



# Investor Day 2007

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**SES ASTRA**



Your Satellite Connection to the World

# Agenda

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- ▲ SES ASTRA facts and figures
- ▲ Key drivers of the DTH market
- ▲ Orbital positions and growth drivers
  - 19.2 degrees East
  - German market and analogue transition
  - 28.2 / 28.5 degrees East
  - 23.5 degrees East
  - 5 degrees East
- ▲ Incremental transponders & replacement satellites
- ▲ Update on Services
  - APS
  - entavio
  - ND SatCom

# SES ASTRA - facts and figures

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## ▲ Leading satellite operator in Europe

- 109 million households reached directly via satellite or indirectly via cable feed<sup>(1)</sup>
- Over 47 million SES ASTRA satellite households, representing 73.5% market share<sup>(1)</sup>

## ▲ ASTRA Segment operates through infrastructure companies (SES ASTRA, SES SIRIUS) & services companies (APS, ND Satcom, SES TechCom)<sup>(2)</sup>

## ▲ Customers

- Over 330 customers including European blue chip media companies and more than 2,000 digital and analogue services

## ▲ ASTRA Segment 2006 Financials

- Revenues: 895.6 MEUR, representing same scope growth of 11%
- EBITDA: 661.0 MEUR
- Backlog at 31 Dec 2006: 4.2 BEUR
- ASTRA segment infrastructure revenues 783.7 MEUR with industry-leading EBITDA margin

## ▲ Technical Excellence

- Service availability far beyond 99.99%, leading the industry

(1) Source: SES ASTRA Satellite Monitor, TNS Infratest

(2) In 2006, the ASTRA Segment included ASTRA 4A (transferred to SES New Skies effective 1 Jan 2007) and SATLYNX (sold to GE effective 30 Mar 2007)

# Key drivers of the DTH market

- ▲ Neighbourhood and technical reach concept has proven highly successful, creating stable and profitable revenue flows and high barriers to entry for competitors
- ▲ Satellite continues to be frontrunner in digitalization with SES ASTRA having 72.4% market share among digital satellite TV households in Europe<sup>(1)</sup>
- ▲ HDTV is a key innovation driver in the industry
  - Over 15 million HD ready TV sets sold in Europe since February 2005<sup>(2)</sup>
  - For 2010 satellite expected to be leading HD platform with 8.5 million HD viewers<sup>(3)</sup>
  - SES ASTRA is leading the wave with 26 HD channels already on air and up to 100 expected by 2010<sup>(4)</sup>
- ▲ Further innovation is being introduced through platform services enabling customer addressability for Broadcasters and interactive applications (e.g. Blucom)
- ▲ Further growth envisaged through replications of neighbourhood and reach concept on expanding orbital positions (23.5°East and 5°East) and regional markets, e.g. Russia, CEE, Africa



SES ASTRA provides consistent growth through proven expertise in developing high margin DTH markets

(1) Source: SES ASTRA Satellite Monitor, TNS Infratest

(2) Source: GfK Retail and Technology, YE 2006

(3) Source: Screen Digest January 2007

(4) SES ASTRA estimate

# 19.2 degrees East



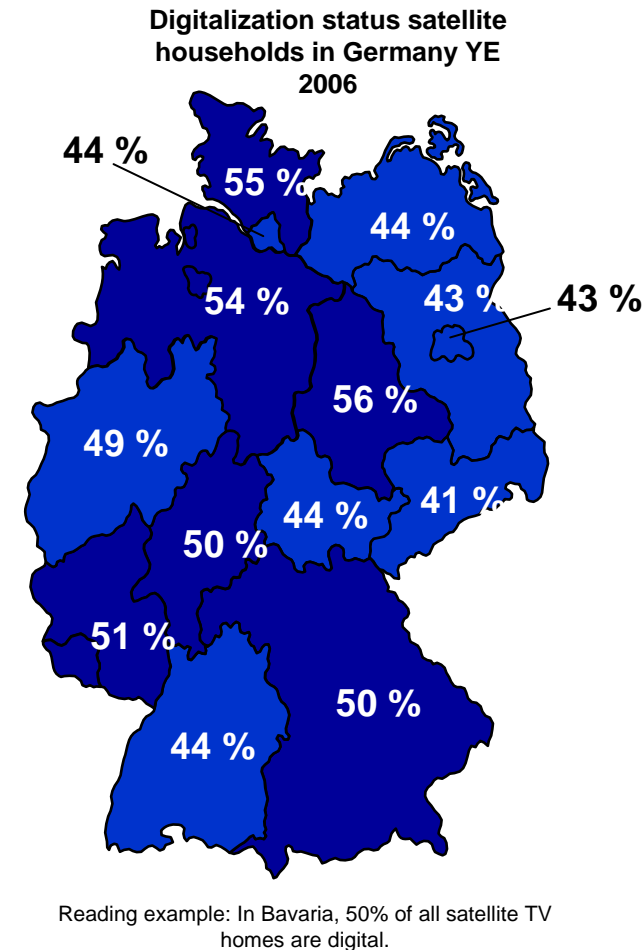
- ▲ Satellites at this position: ASTRA 1E, 1F, 1G, 1H, 1KR, 2C
- ▲ Main markets: DTH for continental Europe (Germany, France, Spain, others)
- ▲ Key customers: ARD/ZDF, Canal+, Sogecable, ProSiebenSat1.Media AG, RTL Group, Viacom, Premiere, UPC, Canal Digitaal, ORF, TVP
- ▲ Recent developments:
  - Merged French pay TV package to grow exclusively on ASTRA 19.2°E
  - HD growth starting
- ▲ Key drivers of growth:
  - Household reach
  - HDTV
  - Platform services (entavio) and value added applications (e.g. Blucom)

19.2°E		(31 March 2007)	
In transponders	Utilised	Not utilised	Total
19.2°E current	115	5	120
Utilisation %	96%		

19.2°East is the foundation for SES ASTRA's stable revenue flows – additional growth opportunities to become available by migrating existing business to other orbital positions

# German market

- ▲ Of the 120 marketable transponders at 19.2°E, 66 transponders are currently transmitting programming targeting the German market: Analogue: 41 transponders<sup>(1)</sup>  
Digital: 25 transponders
- ▲ Since 2002, the German digital free to air market has grown by 6 million homes and the number of digital TV channels on ASTRA at 19.2°E targeting the German market has increased by 95 and hence almost doubled.<sup>(2)</sup>
- ▲ SES ASTRA now reaches over 8 million German digital satellite TV households.<sup>(3)</sup>
- ▲ There are still 8.5 million analogue satellite homes to be converted to digital. If the pattern continues as it has since 2002, there is a big potential for many more channels to launch.



It is expected that more than half of the remaining analogue transponders currently in the German market will be used for additional digital demand, with any residual transponders not re-used being absorbed by demand in other markets

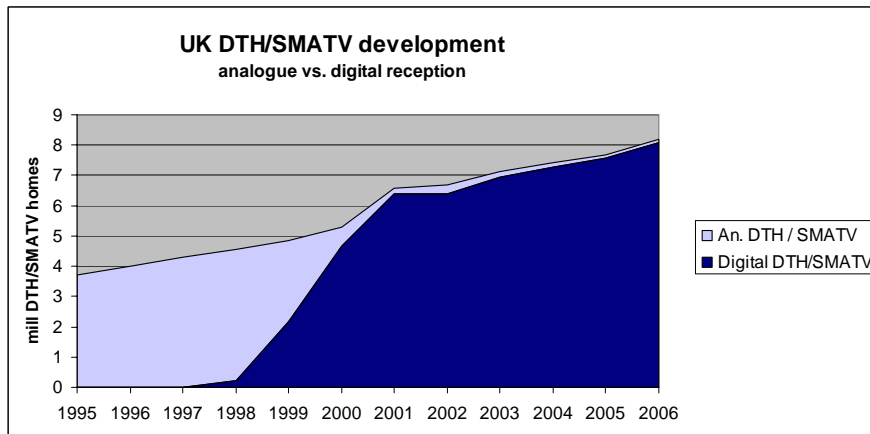
<sup>(1)</sup> In addition there are two other transponders delivering analogue programming to pan-European markets.

<sup>(2)</sup> Source: Lyngsat. At year end 2006, 192 channels transmitted from 19.2°E plus additional channels for cable networks from 23.5°E.

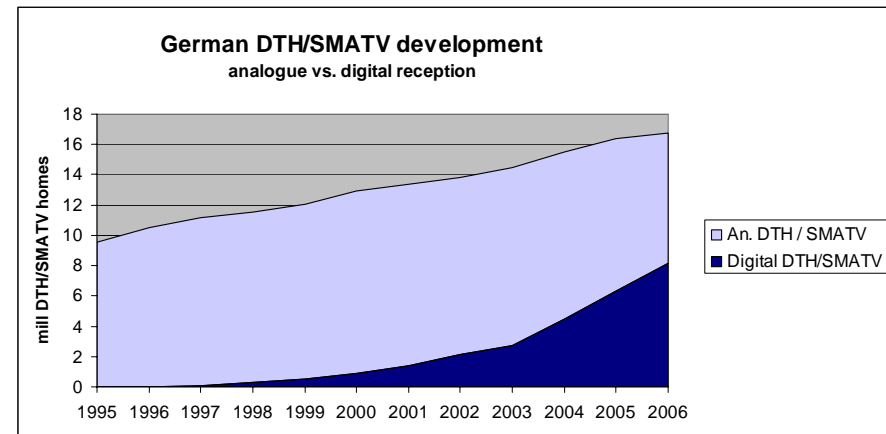
<sup>(3)</sup> Source: SES ASTRA Satellite Monitor, TNS Infratest

# German analogue transition

- ▲ Analogue switch-off is foreseen in 2012, gradual reversion of analogue capacity in 2010-12.
- ▲ Since 2002, the number of digital transponders on ASTRA targeting the German market has already increased from 15 to 25.
- ▲ The reversion of analogue transponders will allow ASTRA's existing customers to grow, new customers to enter Europe's largest TV market, and new services to be created at Europe's prime orbital position. HDTV will be another key driver for capacity requirements.
- ▲ This expectation is substantiated by experience in the leading European digital market, the UK: before analogue to digital conversion ASTRA had 30 transponders utilised in the UK, which has now risen to 63 transponders.



Source: SES ASTRA Satellite Monitor, TNS Infratest



- ▲ Reverting capacity, which will not be part of the high proportion remaining in the German market, will constitute a competitive advantage allowing for strategic flexibility to serve demand in other markets.

# 28.2 / 28.5 degrees East



- ▲ Satellites at this position: ASTRA 2A, 2B, 2D and third party capacity<sup>(1)</sup>
- ▲ Main Markets: DTH for UK/Ireland (ASTRA reaches 8.8 million homes)
- ▲ Key customers:
  - Sky, BBC, Channel 4, Five, Telewest, Turner, ITV, Viacom, Discovery, Arqiva, Globecast
- ▲ Recent developments:
  - Sky launched successful HDTV package
  - Launch of regional channels
- ▲ Key drivers of growth:
  - Continued growth of DTH viewer base on homogenous platform
  - HDTV
  - Launch of FreeSat

28.2°E/28.5°E			
In transponders	Utilised	Not utilised	Total
28.2°E	54	2	56
28.5°E	9	3	12
<b>Current</b>	<b>63</b>	<b>5</b>	<b>68</b>
<i>Utilisation %</i>	<i>93%</i>		
ASTRA 2C impact – Q3-07			16
<b>With ASTRA 2C</b>			<b>84</b>

Move of 2C to add capacity for UK market (at least 10 transponders for DTH)

<sup>(1)</sup> 12 Eurobird transponders leased at 28.5°E

# 23.5 degrees East



- ▲ Satellites currently at this position: ASTRA 3A, ASTRA 1D<sup>(1)</sup>
- ▲ Main products: Direct To Cable (Germany), Direct To Home (CEE), Broadband
- ▲ Key customers: T Systems, Kabel Deutschland, Premiere, Euro 1080
- ▲ Recent developments:
  - DTH packages for Czech & Slovak markets (CSLink & SkyLink)
  - Expansion of international media groups in CEE markets
  - Broadband 1way moved from 19.2°E to 23.5°E, ASTRA2Connect launched
- ▲ Key drivers of growth & capacity:
  - Development of DTH neighbourhood, through growth with new & existing customers
  - Product & geographical diversification (platform business, ASTRA2Connect, Government Services complemented with ND SatCom offering, steerable beam for use in the Middle East)

23.5°E			
In transponders	Utilised	Not utilised	Total
ASTRA 3A	18	2	20
ASTRA 1D	5	11	16
<b>Current</b>	<b>23</b>	<b>13</b>	<b>36</b>
<i>Utilisation %</i>	<i>64%</i>		
ASTRA 3B additional tpx			16
<b>With ASTRA 3B</b>			<b>52</b>

Europe: 4  
Middle East: 12

Growth through additional marketable transponders on ASTRA 3B, strengthening 23.5°E as third orbital hotspot for European DTH



<sup>(1)</sup> ASTRA 1D will be replaced by Sirius 2 in Q4 2007 which in turn will be replaced by ASTRA 3B in Q4 2009, thereby securing the long-term development of 23.5°E

# 5.0 degrees East



- ▲ Satellites at this position: Sirius 2, Sirius 3
- ▲ Main products: DTH and cable feeds for Nordic, Baltic and Eastern Europe
- ▲ Key customers:
  - Viasat/MTG, Arqiva, Discovery, MaxTV, ProTV
- ▲ Key drivers of growth:
  - Launch of Sirius 4 with enlarged footprint and 13 additional transponders
  - DTH in Eastern Europe, Russia, Africa
  - HDTV in Nordic markets

5.0°E			
In transponders	Utilised	Not utilised	Total
5.0°E current	31	8	39
<i>Utilisation %</i>	<i>79%</i>		
Additional Sirius 4 tpx			13 <sup>(1)</sup>
<b>With Sirius 4</b>			<b>52</b>

<sup>(1)</sup> Europe (7), Africa (6)

Entering new markets for DTH and growth of HDTV in Nordic region to grow profitable revenues from 5°E position.

# Update on Services: APS

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- ▲ APS operates one of the most modern broadcasting centres in Europe, providing a wide range of services including multiplexing, encryption and satellite uplinks to broadcasters (more than 200 TV and radio programmes)
- ▲ APS offers a comprehensive spectrum of services supporting broadcasting operations, such as signal processing in MPEG-2 and MPEG-4 standards for HDTV transmissions as well as the playout of applications and software downloads. It is the only uplinker of HDTV services in the German market
- ▲ Since the acquisition by SES ASTRA on 1<sup>st</sup> of Jan, 2005, APS has
  - Demonstrated strong revenue growth (from 34.5 MEUR in 2004 to 47.5 MEUR in 2006) with an average recurring EBITDA margin of over 30%
  - Signed a number of important service contracts with broadcasters
  - Significantly increased its broadcaster customer base
  - Diversified its product offering (e.g. Blucom, digital archiving, single playout)

# Update on Services: entavio

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- ▲ With entavio, SES ASTRA further leverages the APS acquisition and extends activities along the lines of its customers' needs from offering business-to-business (B-to-B) to business-to-consumer (B-to-C) services.
- ▲ entavio services are offered to all broadcasters on an open and neutral basis without any content ownership by entavio.
- ▲ entavio technical services are provided through a service agreement with APS.
- ▲ Premiere, the largest Pay-TV operator in Germany, will become the first Pay-TV broadcaster on the entavio technical platform.
- ▲ New Premiere satellite subscriptions will be marketed through the entavio platform as of September 2007.
- ▲ With the transaction, entavio gains access to an initial potential market of 2.5 million set-top-boxes which consist of the existing Premiere satellite subscribers and “Premiere-enabled” receivers in the field.
- ▲ Detailed financial guidance is available.



# Update on Services: ND SatCom

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- ▲ With ND SatCom, SES ASTRA takes full advantage of growth potential for the satellite infrastructure business from the government sector
- ▲ ND SatCom provides SES ASTRA with entry point to EMEA government sector and significantly enhances existing SES government services offering
- ▲ ND SatCom allows SES to offer customers a premium, combined ground and space offering, providing sales opportunities for existing capacity and ability to participate in future government satellite projects
- ▲ Since the acquisition of full ownership of ND SatCom in May 2005,
  - ND SatCom has won a large contract to equip German armed forces with satellite communication networks
  - Continued its growth and increased its profitability
  - Further expanded its international presence, in particular building on its SkyWAN product

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**Thank you!**