



## PRESS RELEASE

### SES CONTINUES TO SHOW RECURRING GROWTH IN Q1 2010

Luxembourg, 23 April 2010 – SES S.A., one of the world's leading satellite operators, (Euronext Paris and Luxembourg Stock Exchange: SESG), reports its financial performance in the three months to 31 March 2010.

#### HIGHLIGHTS

- Reported revenue was in line with the prior year at EUR 423.4 million (2009: EUR 423.9 million), while recurring revenue rose 2.4% to EUR 422 million
- Reported EBITDA was also in line with the prior year at EUR 307.6 million (2009: 308.9 million), while recurring EBITDA increased by 2.2% to EUR 311 million
  - Reported EBITDA margin was 72.7% (2009: 72.9%)
  - Infrastructure EBITDA margin of 83.3% (2009: 84.4%)
- Operating profit was EUR 188.2 million, comparable to the prior year period
- NSS-12 satellite brought into service in January

Romain Bausch, President and CEO of SES, commented:

*"These results for the first quarter of the year are in line with our expectations and represent a solid base for the progress we expect to deliver during the rest of the year. Recent commercial agreements announced after the end of the quarter underline the growth potential in the markets we serve. The addition of new capacity from forthcoming launches, including ASTRA 3B, and the integration of the Protostar-2 satellite into the SES fleet will contribute to our growth.*

*However, due to the delay to the launch of the ASTRA 3B satellite, and the reduction of revenue from AMC-16, we consider it prudent to slightly adjust the guidance that was published in February."*

## Financial Review

SES' financial performance in the quarter was in line with our expectations. Recurring revenue of EUR 422 million, an increase of 2.4% over the prior year period, benefited from three months' revenue contribution from Ciel-2, and first incremental revenue from NSS-12. NSS-12 entered into service during January, adding 39 new transponders to serve the growing demand in the Indian and other Asian markets.

Recurring EBITDA was EUR 311 million, up 2.2% over the prior year period. This represents a 73.8% margin. The EBITDA margin delivered by the infrastructure activities of the group remained high, at 83.3%.

Depreciation and amortisation in the period was also similar to the prior year, at EUR 119.4 million; the resulting operating profit was EUR 188.2 million.

Net financing charges for the quarter of EUR 63.7 million show a rise of EUR 22.5 million over the EUR 41.2 million for the same period of 2009. Of this increase, EUR 14.4 million arises on the revaluation of intercompany balances and currency holdings which are both set off by equal and opposite accretions to the Group's currency exchange reserve and hence have neither a cash nor an overall shareholders' equity impact. The balance of the increase comes mainly from a rise in net interest charges, including higher amortisation of loan origination charges, while the underlying cost of servicing group borrowings is little changed from the prior year.

At 31 March, the Net Debt/EBITDA ratio was 3.11 times.

## Operations Review

The business environment for FSS operators remains favourable, with strong demand being well balanced against supply. At the period end, transponder utilisation had grown to 909 of 1,157 commercially available transponders. During the first three months of the year, the NSS-12 satellite was brought into operation, adding capacity and facilitating fleet management operations to support SES' continued development. NSS-5 was relocated to 340 degrees East, adding a further 31 transponders.

The launch of the ASTRA 3B satellite, initially scheduled for 25 March, was postponed twice due to an anomaly in a component of the rocket during the countdown phase. Arianespace is now targeting a May launch date. ASTRA 3B will enter into service at the 23.5 degrees East orbital position over Europe, adding new capacity for Europe, and for the Middle East via a dedicated beam. The delay to the launch is reducing the incremental revenue expected to be generated by this satellite in 2010.

By acquiring the remaining 10% of the shares from the Swedish Space Corporation, SES ASTRA has taken full ownership of SES SIRIUS. SES SIRIUS operates the leading satellite system in the Nordic and Baltic countries with a strong market position in Central and Eastern Europe. Its two satellites, SIRIUS 3 and SIRIUS 4 (now ASTRA 4A) are positioned at 5 degrees East.

The Protostar-2 satellite, for which SES was the winning bidder at an auction in December 2009, is subject to U.S. regulatory approval before closing of the transaction, expected during the second quarter. Following the receipt of the

approval, the satellite will be moved to its final location at 108.2 degrees East, to be co-located with NSS-11 to serve the Indian and East Asian markets.

The fleet operational performance was largely nominal; however, some additional solar array circuit failures on certain of the LM A2100 satellites were experienced during the recent eclipse period. In consultation with the customer, some of the AMC-16 satellite transponders were shut down in March to conserve power. The financial impact of this action is an annualised revenue reduction which is not expected to exceed USD 10 million, with no other satellites being commercially affected. The launch of the SES-1 satellite, scheduled for 24 April, marks the start of the replacement programme of the North American fleet, which will provide additional mitigation against potential future circuit failures.

## SES ASTRA

SES ASTRA's operational reach<sup>1</sup> rose to 125 million TV homes, three million more than the year before. For the first time, satellite's reach is greater than that of cable in Europe, with 77 million satellite and 71 million cable households.

The growth of High Definition TV continued, with some six million "HD-viewing" homes. The number of HDTV channels carried on the ASTRA satellite system had grown to 114 by the end of the quarter, and at today's date has reached 123, exceeding earlier expectations. M7 contracted two transponders for HD broadcasts in the Netherlands.

The success of HD is underpinned by the substantial number of HD screens sold across Europe. 125 million HD Ready TV sets have been sold since the start of HD broadcasts in 2005. It is expected that by 2013, an estimated 55 million households will be equipped with both an HD Ready TV set and a suitable HD receiver. Satellite is expected to remain the largest distribution platform for HD.

In Germany, the HD+ platform has developed favourably, exceeding expectations, with more than 750,000 smart cards ordered from HD+ by different set-top box manufacturers.

SES ASTRA also confirmed the attractiveness of satellite delivery for complementing the limited reach of terrestrial distribution technologies. In France, the growth of TNTSAT (digital terrestrial TV distributed by satellite for those unable to receive the terrestrial signal) on ASTRA reached a record with 1.85 million TNTSAT receivers now in the market. Launched in March 2007, TNTSAT has thus continued the trend of strong growth of the last two years.

SES ASTRA signed a second contract with The European Commission for a hosted payload services for EGNOS (European Geostationary Navigational Overlay Service). This payload will be incorporated on the ASTRA 5B satellite, presently under construction by EADS Astrium. EGNOS is Europe's first contribution to satellite navigation and a precursor of Galileo, the global satellite navigation system that the European Union is developing.

In South Africa, the new pay-TV operator ODM announced the launch of TopTV, a bouquet of up to 55 channels, scheduled to begin service in May 2010. ODM has

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<sup>1</sup> source: SES Satellite Monitors, March 2010

contracted three transponders on the ASTRA 4A satellite to deliver its initial programme line-up, and SES ASTRA has a 20% equity stake in that operator.

## SES WORLD SKIES

SES WORLD SKIES' development continued to be largely focused outside North America, with the entry into service of the NSS-12 satellite in January, delivering additional capacity at the important orbital position 57 degrees East for the Asian and African markets. The new capacity comprises 39 transponders and is already committed to customers who will be initiating services in the coming months. One of the first new customers is Wananchi, which has contracted three transponders on the satellite to deliver DTH and broadband services in East Africa.

In the Americas, a cooperation agreement was signed with the Andean Community to bring the 67 degrees West orbital position into use. A satellite will be positioned at this orbital position in the next few months to secure the access to the frequencies. In turn, SES is committed to make a certain amount of capacity available to the Andean Community, while having the right to commercially develop the majority of the frequencies available at this orbital position.

SES WORLD SKIES continued its successful development of relationships with DTH broadcasters in the period, resulting in the recent announcements of significant capacity agreements for Puerto Rico Telephone, which has contracted five transponders on AMC-21 under a long-term agreement for its Claro TV DTH service.

In the U.S., SES WORLD SKIES is hosting a platform on which leading broadcasters, programmers, TV manufacturers and technology providers will test all aspects of delivering 3D TV. The objective of the initiative is to accelerate the introduction of 3D TV and facilitate its successful introduction as an integral component of the home entertainment experience. The tests start this spring.

Finally, SES WORLD SKIES has greatly enhanced U.S. Department of Defense access to group bandwidth and global connectivity, with the installation of a new, mission-critical communications node in Virginia. This facility further enables cooperation with the U.S. government customer and offers ease of access for essential communications requirements.

## Corporate Developments

In the first quarter, SES made further progress in optimising its financing. Recent initiatives included the successful 10-year, EUR 650 million eurobond offering in March. This latest financing, which secured a favourable fixed interest rate of 4.625% further improves our financing maturity profile.

At the beginning of April, Andrew Browne took up his position as Group Chief Financial Officer. Andrew has a distinguished history in the satellite sector, having been the CFO of Intelsat and thereafter of New Skies until its integration into SES in 2008.

## Outlook and Guidance

The results for the first quarter of the year are in line with our expectations and provide a solid base for future growth. Recent commercial agreements underline the growth potential in the markets we serve. The addition of new capacity from forthcoming launches, including ASTRA 3B, the integration of the Protostar-2 satellite into the SES fleet, and the start of services on NSS-5 at 340 degrees East is integral to the achievement of our growth targets.

However, following the delay to the launch of the ASTRA 3B satellite, and taking into account the reduction of revenue from AMC-16, we consider it prudent to make a slight adjustment to the guidance that was published in February, to reflect these developments.

The financial guidance for 2010 is thus adjusted from around 5% recurring revenue growth, to a target range of 4% to 5%, with recurring EBITDA increase in line with the recurring revenue growth. Infrastructure activities are nevertheless expected to continue to deliver a recurring EBITDA margin above 82%. Services activities are expected to deliver a recurring EBITDA margin of between 11% and 15%.

For 2010 to 2012 SES continues to target a compound annual growth rate for recurring revenue of 5%, including the effect of the termination of analogue DTH transmissions in Germany, the bulk of which is expected to occur by mid-year 2012. This top line growth translates into a corresponding recurring EBITDA growth.

## SUMMARY FINANCIAL HIGHLIGHTS (in EUR millions)

### 1. CONSOLIDATED INCOME STATEMENT

	Q1, 2010	Q1, 2009	Change	%
<b>Revenue</b>	423.4	423.9	-0.5	-0.1%
Operating expenses	(115.8)	(115.0)	-0.8	-0.7%
<b>EBITDA</b>	307.6	308.9	-1.3	-0.4%
Depreciation & Amortisation	(119.4)	(119.2)	-0.2	-0.2%
<b>Operating profit</b>	188.2	189.7	-1.5	-0.8%
Net financing charges	(63.7)	(41.2)	-22.5	-54.6%
<b>Profit for the period before tax</b>	124.5	148.5	-24.0	-16.2%
Income tax expense	(18.9)	(26.9)	+8.0	+29.7%
<b>Profit for the period after tax</b>	105.6	121.6	-16.0	-13.2%
Associates / Minority interests	0.3	0.2	+0.1	n.m.
<b>Profit of the group</b>	105.9	121.8	-15.9	-13.1%

### 2. ANALYSIS BY GEOGRAPHIC SEGMENT

Q1 2010	SES ASTRA	SES WORLD SKIES	Other operations/ Elimination	Total
<b>Revenue</b>	243.1	181.3	(1.0)	423.4
<b>Operating expenses</b>	(66.0)	(45.0)	(4.8)	(115.8)
<b>EBITDA</b>	177.1	136.3	(5.8)	307.6
<b>EBITDA margin</b>	72.9%	75.2%	--	72.7%
Depreciation & amortisation	(50.3)	(69.1)	(0.0)	(119.4)
<b>Operating profit</b>	126.8	67.2	(5.8)	188.2

### 3. ANALYSIS BY BUSINESS SEGMENT

Q1 2010	Infra- structure	Services	One-time Items*	Other operations/ Elimination	Total
<b>Revenue</b>	368.5	82.8	1.2	(29.1)	423.4
<b>EBITDA</b>	306.9	8.8	(1.9)	(6.2)	307.6
<b>EBITDA margin</b>	83.3%	10.6%			72.7%

\* Start-up costs and non-recurring items

## TRANSPONDER UTILISATION AT END OF PERIOD

<i>Physical transponder number at quarter end</i>	Q1, 2010	Q4, 2009	Change
ASTRA fleet Utilised	273	272	+1
ASTRA fleet Available	318	318	--
ASTRA fleet %	85.8%	85.5%	+0.3% points
WORLD SKIES fleet Utilised	636	633	+3
WORLD SKIES fleet Available	839	784	+55
WORLD SKIES fleet %	75.8%	80.7%	-4.9% points
GROUP Utilised	909	905	+4
GROUP Available	1,157	1,102	+55
GROUP %	78.6%	82.1%	-3.5% points

- The decrease of the utilisation rate by 3.5% points arises as a result of the increase in the number of commercially available transponders.
- In total, 55 physical transponders have been added to the fleet during the period; these additions relate to NSS-12 (+39 transponders) launched in October 2009, and to NSS-5 (+31 transponders) following its relocation to 340 degrees East.
- The balance refers to a reduction by 15 transponders relating to the solar array failures on AMC-16.

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A **press** call will be hosted at 11.00 CEST today, 23 April 2010. Journalists are invited to call the following numbers five minutes prior to this time.

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Confirmation Code: 9216384

A call for **investors and analysts** will be hosted at 14.00 CEST today, 23 April 2010. Participants are invited to call the following numbers five minutes prior to this time.

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