Prime Real Estate in Space

Building a Satellite Cable Neighborhood

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As the head of North American business development for SES, Steve initiates and leads new opportunities for the use of satellites, including the development of SES' Center Arc cable neighborhood and the antenna program which will equip cable operators with anten-nas in order to access the AMC-18 AMC-1 and SES-1 satellites. SES is a world-leading satellite operator with a fleet of 52 geo-stationary satellites.

Every one knows the importance of location when it comes to real estate. Prime locations create higher property values and tend to attract more potential buyers. This same concept holds true for satellite cable neighborhoods; locations in space where cable operators point their satellite antennas in order to receive cable programming to distribute to their subscribers.

All cable operators are already familiar with SES' prime cable neighborhood of AMC-10 and AMC-11. These satellites are located at the orbital locations of 135 and 131 degrees west longitude, respectively. At SES we refer to these two orbital locations as our "Western Arc" cable neighborhood. AMC-10 and AMC- 11 currently carry premium programming such as A&E, C-SPAN, Discovery, E!, MTV, NBC Universal, Hallmark, HGTV, In Demand, Lifetime, Showtime, and The Weather Channel among others. Being a prime cable neighborhood, these two satellites have 100% of cable operators pointing their antennas here.

Just as premium location real estate becomes crowded and cannot support additional homeowners, satellite capacity in prime locations becomes highly utilized with few additional transponders available for new programming. This is the situation we currently face on AMC-10 and AMC-11. And, as real-estate developers look to new areas to develop into prime locations, SES is expanding its prime Western Arc cable neighborhood to what we refer to as our "Center Arc" cable neighborhood — 105, 103 and 101 degrees west longitude. Located here are our satellites AMC-18, AMC-1 and SES-1, respectively. Many cable operators already have antennas looking at one, two or all three of these Center Arc satellites. AMC-18 is the home of Head End in the Sky (HITS), a multiple transponder service with premium programming pre-formatted for reception by many rural head ends. AMC-1 carries a number of regional sports networks such as MSG Network, ION and YES network as well as In-Demand whereas SES-1 has additional HITS programming. As our Western Arc programmers look to expand their programming line ups and as new programmers emerge, the Center Arc satellites offer attractive expansion capacity.

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PROVDING FREE ANTENNAS TO CABLE OPERATORS WILL ALLOW THEM ACCESS TO THE SES CENTER ARC CABLE NEIGHBORHOOD.

Going back to the real estate analogy, in order to attract new residents, a real estate developer must provide easy access to the homes in the form of roads and access to services such as electricity, water, etc. In cable neighborhoods, programmers require access to cable operators via their antennas pointed at the neighborhood's satellites. Programmers seek to broadcast on a satellite that reaches virtually all cable head ends, maximizing the potential subscriber base for their programs. Likewise, cable operators prefer to point their antenna resources at satellites loaded with the programming demanded by their subscriber base.

To facilitate this programmer-cable operator relationship, SES has embarked on an antenna program to equip head ends with antennas that currently do not have antennas pointed at any or all of the Center Arc satellites. Our goal is to achieve 100% penetration in SES' expanding cable neighborhood, so that any programmer on a Western or Center Arc transponder reach 100% of cable subscribers.

The Center Arc Satellite Antenna Program provides, at no cost to cable operators, a triple feed upgrade to existing antennas that currently are pointed at one or two of the Center Arc satellites or a complete 3.8m triple feed antenna system for head ends that currently do not access any of the Center Arc satellites. So far the cable operator interest in this program has been outstanding. As Jake Colfesh, Manager of Video Operations, Armstrong recently told us, "SES has been an outstanding organization to work with. Through SES' satellite antenna program we've been able to obtain the technical resources and establish a relationship that will be beneficial to our company both now and in the future."