital Luxembourg S.A., Bowenvale Ltd. and NSAB. The SES Capital Luxembourg S.A. goodwill (EUR 4.7 million) is being amortised over five years commencing December 1, 1998. The goodwill arising through the investments in Bowenvale Ltd (EUR 223.6 million) and NSAB (EUR 78.2 million) is being amortised over 20 years beginning January 15, 1999 and October 1, 2000 respectively.

On the acquisition of SES AMERICOM, goodwill of USD 2,367.1 million was generated. In the 12 months following the date of acquisition, the goodwill was adjusted by EUR 62.6 million (USD 61.9 million) to reflect the availability of additional information concerning the assets and liabilities acquired. This transaction and the subsequent goodwill adjustments are set out in more detail in Note 7. The goodwill is being amortised on a straight-line basis over 20 years beginning November 9, 2001. Additional costs of EUR 7.9 million were incurred in 2002 relating to the acquisition of SES AMERICOM.

Goodwill amounting to EUR 44.2 million arose on the acquisition of SATLYNX. This transaction is set out in more detail in Note 8. The goodwill is being amortised on a straight-line basis over a five-year period beginning May 24, 2002.

The remaining addition of EUR 1.8 million arises on goodwill related to the contingent settlement of a purchase agreement between SES AMERICOM and Columbia Communications Corporation.

An impairment of EUR 9.5 million has been recognised on the goodwill arising on the investment in NSAB, to reflect the current trading position of this company.

Other intangible assets

On the acquisition of SES AMERICOM a total valuation of USD 517.0 million was placed on certain of the intangible assets acquired, such as rights of usage of orbital frequencies and acquired transponder service agreements. Subsequent to the date of acquisition the fair value ascribed to these intangibles was adjusted by EUR 48.5 million (USD 48.0 million) to reflect the availability of additional information concerning their fair value. This transaction and the subsequent adjustments are set out in more detail in Note 7.

During the year ended December 31, 2001, SES ASTRA concluded an agreement with the Luxembourg government in relation to the usage of the Luxembourg frequencies in the orbital positions of the geo-stationary arc from 45 degrees West to 50 degrees East for the period of January 1, 2001 to December 31, 2021. The right of usage was granted at an agreed value of EUR 550.0 million. This cost is being written-off on a straight-line basis over the 21-year term of the agreement.

The remaining balance relates to a EUR 10.0 million payment made in relation to orbital access rights. This asset is being written-off on a straight-line basis over the period of the agreement.

Note 4 Intangible assets continued

Development costs

During the year, the Group capitalised development costs incurred, amounting to EUR 8.5 million, in order to develop Satellite Interactive Terminals, which allow the use of two-way interactive services technology. This asset is being amortised on straight-line basis over seven years.

Note 5 Tangible assets in use

		Plant and machinery			
	Land and buildings EUR million	Space segment EUR million	Ground segment EUR million	Other fixtures and fittings, tools and equipment EUR million	Total EUR million
Cost at January 1, 2001	93.0	2,263.7	111.5	35.7	2,503.9
Accumulated depreciation at January 1, 2001	(23.2)	(1,086.7)	(62.5)	(22.8)	(1,195.2)
Net book value at January 1, 2001	**69.8**	**1,177.0**	**49.0**	**12.9**	**1,308.7**
Movements in 2001					
Extension of consolidation scope	21.5	1,476.2	193.5	14.1	1,705.3
Additions	6.8	32.6	10.8	7.4	57.6
Disposals	(5.4)	(1.4)	(0.1)	(0.2)	(7.1)
Transfers from assets in course of construction	9.6	239.1	12.1	0.7	261.5
Reclassifications	–	–	(0.9)	0.9	–
Impact of currency translation	0.1	29.2	(0.1)	0.2	29.4
Depreciation – extension of scope	(16.8)	–	(140.1)	(7.6)	(164.5)
Depreciation	(6.9)	(169.4)	(20.8)	(6.7)	(203.8)
Depreciation on disposals	5.4	–	0.1	0.2	5.7
Reclassifications	–	–	0.7	(0.7)	–
Impact of currency translation	–	(14.0)	(0.5)	(0.2)	(14.7)
Cost at December 31, 2001	125.6	4,039.4	326.8	58.8	4,550.6
Accumulated depreciation at December 31, 2001	(41.5)	(1,270.1)	(223.1)	(37.8)	(1,572.5)
Net book value at December 31, 2001	**84.1**	**2,769.3**	**103.7**	**21.0**	**2,978.1**
Movements in 2002					
Extension of consolidation scope	5.6	–	23.0	2.6	31.2
Additions	2.0	4.8	29.1	6.5	42.4
Disposals	(0.1)	–	(60.6)	(3.8)	(64.5)
Transfers from assets in course of construction	10.5	109.3	51.7	–	171.5
Impact of currency translation	(3.9)	(303.0)	(30.2)	(2.6)	(339.7)
Depreciation – extension of scope	–	–	(8.2)	(0.8)	(9.0)
Depreciation	(6.3)	(296.5)	(49.3)	(9.5)	(361.6)
Asset write-down related to insurance claims	–	(14.0)	–	–	(14.0)
Depreciation on disposals	0.1	–	38.9	2.6	41.6
Impact of currency translation	2.6	62.7	22.7	1.9	89.9
Cost at December 31, 2002	139.7	3,850.5	339.8	61.5	4,391.5
Accumulated depreciation at December 31, 2002	(45.1)	(1,517.9)	(219.0)	(43.6)	(1,825.6)
Net book value at December 31, 2002	**94.6**	**2,332.6**	**120.8**	**17.9**	**2,565.9**

The carrying value of fixed assets held under finance lease contracts at December 31, 2002 is EUR 10.2 million (2001: EUR nil).

Note 6 Payments on account and assets in course of construction

	Land and buildings EUR million	Space segment EUR million	Ground segment EUR million	Total EUR million
Cost and net book value at January 1, 2001	**4.2**	**473.2**	**31.3**	**508.7**
Movements in 2001				
Extension of consolidation scope	–	321.5	2.2	323.7
Additions	9.9	330.9	33.9	374.7
Transfers to assets in use	(9.7)	(239.1)	(12.7)	(261.5)
Impact of currency translation	–	6.4	–	6.4
Cost and net book value at December 31, 2001	**4.4**	**892.9**	**54.7**	**952.0**
Movements in 2002				
Additions	13.7	602.7	24.9	641.3
Asset write-down related to insurance claims	–	(264.3)	(1.1)	(265.4)
Disposals	–	(2.8)	(0.2)	(3.0)
Purchase allocation adjustment	–	(20.7)	–	(20.7)
Reclassification	0.2	–	(0.2)	–
Transfers to assets in use	(10.5)	(109.3)	(51.7)	(171.5)
Transfers to intangible assets	–	–	(8.5)	(8.5)
Impact of currency translation	(0.4)	(115.3)	(0.4)	(116.1)
Cost and net book value at December 31, 2002	**7.4**	**983.2**	**17.5**	**1,008.1**

Borrowing costs of EUR 31.0 million (2001: EUR 4.6 million) arising on financing specifically relating to satellite construction were capitalised during the year and are included in 'Space Segment' additions in the above table. A weighted average capitalisation rate of 3.4% (2001: 4.8%) was used, representing the borrowing cost of the relevant loans.

Note 7 Investments in subsidiaries

SES ASTRA

On November 8, 2001 SES GLOBAL acquired all the outstanding share capital of SES ASTRA through an exchange of shares. For every one share in SES ASTRA, the shareholder received ten shares in SES GLOBAL.

SES AMERICOM

On November 9, 2001, SES GLOBAL acquired 100% of the shares of SES AMERICOM, and certain other related assets, from GE Capital, in a USD 4,336.0 million transaction, including transaction costs of USD 35.6 million. SES GLOBAL exercised its option on November 7, 2001, to issue additional Special Equity Shares to GE Capital in order to decrease the cash portion of the purchase consideration by USD 300.0 million. At closing, after taking into account the Special Equity Shares issued, the purchase consideration consisted of USD 2,413.5 million in cash from borrowings under available credit facilities and 176,799,314 of the Company's Ordinary Class C Shares and 4,496,358 Preferred Class C Shares. The share consideration has been valued at a price of EUR 11.89 per share. In the 12 months following the date of acquisition the fair value of certain assets and liabilities acquired was adjusted to reflect the availability of additional information concerning these assets and liabilities.

The fair value of SES AMERICOM's assets and liabilities acquired on November 9, 2001 were as follows:

	November 9, 2001 USD million	Purchase allocation adjustments USD million	Amended fair value USD million
Intangible assets	517.0	(48.0)	469.0
Tangible assets	1,620.3	(20.5)	1,599.8
Financial assets	65.5	2.1	67.6
Trade and other debtors	93.2	10.1	103.3
Cash at bank and on deposit	272.2	–	272.2
Prepayments and deferred charges	4.7	(0.6)	4.1
Other provisions	(2.5)	–	(2.5)
Loan financing, GE Capital	(1,900.0)	–	(1,900.0)
Other long-term liabilities	(23.4)	(4.1)	(27.5)
Current liabilities	(53.9)	(17.4)	(71.3)
Deferred tax	(420.2)	8.7	(411.5)
Deferred income	(104.0)	–	(104.0)
Fair value of net assets acquired (excluding goodwill)	68.9	(69.7)	(0.8)
Settlement of the loan financing from GE Capital	1,900.0	–	1,900.0
Goodwill arising on acquisition	2,367.1	69.7	2,436.8
Total consideration	4,336.0	–	4,336.0

Under the terms of the agreement, the consideration of USD 4,336.0 million was used to settle the loan financing from GE Capital (USD 1,900.0 million) and to acquire the remaining net assets for a consideration of USD 2,436.0 million.

The total purchase allocation adjustments include re-allocations between existing assets acquired at November 9, 2001 (USD 61.9 million) and additional costs incurred on the acquisition (USD 7.8 million).

Notes to the consolidated accounts continued

December 31, 2002

Note 8 Interests in joint ventures

NSAB

On October 1, 2000, SES ASTRA acquired 50% of the shares of NSAB. At December 31, 2002, NSAB holds 100% interests in Norwegian Digital Swap A/S, Norway and Sirius Satellite Services SIA, Latvia. The Group's share of the assets, liabilities, revenue and expenses included in the consolidated accounts (before the elimination of intra-Group transactions) are as follows at December 31, 2002 and for the year then ended:

	2002 EUR million	2001 EUR million
Fixed assets	**49.9**	55.5
Current assets	**14.4**	12.2
Prepayments, deferred charges and deferred tax assets	**3.0**	2.9
Provisions for liabilities and charges	**9.6**	7.3
Amounts payable after more than one year	**–**	5.4
Amounts payable in less than one year	**4.8**	10.9
Deferred income	**2.3**	2.7
Revenue	**31.5**	19.2
Operating profit/(loss)	**6.9**	(1.5)
Taxes	**(2.0)**	0.7
Result for the period	**4.9**	(2.1)

AMERICOM Asia Pacific LLC ('AAP')

The Company acquired a 50% shareholding in AAP on November 9, 2001, within the framework of the SES AMERICOM purchase. The Group's share of the assets, liabilities, revenue and expenses included in the consolidated accounts (before the elimination of intra-Group transactions) are as follows at December 31, 2002 and for the year then ended. The comparative figures represent the revenues and expenses for the 53-day period from the date of acquisition to December 31, 2001.

	2002 EUR million	2001 EUR million
Fixed assets	**37.5**	47.7
Current assets	**2.3**	1.7
Prepayments, deferred charges and deferred tax assets	**0.1**	0.5
Amounts payable in less than one year	**4.6**	8.0
Deferred income	**0.2**	–
Revenue	**3.5**	0.5
Operating loss	**(4.1)**	(0.7)
Taxes	**1.6**	0.3
Result for the period	**(2.4)**	(0.4)

SATLYNX S.A.

In May 2002, SES Finance and Gilat Satellite Networks (Holland) B.V. ('Gilat') created a joint venture company, SATLYNX S.A. SES Finance contributed Broadband Interactive assets for an amount of EUR 21.9 million and cash for EUR 56.6 million. In addition SES Finance incurred acquisition costs amounting to EUR 2.3 million. Gilat contributed 100% of the share capital of Gilat-To-Home Europe B.V. for a value of EUR 78.3 million.

In May 2002, SATLYNX purchased from Gilat, 100% of the shares of:

- Gilat Europe sro,
- Gilat Europe S.A.,
- Gilat Europe GmbH,
- Gilat Europe Srl,
- Gilat Europe Ltd.,

for a total consideration of EUR 18.2 million, which has been settled in cash for EUR 13.1 million and the issuance of Gilat A-Notes (see Note 21) for USD 4.7 million (EUR 5.1 million).

Acquisition costs in relation to these transactions amounted to EUR 5.0 million.

The fair value of the assets and liabilities acquired during the year through the above transactions were as follows:

	2002 EUR million	2001 EUR million
Tangible fixed assets	**22.2**	–
Current assets	**26.6**	–
Amounts due in more than one year	**(9.2)**	–
Amounts due in less than one year	**(4.8)**	–
Warrant instruments	**1.8**	–
Goodwill arising on acquisition	**44.2**	–
Total purchase price	**80.8**	–

The Group's share of the assets, liabilities, revenue and expenses included in the consolidated accounts (before the elimination of intra-Group transactions) are as follows at December 31, 2002 and for the period from the date of acquisition to the year-end.

	2002 EUR million	2001 EUR million
Fixed assets	**60.7**	–
Current assets	**6.4**	–
Prepayments and deferred charges	**9.7**	–
Provision for liabilities and charges	**0.5**	–
Amounts payable after more than one year	**11.5**	–
Amounts payable in less than one year	**7.9**	–
Deferred income	**0.1**	–
Revenue	**7.2**	–
Operating loss	**(17.1)**	–
Taxes	**–**	–
Result for the period	**(17.6)**	–

Note 9 Investments in associates

	2002 EUR million	2001 EUR million
At January 1	**140.9**	12.8
Additions	**4.0**	5.6
Dividends	**(8.8)**	–
Share of result	**5.5**	(9.8)
Reclassification	**–**	147.5
Impact of currency translation	**(64.1)**	(15.2)
At December 31	**77.5**	140.9

At December 31, 2002 the Company held interests, directly or indirectly, in five associates accounted for under the equity method. These were: Star One (19.99%); Nahuelsat (28.75%); i-Beam Europe Limited ('i-Beam' – 33.33%); PhoenixNet Holdings Ltd ('PhoenixNet' – 34.10%); and Speedcast Ltd. ('Speedcast') a 100% subsidiary of PhoenixNet Holdings Ltd). At December 31, 2002, these investments have the following carrying values in the consolidated financial statements:

	Brought forward EUR million	Dividends EUR million	Additions EUR million	Share of results EUR million	Impact of currency translation EUR million	Carrying value EUR million	Equity share EUR million
PhoenixNet/Speedcast	–	–	4.0	(1.9)	–	2.1	1.8
i-Beam	1.9	(2.1)	–	–	0.2	–	–
Star One	133.6	(6.7)	–	9.5	(64.4)	72.0	38.9
Nahuelsat	5.4	–	–	(2.1)	0.1	3.4	2.4
Total	140.9	(8.8)	4.0	5.5	(64.1)	77.5	

Investments in associated undertakings at December 31, 2002 include goodwill of EUR 29.5 million (2001: EUR 52.4 million). Amortisation of goodwill of EUR 4.7 million (2001: EUR 0.4 million) is included in the share of associates result.

Notes to the consolidated accounts continued

December 31, 2002

Note 10 Long-term investments

At December 31, 2002 the Company held long-term equity investments in the following companies:

	Brought forward EUR million	Additions / (disposals) EUR million	Value adjustment EUR million	Impact of currency translation EUR million	Carrying value EUR million
ND SatCom	1.9	0.2	–	–	2.1
NetSystem.com	10.4	1.6	(7.1)	–	4.9
Kokua Communications	–	–	–	–	–
DisplayIt Sweden AB	0.1	(0.1)	–	–	–
Gilat	10.2	–	(9.9)	(0.3)	–
Internet Satellite Platform Inc.	–	1.5	–	(0.1)	1.4
PhoenixStar	–	3.2	(3.2)	–	–
Total	22.6	6.4	(20.2)	(0.4)	8.4

Value adjustments of EUR 7.1 million, EUR 9.9 million and EUR 3.2 million have been made to the investments in NetSystem.com S.p.A., Gilat and PhoenixStar, respectively, to reflect the current trading positions of these companies.

Note 11 Other financial assets

	2002 EUR million	2001 EUR million
Cost at January 1	**49.3**	36.9
Accumulated value adjustments at January 1	**(3.0)**	–
Net book value at January 1	**46.3**	36.9
Movements		
Additions	**1.8**	1.5
Disposals	**–**	–
Impact of currency translation	**(7.4)**	10.9
Value adjustments	**(1.0)**	(3.0)
Reversal of value adjustments	**0.4**	–
Cost at December 31	**43.7**	49.3
Accumulated value adjustments at December 31	**(3.6)**	(3.0)
Net book value at December 31	**40.1**	46.3

The principal component of other financial assets is a loan of USD 40.5 million advanced in 1999 to Able Star Associates Limited, British Virgin Islands, a fully owned subsidiary of CITIC. The purpose of this loan was to enable CITIC to purchase additional shares in the Bowenvale operation, to achieve the desired ownership structure. This loan bears interest at market rates and expires on January 15, 2006.
No repayments have occurred in 2002.

Note 12 Inventories

	2002 EUR million	2001 EUR million
Work-in-progress (at cost)	**0.6**	–
Finished goods:		
At cost	**4.7**	–
At net realisable value	**3.4**	–
Total inventories at lower of cost and net realisable value	**4.0**	–

Note 13 Trade debtors

	2002 EUR million	2001 EUR million
Outstanding invoices on billed revenues	**44.9**	60.5
Unbilled accrued revenue	**124.7**	142.6
Trade debtors	**169.6**	203.1

Unbilled accrued revenue represents revenues for use of satellite capacity under long-term contracts but not billed. Billing will occur based on the terms of the contracts. Trade debtors are stated net of accumulated provisions of EUR 34.2 million (2001: EUR 22.5 million). The charge to debtor provisions for 2002 of EUR 12.5 million (2001: EUR 8.6 million) is included in other operating charges.

Trade debtors at December 31, 2002 included EUR 37.9 million (2001: EUR 25.6 million) of amounts becoming due and payable in more than one year.

Note 14 Investments

	2002 EUR million	2001[1] EUR million
Investments	**23.1**	20.6

SES ASTRA and SES GLOBAL have, in agreement with the shareholders, purchased Fiduciary Depository Receipts ('FDRs') in respect of 'A' shares for use in connection with two staff stock-option programmes.

Note 15 Cross currency interest rate swap agreements

At December 31, 2002, the Group held ten cross currency interest rate swap agreements which have been designated as a hedge of the net investments in the US subsidiary, SES AMERICOM. The average terms of these contracts were as follows:

Currency sold	Currency bought	Average weighted maturity	Average weighted exchange rate
USD 1,225 million	EUR 1,242 million	April 2005	EUR/USD 0.9863

As at December 31, 2002, an unrealised gain of EUR 74.3 million arose on these contracts. Of this amount EUR 52.5 million (net of deferred tax of EUR 22.9 million) is included in the currency exchange reserve, with the remainder, EUR 1.1 million, being recognised in the Profit and Loss Account as the ineffective portion of the hedging relationship.

In addition, the Group held one interest rate swap agreement with a notional amount of USD 300.0 million whereby the Group receives a rate of interest of LIBOR and pays a variable rate equal to LIBOR – 0.205% on the notional amount.

Note 16 Subscribed capital

The Company has an authorised share capital of EUR 10,134.0 million comprising 918,749,180 shares. The subscribed share capital of EUR 921.8 million is represented by category A, B and C shares with no par value. The share capital is divided into the following categories:

	Ordinary A shares	Ordinary B shares	Ordinary C shares	Preferred C shares	Total shares
Subscribed at January 1, 2002	310,340,000	245,817,836	176,799,314	4,496,358	737,453,508
Movement in 2002	–	–	–	–	–
Subscribed at December 31, 2002	310,340,000	245,817,836	176,799,314	4,496,358	737,453,508

Fiduciary Depository Receipts (FDRs) with respect to the A shares of the Company are listed at the Luxembourg Stock Exchange and on the 'Amtlicher Handel', the official list of the Deutsche Börse. These FDRs can be traded freely and are convertible to A shares at any time at the option of the holder, under the conditions applicable in the Company's articles of association and in accordance with the terms of the FDRs.

All B shares are currently held by the State of Luxembourg or by Luxembourg public institutions.

The category C shares were issued as part of the consideration for the acquisition of SES AMERICOM. A holder of Preferred C shares is entitled at his option at any time and from time to time to convert all or part of such Preferred C shares into Ordinary C shares at a conversion ratio of one Ordinary C share per one Preferred C share. A holder of Ordinary C shares is entitled at his option at any time and from time to time to convert all or part of such Ordinary C shares into shares of Class A at a conversion ratio of one share of Class A per one Ordinary C share.

One-third of the total number of the members of the Board of Directors are appointed from a list of candidates put up by the holders of Class B shares. The holders of Class C shares can nominate a list of candidates for up to 3 directors, depending on the percentage of total subscribed shares represented by the category C shares. The shareholders of category A shares nominate a list of candidates for the remaining Board members.

Dividends are paid in such a manner that the payment on one share of Class B equals 40% of the payment of one share of Class A. Each Preferred C Share is entitled to fixed dividends, which consist of cumulative annual dividends payable in cash at the rate of 4% per annum on a notional liquidation value of USD 50.0 million. The fixed dividend shall accrue as from the date of issue of the Preferred C Shares. Dividends on Ordinary C Shares are calculated as for A shares but are subject to deduction of the fixed dividend on the Preferred C Shares for the relevant dividend period.

The acquisition and disposal of shares require, under certain conditions, the approval of the Luxembourg Government.

On June 27, 2002, the Board of Directors of the Company decided to increase the issued share capital of the Company by an amount of EUR 746.0 million, thereby raising it from its existing amount of EUR 175.8 million to EUR 921.8 million by incorporating the share premium account to the share capital to the extent of the capital increase, without issuing new shares.

December 31, 2002

Note 17 Provisions for pension and other provisions

As of January 1, 2002, the Group's operations in Luxembourg reconstituted their staff pension scheme from an internally managed defined benefit scheme into an externally managed defined contributions scheme. In addition to the Luxembourg operations, various other Group companies operate non-funded and non-contributory defined benefit retirement scheme for qualifying employees. The assets of these schemes are held separately from those of the Group in funds under the control of trustees. The retirement benefits costs charged to the profit and loss account represent contributions payable to the scheme by the Group at rates specified in the rules of the scheme. Where employees leave the scheme prior their contributions vesting fully, the contributions payable by the Group are reduced by the amount of forfeited contributions.

Contributions made in 2002 under pension schemes totalled EUR 1.8 million (2001: EUR 0.5 million).

Certain Group companies offer post-retirement healthcare and life insurance benefits to eligible domestic retired employees. Retirees share in the cost of their health care benefits through service-related contributions and salary-related deductibles. Retiree life insurance benefits are non-contributory.

The movements on the provisions are set out below:

	Provisions for pensions EUR million	Other provisions EUR million
At January 1, 2001	**3.6**	**16.1**
Extension of consolidation scope	–	2.8
Provision for 2001	0.7	1.0
Reversal of provisions	(0.1)	(1.9)
Impact of currency translation	–	(0.5)
Reclassification	–	(10.4)
At December 31, 2001	**4.2**	**7.1**
Extension of consolidation scope	0.4	–
Provision for 2002	0.2	0.8
Reversal of provisions	–	(0.8)
Impact of currency translation	–	(0.4)
Transfer to externally managed scheme	(4.2)	–
At December 31, 2002	**0.6**	**6.7**

Note 18 Deferred taxes

The movements on the provisions are set out below:

	Provisions for deferred tax assets EUR million	Provisions for deferred tax liability EUR million
At January 1, 2001	**5.7**	**47.5**
Extension of consolidation scope	–	471.1
Provision for 2001	1.9	64.5
Reversal of provisions	(1.5)	(12.5)
Impact of currency translation	–	2.5
At December 31, 2001	**6.1**	**573.1**
Purchase allocation adjustment	–	(8.8)
Provision for 2002	0.1	241.0
Reversal of provisions	(1.9)	(12.7)
Impact of currency translation	–	(83.6)
At December 31, 2002	**4.3**	**709.0**

Deferred tax provisions reflect temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal unity. Neither the Group nor the Company had any material unprovided deferred taxation for the year or at the balance sheet date.

Note 19 Subordinated loans

On January 11, 1999, the Company arranged a EUR 148.7 million subordinated loan facility with a group of its shareholders. This is an unsecured facility, which was fully drawn on January 14, 1999. It was repaid on January 11, 2002.

Note 20 Amounts owed to credit institutions

On March 28, 2001, SES GLOBAL and SES ASTRA jointly arranged a Syndicated Multi-currency Term and Revolving Facilities Agreement for the purposes of refinancing existing syndicated loan facilities and arranging acquisition finance for the transaction, concluded on November 9, 2001, to acquire SES AMERICOM. This Syndicated Loan Agreement is the principal committed Credit Facility available to the Group. The Availabilities and Drawings under this Facilities Agreement at December 31, 2002 are as follows:

1. Facility A1 – USD 1.575 billion term loan facility fully drawn (USD 1,552 million by SES ASTRA and USD 23.0 million by SES GLOBAL) for the purpose of the SES AMERICOM acquisition and repayable between July 2003 and March 28, 2006;
2. Facility B1 – USD 486 million term loan facility fully drawn (USD 383 million by SES ASTRA and USD 103.0 million by SES GLOBAL) for the purposes of the SES AMERICOM acquisition and repayable by March 28, 2003. The total for Facility B1 was originally USD 886 million – USD 400 million has been repaid prior to year-end;
3. Facility C – EUR 878 million multi-currency term loan facility available to refinance existing debt and for general corporate purposes. It is repayable between July 2003 and March 28, 2006;
4. Facility D – EUR 400 million revolving loan facility available to refinance existing debt and for general corporate purposes. At year-end under this facility USD 100 million was drawn by SES GLOBAL. It is repayable by March 28, 2006.

The Borrowers are committed in this Syndicated Loan Agreement to maintain a number of financial covenants within agreed limits in order to provide sufficient security to the Lenders. Repayment of Facilities A1, B1 and C reduces the availability under that specific Facility. Interest paid is based on floating interest rates. At the end of the year the weighted average interest rate on the USD borrowings was 2.6496% and on the EUR borrowings 4.365%.

In September 2002, the Company arranged an uncommitted unsecured multi-currency facility up to a countervalue of EUR 20.0 million. Under this facility USD 20.0 million was drawn at year-end.

On November 24, 2000, AsiaSat entered into a new loan agreement for an amount of USD 250.0 million. No draw down had been made on this loan as at the year-end.

NSAB had no outstanding loans as at December 31, 2002. A new Credit Facility has been negotiated for SEK 40.0 million with no assets pledged.

At the end of 2002 and 2001, the loan accounts for SES GLOBAL consolidated were as follows:

		Amounts outstanding
	2002 EUR million	2001 EUR million
Share of loan of November 4, 1997 (SEK 770.0 million)	**–**	10.8
Facilities Agreement of March 28, 2001 (EUR 1.4 billion and USD 2.5 billion)	**2,927.8**	3,653.8
Uncommitted facility	**20.2**	–
Total	**2,948.0**	3,664.6

The maturity profile of these loans at December 31, 2002 and 2001 is as follows:

		Amounts outstanding
	2002 EUR million	2001 EUR million
Within one year	**629.4**	5.4
Between one and two years	**580.9**	1,171.5
Between two and five years	**1,737.7**	2,487.7
More than one year	**2,318.6**	3,659.2

Note 21 Other liabilities

Other liabilities include the following items:

	Less than one year EUR million	Between one and five years EUR million	More than five years EUR million	Total EUR million
Capital leases	8.2	5.0	5.1	18.3
Gilat A – Notes	1.7	0.6	–	2.3
B – Notes	–	0.8	–	0.8
C – Notes	–	2.9	–	2.9
Other	–	0.5	–	0.5

A capital lease obligation of EUR 7.2 million relating to a structured finance arrangement is shown at an amount of EUR 7.2 million (2001: EUR 17.3 million) in other liabilities payable within one year and EUR nil (2001: EUR 7.8 million) within other liabilities payable after one year. As disclosed in Note 29, cash at bank and on deposit includes restricted deposits, which, in substance, defease the capital lease obligations. Both the debt and the deposits have floating interest rates which match equivalent published borrowing rates so there is no interest cost in the arrangements.

Note 21 Other liabilities continued

In addition other liabilities include capital lease obligations amounting to EUR 11.1 million for the acquisition of various items of fixed assets. Of this amount EUR 10.1 million (2001: EUR nil) is shown in other liabilities payable after one year and EUR 1.0 million is shown within other liabilities payable within one year.

Gilat A-Notes

In 2002, SATLYNX issued unsecured 'A' Loan Notes (the 'Gilat A-Notes') for a total of USD 5 million to Gilat to be used exclusively to finance the acquisition of Gilat subsidiaries described in Note 8. The Gilat A-Notes do not bear interest. Interest at a rate of 6% per annum has been imputed. The Gilat A-Notes are initially repayable at the time of an increase of Ordinary Shares of at least USD 36 million for cash and non-cash consideration. The percentage of repayment at that time will correspond to the portion of the cash consideration in relation to the total value of the issuance of Ordinary Shares. The residual amount will be repaid when the first of the following events occur:

i a public listing;
ii the issuance of shares by the Company to raise an additional cash amount of USD 40 million;
iii on January 31, 2077.

As at December 31, 2002 the Group share of the amount outstanding under Gilat A-Notes is USD 2.4 million (EUR 2.3 million).

Gilat B-Notes

In 2002, SATLYNX issued unsecured 'B' Loan Notes (the 'Gilat B-Notes) for a total of USD 2 million to Gilat to be used exclusively to finance the transaction costs related to the formation of the Company and the subsequent investment by Gilat and SES. The Gilat B-Notes do not bear interest. Interest at a rate of 6% per annum has been imputed. The Gilat B-Notes will be repayable when the first of the following events occur:

i a public listing;
ii the issuance of shares by the Company to raise an additional cash amount of USD 40 million;
iii on January 31, 2077.

As at December 31, 2002, the Group share of the amount outstanding under Gilat B-Notes is USD 0.8 million (EUR 0.8 million).

Gilat C-Notes

In 2002, SATLYNX issued unsecured 'C' Loan Notes (the 'Gilat C-Notes') for a total of USD 10.5 million to Gilat to exclusively finance the acquisition of equipment from Gilat. The Gilat C-Notes bear interest at a rate of 6% per annum and are repayable when the first of the following events occur:

i a public listing;
ii the issuance of shares by the Company to raise an additional cash amount of USD 40 million;
iii on January 31, 2077.

As at December 31, 2002, the Group share of the amount outstanding under Gilat C-Notes is USD 3.1 million (EUR 2.9 million).

Note 22 Proceeds from satellite insurance claims

In December 2002, SES ASTRA made insurance claims concerning two satellites as follows:

ASTRA 1K

A claim was made for a total constructive loss of ASTRA 1K after this satellite failed to reach its correct orbital location on November 26, 2002 due to the failure of the second firing of the Block DM fourth stage during the launch procedure. The satellite was successfully de-orbited on December 10, 2002. The total value of this claim was EUR 291.5 million.

ASTRA 1G

A claim was made for the lost operational capacity of ASTRA 1G arising due to the failure of one of the spacecraft's battery cells. The loss of the battery cell, which was identified in the first 12 months after the satellite's launch in December 1997, has resulted in a special battery management programme for the satellite being introduced in particular during the eclipse season. In November 2002 following the eclipse season, SES ASTRA management concluded that despite the battery management programme a loss of eight of the satellite's 28 transponders had occurred and an insurance proof of loss was filed on this basis. The Company is recognising EUR 45.0 million, of insurance proceeds under this claim in 2002.

The above receivable amounts are included in other debtors at year-end.

Note 23 Asset write-down related to insurance claims

In connection with the insurance claims outlined above, SES ASTRA has written down the value of the respective assets in its books as follows:

ASTRA 1K

The ASTRA 1K satellite has been fully written off including related ground equipment. This has resulted in an exceptional charge in 2002 of EUR 265.4 million.

ASTRA 1G

A write-down of EUR 14.0 million of the carrying value of the satellite has been made in 2002. The write-down reflects the projected future impact of the transponder years lost as a result of the incident.

The revised carrying value reflects the proportion of the historic cost of the asset corresponding to the revised estimated transponder years available divided by the revised estimate of the total transponder years service of ASTRA 1G.

This revised carrying value will be depreciated on a straight-line basis over the remaining life of the satellite in accordance with the Group's accounting policy for fixed assets.

Note 24 Taxes

Taxes have been provided in accordance with the relevant local fiscal requirements. Current and deferred taxes can be analysed as follows:

	2002 EUR million	2001 EUR million
Current	**77.3**	61.0
Deferred	**111.0**	51.6
Total	**188.3**	112.6

Note 25 Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders (after deduction of the dividends attributable to founder shares) of each category of shares by the weighted average number of shares outstanding during the year, for each category of share.

Diluted earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders (after deduction of the dividends attributable to founder shares) of each category of shares by the weighted average number of shares outstanding during the year, for each category of share, adjusted for the effects of dilutive options.

Following the decision of the Luxembourg Court of Appeals as set out in more detail in Note 28, the earnings per share for 2001 have been adjusted for the dividend arising on the founder shares.

For the year 2002, earnings per share of EUR 0.34 per A share, EUR 0.13 per B share, and EUR 0.34 per C share, have been calculated on the following basis:

	2002 EUR million	2001 EUR million
Profit of the Group	**204.5**	280.3
Founder shares entitlement	**(6.5)**	(6.2)
Profit attributable to shareholders	**198.0**	274.1

Weighted average number of shares for the purpose of calculating earnings per share:

A shares	**310,340,000**	310,340,000
B shares	**245,817,836**	168,332,562
C shares	**181,295,672**	26,325,125

The weighted average number of shares is based on the capital structure of the Company as described in Note 16. In calculating the weighted average of the C shares, the Ordinary C shares and Preferred C shares have been grouped together. This reflects the fact that the fixed dividend on the Preferred C shares is deducted from the dividend rights of the Ordinary C shareholders, rather than representing an additional entitlement to a share of earnings. Because the A and C shares have two and a half times the dividend entitlement of the B shares on a full-year basis, the earnings per share of the A and C shares will normally be correspondingly higher than that of the B shares.

Note 26 Employees

The analysis of personnel as of December 31, 2002 and 2001 was:

	2002	2001
SES ASTRA	**319**	385
SES AMERICOM	**277**	292
AsiaSat	**83**	80
Other	**129**	22
Total	**808**	779

The average number of employees for 2002 was 803 (2001: 513)

Staff costs can be analysed as follows:

	2002 EUR million	2001 EUR million
Wages and salaries	**89.1**	42.3
Social security costs	**12.6**	4.9
Total	**101.7**	47.2

Note 27 Board of Directors' remuneration
At the Annual General Meeting of SES GLOBAL, held on May 6, 2002, payments to directors for attendance at Board and Committee meetings in 2002 were approved. These payments are computed on a fixed and variable basis, the variable part being based upon attendance at Board and Committee meetings. Total payments arising in 2002 were EUR 1.0 million (2001: EUR 0.9 million).

Note 28 Founder shares
In connection with the formation of SES ASTRA ('ASTRA'), 50 Founder Shares, without voting rights, were issued, subject to certain conditions. The Articles provide that for a period of 20 years from March 1, 1985, the date of formation of ASTRA, the Founder Shares are entitled to a 5% participation in the net profits of ASTRA, after tax, resulting exclusively from television activities as determined by Article 2 of the Articles of ASTRA at the time of its incorporation in 1985, excluding all other revenues including without limitation those resulting from an enlargement or extension of the initial purpose. The Founder Shares are redeemable by ASTRA at the end of the 20-year period at a value equal to the reserved profit entitlement of the Founder Shares not yet distributed.

At the Annual General Meeting of April 15, 1993, the shareholders of ASTRA on the basis of evidence that the contractual non-compete obligations incumbent on the holder of the Founder Shares are not being adhered to by the holder of the Founder Shares, resolved to suspend the profit entitlement pending the resolution of the matter by the Luxembourg Courts.

However, on July 10, 2002 the Luxembourg Court of Appeals had ruled in favour of the holder of the Founder Shares declaring his request for dividends founded and thus did not uphold the judgement of first instance of January 26, 2001, which has dismissed the claim lodged by the holder of the Founder Shares.

On February 12, 2003 the Court of Appeals determined the amount to be paid on the Founder Shares to an amount of EUR 30.1 million as dividend payout for the years 1992 to 2001. This amount is included in other liabilities.

ASTRA has filed an appeal with the Luxembourg Supreme Court (Cour de Cassation) for reconsideration of the decision of the Court of Appeals of July 10, 2002.

Note 29 Off balance sheet items
Capital commitments
The Group had outstanding commitments in respect of contracted capital expenditure totalling EUR 686.6 million at December 31, 2002 (2001: EUR 606.4 million). These commitments largely reflect the purchase and launch of future satellites for the expansion and replacement of the Group satellite system, together with necessary expansion of the associated ground station and control facilities.

Operating lease commitments
Future minimum rentals payable under non-cancellable operating leases are as follows as at December 31:

	2002 EUR million	2001 EUR million
Within one year	**6.7**	0.3
Within two to five years	**11.8**	0.1
Total	**18.5**	0.4

Customer contracts
The Group may become liable for the unused portion of upfront payments in the event of technical failure of its satellites if back-up capacity cannot be provided. This contingent liability is adequately covered by satellite insurance.

Restrictions on use of cash
At December 31, 2002 there were restrictions on the use of cash balances totalling EUR 7.7 million (2001: EUR 34.6 million). Of this, EUR 7.2 million (2001: EUR 25.1 million) arises under the terms of a lease agreement for one of the satellites belonging to SES AMERICOM. For a further EUR nil (2001: EUR 9.5 million) the restriction is that the funds may only be used for settling acquisition costs relating to new loan facilities.

Note 30 Related parties
The state of Luxembourg holds a direct 11.58% voting interest in the Company and two indirect interests, both of 10.88%, through two state owned banks, Banque et Caisse d'Epargne de l'Etat and Société Nationale de Crédit et d'Investissement. These shares constitute the Company's B shares, which are described in more detail in Note 16.

GE Capital holds a 20.1% voting interest in the Company. The following transactions and balances with GE Capital and its subsidiaries and affiliates are included in the consolidated financial statements. Other debtors include a receivable from GE Capital of EUR 0.6 million (2001: EUR 35.2 million). Revenues include EUR 21.4 million (2001: EUR 2.5 million) through sales to various GE companies. External charges include an amount of EUR 10.9 million (2001: EUR 1.2 million) relating to the supply of a variety of services by GE Capital and its subsidiaries and affiliates.

The Group generated revenues of EUR 20.5 million (2001: EUR 13.6 million) from Deutsche Telekom AG ('DT') in the year ended December 31, 2002. DT holds a voting interest of 10.52% in the Company. At the year-end there were no amounts outstanding.

During the year the Group generated revenues of EUR 0.9 million (2001: nil) from SATLYNX S.A., a company in which the Group owns 50% of the share capital. In addition, the Group contributed tangible assets amounting to EUR 21.9 million to SATLYNX, as part settlement for the acquisition of the shareholding in this company. These assets have been contributed at their fair market value.

During the year the Group generated revenues of EUR 5.0 million and EUR 1.6 million from Nordic Satellite AB and AMERICOM ASIA PACIFIC, companies in which the Group owns 50% of the share capital. In addition, the Group paid EUR 0.6 million to Nordic Satellite AB for the rental of transponder capacity.

SES GLOBAL S.A. annual accounts

Report of the independent auditor

To the Shareholders of
SES GLOBAL S.A.
Société Anonyme
Betzdorf

Following our appointment by the Annual General Meeting of the Shareholders on May 6, 2002, we have audited the accompanying annual accounts of SES GLOBAL S.A. for the year ended December 31, 2002. These annual accounts are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these annual accounts based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual accounts. An audit also includes assessing the accounting principles used and significant estimates made by the Board of Directors, as well as evaluating the overall annual accounts presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying annual accounts give, in conformity with Luxembourg legal and regulatory requirements, a true and fair view of the financial position of SES GLOBAL S.A. as at December 31, 2002 and of the results of its operations for the year then ended.

Ernst & Young
Société Anonyme
Réviseur d'entreprises

Werner Weynand

Luxembourg, March 20, 2003

SES GLOBAL S.A. balance sheet

December 31, 2002

Assets	Note	2002 EUR million	2001 EUR million
Formation expenses	3	**0.6**	0.8
Tangible assets	4		
Other fixtures and fittings, tools and equipment		**0.2**	–
Payments on account and tangible assets in course of construction		**0.4**	–
		0.6	–
Financial assets			
Shares in affiliated undertakings	5	**4,510.1**	4,504.5
Amounts owed by affiliated undertakings	6	**567.2**	–
Other financial assets	7	**5.6**	–
		5,082.9	4,504.5
Current assets			
Debtors (amounts receivable in less than one year)			
Amounts owed by affiliated undertakings		**138.3**	83.7
Other receivables		**10.1**	4.0
Cash at bank and on hand		**78.1**	35.8
		226.5	123.5
Prepayments		**16.4**	13.7
Total assets		**5,327.0**	4,642.5

Liabilities	Note	2002 EUR million	2001 EUR million
Capital and reserves			
Subscribed capital	8	**921.8**	175.8
Share premium	8	**2,925.0**	3,671.0
Legal reserve	10	**17.6**	17.6
Other reserve		**53.0**	–
Result brought forward		**0.3**	–
		3,917.7	3,864.4
Creditors			
Amounts payable after more than one year			
Amounts owed to credit institutions	11	**937.2**	591.0
Amounts payable within one year			
Amounts owed to credit institutions	11	**212.4**	–
Trade creditors		**4.0**	0.1
Amounts owed to affiliated undertakings		**110.1**	0.1
Taxes and social security payable		**0.1**	–
Other creditors		**6.6**	2.6
		333.2	2.8
Profit for the financial period		**138.9**	184.3
Total liabilities		**5,327.0**	4,642.5

The notes are an integral part of the annual accounts.

SES GLOBAL S.A. profit and loss account

Year ended December 31, 2002

	Note	2002 EUR million	2001 EUR million (Note 1)
Other operating income		**6.8**	–
External charges		**(13.6)**	(0.3)
Staff costs	12	**(6.4)**	–
Other operating charges		**(7.0)**	(0.3)
Value adjustments in respect of formation expenses	3	**(0.2)**	–
Value adjustments on other financial assets	7	**(3.2)**	–
Value adjustments of fixed assets	4	**–**	–
Income in respect of affiliated undertakings	14	**133.3**	190.0
Interest receivable and similar income		**78.2**	0.2
Interest payable and similar charges		**(43.0)**	(5.3)
Result on ordinary activities		**144.9**	184.3
Taxes	13	**(6.0)**	–
Profit for the financial period		**138.9**	184.3

The notes are an integral part of the annual accounts.

Notes to the SES GLOBAL S.A. accounts

December 31, 2002

Note 1 General

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

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

The accounting period of the Company is from January 1 to December 31, with the exception of the prior year which runs from March 16, 2001 (date of incorporation) until December 31, 2001.

Note 2 Accounting practices

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

Formation expenses

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

Financial assets

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

Dividends

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

Loan origination costs

Loan origination costs are capitalised and included in prepaid expenses. They are amortised over the loan periods.

Fixed assets

Other fixtures, fittings, tools and equipment

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

Assets in course of construction

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

Translation of foreign currencies

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

The cost of fixed assets are translated at the historical rate.

Other assets expressed in other currencies are translated individually at the historical exchange rate or the rate prevailing at the balance sheet date, whichever is lower. For liabilities, the higher exchange rate is applied.

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

Realised exchange gains and losses and unrealised exchange losses are reflected in the profit and loss account.

Note 3 Formation expenses

The development of the formation expenses during the financial year is as follows:

	2002 EUR million	2001 EUR million
Cost at beginning of year	**0.8**	–
Additions	**–**	0.8
Cost at end of year	**0.8**	0.8
Accumulated amortisation at beginning of year	**–**	–
Amortisation	**(0.2)**	–
Accumulated amortisation at end of year	**(0.2)**	–
Net book value at beginning of year	**0.8**	–
Net book value at end of year	**0.6**	0.8

Note 4 Tangible assets

The development of tangible assets during the financial years 2002 and 2001 is as follows:

	Other fixtures and fittings tools and equipment EUR million	Tangible assets in course of construction EUR million	**Total 2002 EUR million**
Cost at beginning of year	–	–	**–**
Accumulated depreciation at beginning of year	–	–	**–**
Net book value at beginning of year	–	–	**–**
Movements of the year			
Additions	0.2	0.4	**0.6**
Depreciation	–	–	**–**
Cost at end of year	0.2	0.4	**0.6**
Accumulated depreciation at end of year	–	–	**–**
Net book value at end of year	0.2	0.4	**0.6**

Note 5 Shares in affiliated undertakings

	2002 EUR million	2001 EUR million
Balance at beginning of year	**4,504.5**	–
Additions	**5.6**	4,504.5
Balance at end of year	**4,510.1**	4,504.5

On November 8, 2001, the Company acquired a 100% shareholding in SES ASTRA S.A. through a contribution in kind of 100% of the issued and outstanding share capital of SES ASTRA S.A. (formerly Société Européenne des Satellites S.A.).

On November 9, 2001, the Company acquired a 100% shareholding in SES GLOBAL-AMERICAS, Inc. through a contribution in kind of all assets and liabilities of GE Capital Luxembourg Holdings Limited and 50 Series A and 50 Series B preferred shares of GE Subsidiary Inc. 22. The addition of EUR 5.6 million in the current year relates to consultants fees incurred in 2002 relating to the acquisition of SES GLOBAL-AMERICAS, Inc..

The principal activity of the above companies is the provision of satellite services.

On December 14, 2001, the Company acquired 299,999 shares in SES Finance S.A., (a limited liability company established in Luxembourg) representing a 99.99% interest in that company. The principal activity of the company is to invest directly or indirectly in other companies that are actively involved in the satellite communication industry.

As at December 31, 2002, the Company holds the following investments:

	Participation	Acquisition cost EUR million
SES ASTRA S.A.	100%	1,683.0
SES GLOBAL-AMERICAS, Inc.	100%	2,736.4
SES Finance S.A.	99.99%	90.7
SES Multimedia S.A.	0.01%	–

Art. 248 paragraph (1) 2° of the Commercial Company Law of Luxembourg (the 'law') requires the disclosure of the amount of capital and reserves and profit and loss for the last financial year of each affiliated undertaking. In conformity with Art. 250 (3) of the law these details have been omitted as the Company prepares consolidated accounts and these consolidated accounts and the related consolidated annual report and auditors' report thereon have been lodged with the Luxembourg Trade Registry.

Note 6 Amounts owed by affiliated undertakings

	2002 EUR million	2001 EUR million
Balance at beginning of year	**–**	–
Movements of the year		
Advances	**567.9**	–
Re-imbursements	**(0.7)**	–
Balance at end of year	**567.2**	–

Amounts owed by affiliated undertakings represent an intercompany loan with SES Finance S.A..

Note 7 Other financial assets

	2002 EUR million	2001 EUR million
Balance at beginning of year	–	–
Movements of the year		
Additions	8.8	–
Value adjustments	(3.2)	–
Balance at end of year	5.6	–

Own Fiduciary Depository Receipts
The Company purchased a quantity of FDRs (Fiduciary Depository Receipts) in respect of A shares for use in connection with the Director/Employee option scheme and the executive option plan set up in 2002. These shares are valued at the lower of purchase price and market value.

Note 8 Subscribed capital

Upon incorporation, the subscribed capital of the Company was EUR 0.1 million represented by 9,000 shares with no par value (6,000 A shares and 3,000 B shares). The authorised capital amounted to EUR 10,000.0 million.

Following a Board of Directors meeting held on November 8, 2001, the issued share capital was increased to EUR 111.1 million by the issue of 310,340,000 Class A ordinary shares and 155,170,000 Class B ordinary shares, with no par value, having the same rights and advantages as the former shares. The authorised share capital was also increased to EUR 10,134.0 million.

Following two Board of Directors meetings held on November 9, 2001, the issued share capital was increased to EUR 131.4 million by the issue of 85,376,910 Class B ordinary shares with no par value and further increased to EUR 175.9 million by the issue of 176,799,314 Class C ordinary shares, 4,496,358 Class C preferred shares and 5,270,926 Class B ordinary shares.

Following an Extraordinary General Meeting of the shareholders on November 29, 2001, the issued and fully paid share capital was reduced by EUR 0.1 million through the reimbursement of the original share capital on incorporation represented by 6,000 A shares and 3,000 B shares.

Following a resolution of the Board of Directors on June 27, 2002, the issued and fully paid share capital was increased by EUR 746.0 million through a transfer from share premium to share capital.

As at December 31, 2002 the issued and fully paid share capital amounted to EUR 921.8 million represented by 737,453,508 shares with no par value (310,340,000 Class A ordinary shares; 245,817,836 Class B ordinary shares and 176,799,314 Class C ordinary shares and 4,496,358 Class C preferred shares).

Note 9 Movements in equity

During the year, the movements in equity were as follows:

	Subscribed capital EUR million	Share premium EUR million	Legal reserve EUR million	Other reserve EUR million	Result brought forward EUR million	Result for the period EUR million
At date of incorporation	–	–	–	–	–	–
Increase in share capital	175.8	3,671.0	17.6	–	–	–
Result for the period	–	–	–	–	–	184.3
At December 31, 2001	**175.8**	**3,671.0**	**17.6**	**–**	**–**	**184.3**
Allocation of result	–	–	–	53.0	0.3	(53.3)
Dividend	–	–	–	–	–	(131.0)
Transfer	746.0	(746.0)	–	–	–	–
Result for the year	–	–	–	–	–	138.9
At December 31, 2002	**921.8**	**2,925.0**	**17.6**	**53.0**	**0.3**	**138.9**

Note 10 Legal reserve

In accordance with Luxembourg legal requirements, a minimum of 5% of the yearly net profit is to be transferred to a legal reserve from which distribution is restricted. This requirement is satisfied when the reserve reaches 10% of the issued share capital. An allocation of EUR 6.9 million is required in the current year.

Note 11 Amounts owed to credit institutions

On March 28, 2001, SES GLOBAL S.A. together with its 100% owned subsidiary SES ASTRA S.A. arranged a Syndicated Multi-currency Term and Revolving Facilities Agreement for the purposes of refinancing existing syndicated loan facilities and arranging acquisition finance for the transaction, concluded on November 9, 2001, to acquire SES GLOBAL-AMERICAS, Inc.. The new Facilities Agreement is made up of the following:

1. Facility A1 USD 1.6 billion term loan facility available for the purposes of the SES AMERICOM acquisition and repayable by March 28, 2006.
2. Facility B1 USD 900 million term loan facility available for the purposes of the SES AMERICOM acquisition and repayable by March 28, 2003.
3. Facility C EUR 1 billion term loan facility available to refinance existing debt and for general corporate purposes. It is repayable by March 28, 2006.
4. Facility D EUR 400 million revolving loan facility available to refinance existing debt and for general corporate purposes. It is repayable by March 28, 2006.

As at December 31, 2002, the facilities drawn by SES GLOBAL S.A. are as follows:
1. Facility A1 USD 23.0 million.
2. Facility B1 USD 103.0 million.
3. Facility C EUR 765.0 million and USD 110.0 million.
4. Facility D USD 100.0 million.

The Borrowers are committed under the Syndicated Loan Agreement to maintaining a number of financial covenants within agreed limits in order to provide sufficient security to the Lenders. SES ASTRA S.A. and SES GLOBAL-AMERICAS, Inc. have also provided a cross guarantee to SES GLOBAL S.A. on these facilities. Interest paid is based on floating interest rates. At the end of the year the weighted average interest rate on the USD borrowings was 2.6496% and on the EUR borrowings 4.365%.

In September 2002, the Company arranged an uncommitted unsecured multi-currency facility up to a counter value of EUR 20.0 million. Under this facility USD 20.0 million was drawn at year-end.

The maturity profile of the amounts drawn down is as follows as at December 31, 2002 and 2001:

	2002 EUR million	2001 EUR million
Within one year	212.4	–
Between one and two years	208.0	576.5
Between two and five years	729.2	14.5
After one year	937.2	591.0

Note 12 Employees

The average number of employees in the workforce for 2002 was 44. Staff costs can be analysed as follows:

	2002 EUR million	2001 EUR million
Wages and salaries	6.1	–
Social security costs	0.3	–
Total	6.4	–

Note 13 Taxes

Taxes in the profit and loss account have been provided in accordance with the relevant laws. The balance sheet position takes into consideration the taxable result of the Luxembourg subsidiaries (SES Finance S.A., SES ASTRA S.A. and SES Multimedia S.A.), which are part of the tax group structure, in accordance with Art 164 bis LIR.

Note 14 Income in respect of affiliated undertakings

	2002 EUR million	2001 EUR million
Dividend income	120.0	190.0
Interest income	13.3	–
Total	133.3	190.0

Note 15 Board of Directors remuneration

At the annual meeting held on May 6, 2002, payments to directors for attendance at Board and Committee meetings were approved which totalled EUR 0.9 million for the year 2001. These payments are computed on a fixed and variable basis. The variable payments are based upon attendance at Board and Board Committee meetings. For 2002, total payments (fixed and variable) amount to EUR 0.8 million.

Notes to the SES GLOBAL S.A. accounts continued

December 31, 2002

Note 16 Off balance sheet items

During the year, the Company entered into ten cross currency swap agreements in order to hedge the investment in SES GLOBAL-AMERICAS, Inc.. The average term of these contracts as at December 31, 2002 is as follows:

Currency sold	Currency bought	Average weighted maturity	Average weighted exchange rate
USD 1,225 million	EUR 1,242 million	April 2005	EUR/USD 0.9863

In addition, the Company held one interest rate swap agreement with a notional amount of USD 300.0 million whereby the Company receives an interest rate of LIBOR and pays a variable rate of LIBOR-0.205% on the notional amount. This contract matures on August 16, 2004.

As at December 31, 2002 an amount of EUR 2.6 million is included in other receivables relating to the net accrued interest on these agreements.

Five year financial summary

	2002 EUR million	2001 EUR million	2000 EUR million	1999 EUR million	1998 EUR million
Total revenues	**1,349.3**	978.2	835.9	725.2	516.9
EBITDA[1]	**1,107.1**	794.6	708.7	580.5	416.4
Operating profit	**529.1**	524.3	516.6	407.0	279.3
Profit of the Group	**204.5**	280.3	244.5	201.3	176.2
Net operating cash flow	**1,051.8**	682.4	422.6	632.6	264.8
Capital expenditures	**683.8**	432.3	254.3	263.6	123.4
Net debt	**2,661.1**	3,140.0	834.6	559.6	503.1
Shareholders' funds	**3,575.1**	3,917.4	1,040.1	847.9	719.7
Earnings per A-share (in EUR)[2]	**0.34**	0.68	0.64	0.52	0.46

Key performance ratios in %					
EBITDA margin	**82.1%**	81.2%	84.8%	80.0%	80.6%
Net income margin	**15.2%**	28.7%	29.2%	27.8%	34.1%
Return on average equity	**5.5%**	11.3%	25.9%	25.7%	25.4%
Net debt to equity	**74.4%**	80.2%	66.0%	69.9%	71.3%

[1] EBITDA equals earnings before interest, tax, depreciation and amortisation.

[2] The basis of the computation of earnings per share is set out in Note 25 to the consolidated financial statements. Prior year earnings per share for the years 1998–2001 were restated for the reasons outlined in Note 25 to the accounts and to reflect the 1:10 share split on November 8, 2001.

Shareholder information

Registered office and Group Headquarters
Château de Betzdorf, L-6815 Luxembourg

Luxembourg Trade Register N° RC Luxembourg 81 267

2003 Financial calendar

Annual General Meeting of Shareholders	May 6, 2003
Dividend payment	May 20, 2003
Announcement of first-half 2003 results	Mid September 2003

Listed Security
Fiduciary Depository Receipts each in respect of one A Share of SES GLOBAL S.A. are listed on the Luxembourg and Frankfurt Stock Exchanges under the symbol SESG.

Fiduciary Agent
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