

# SES Investor Day - 2008

## SES NEW SKIES

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**3 & 4 June 2008**

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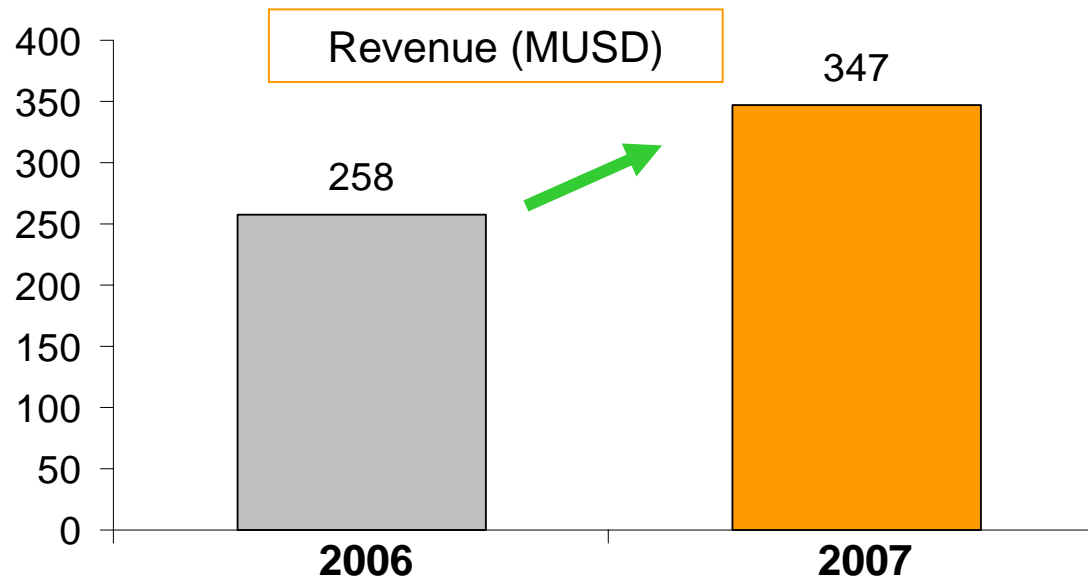
# SES NEW SKIES - facts and figures

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- ▲ **SES NEW SKIES owns and operates a fleet of seven in-orbit satellites with three additional satellites under construction**
  
- ▲ **Global coverage in C-band, comprehensive landmass coverage in Ku-band**
  
- ▲ **425 transponders (36 MHz-equivalent), growing to 601 transponders by 2010**
  - Utilisation rate of 71% at end of 2007
  
- ▲ **2007 Revenue of 347 MUSD**
  - Infrastructure EBITDA margin of close to 79%
  
- ▲ **Presence close to customers: • The Hague (HQ) • Washington, D.C • Sao Paulo • Singapore • Hong Kong • Sydney • Johannesburg**

# SES NEW SKIES Revenue and EBITDA Growth

- ▲ Revenue up 34% to 347 MUSD in 2007
- ▲ EBITDA (adjusted\*) up 46% to 265 MUSD in 2007
- ▲ Utilisation of 71% in 2007 (vs. 69% in 2006)
- ▲ 33% increase in Backlog to 634 MUSD in 2007
- ▲ 86% renewal rate in 2007 (vs. 75% in 2006)



\* Adjusted for one-off costs associated with acquisition of NEW SKIES by SES

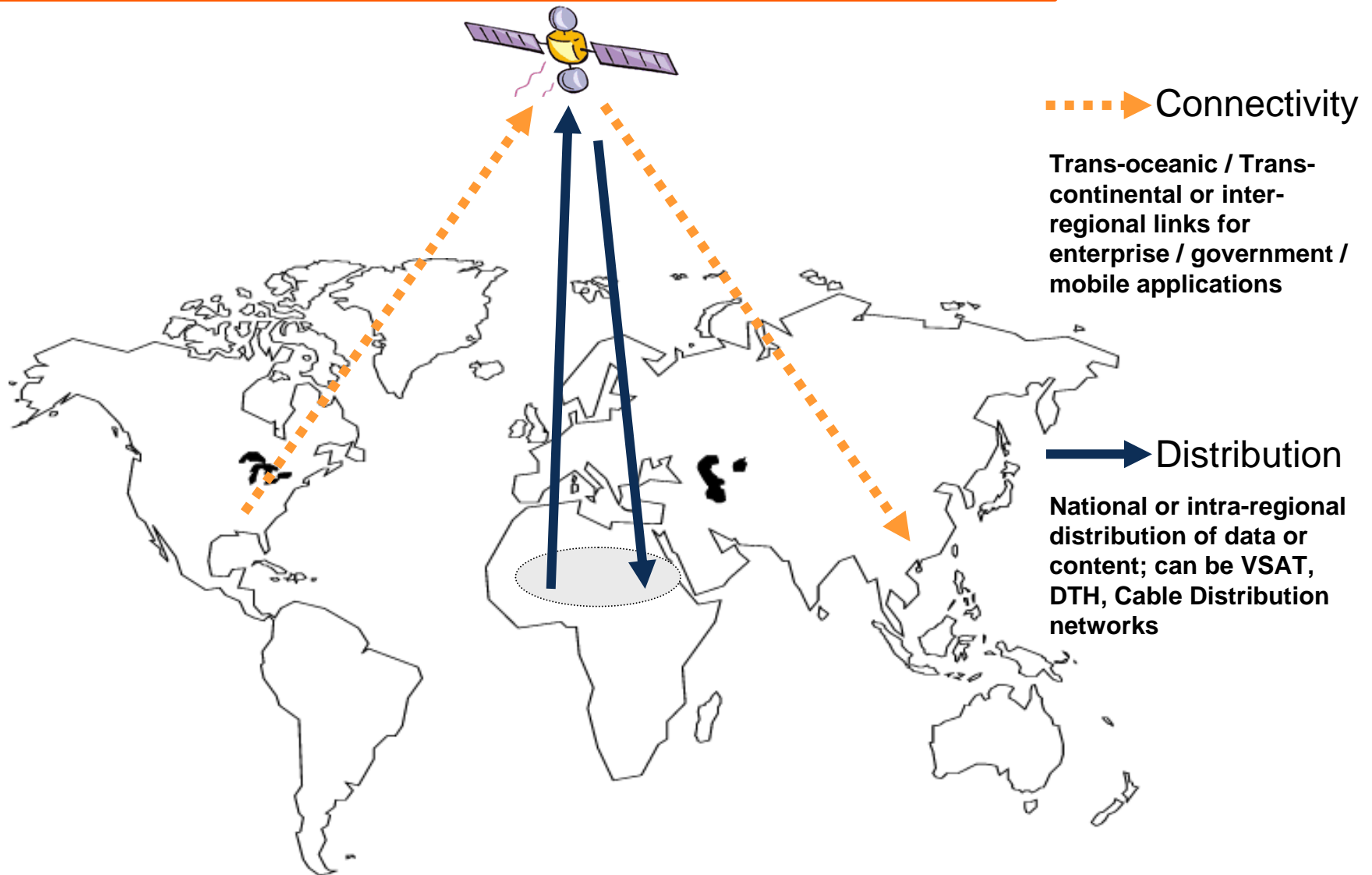
# SES NEW SKIES Fleet - Current Deployment



## SES NEW SKIES - Today

- 7 in-orbit satellites providing global coverage in C-band and Ku-band
- SES NEW SKIES operates 6 transponders on the ASTRA 2B steerable beam
- 318 Physical Transponders, 425 Transponder Equivalents (36 MHz units)
- Utilisation rate of 71% at end of 2007

# SES NEW SKIES Capacity: Connectivity and Distribution



# SES NEW SKIES: Services and Customers

## ▲ SES NEW SKIES Offers:

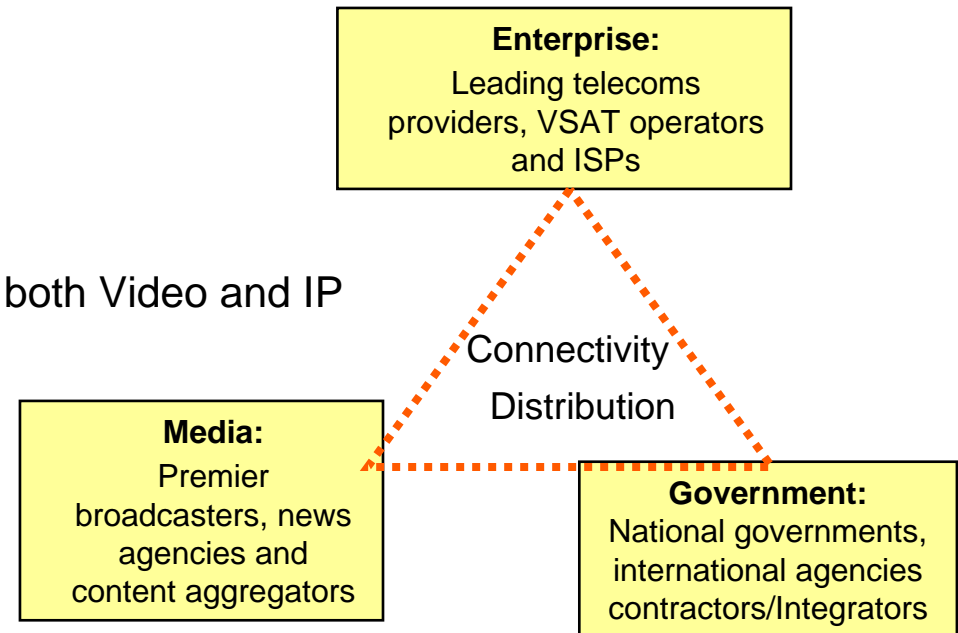
- Transponder Capacity for Lease
- Enhanced Access Services (EAS) for both Video and IP

## ▲ SES NEW SKIES Enables:

- Inter- and Intra-regional connectivity
- Inter- and Intra-regional distribution

## ▲ Services Supported:

- Telecommunication networks carrier, VSAT, Voice, Data, and IP-based networks
- Broadcast services including DTH, Cable and FTA video broadcasting, full-time contribution and OU/SNG\* services

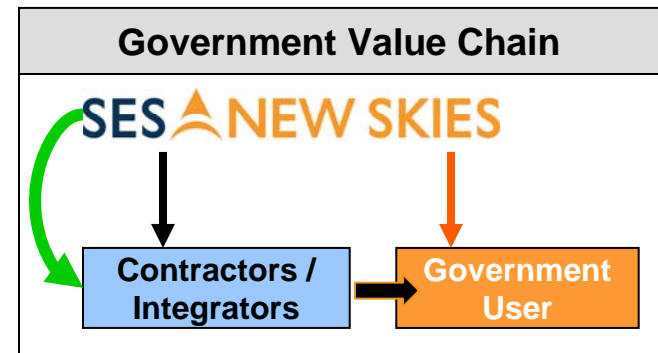
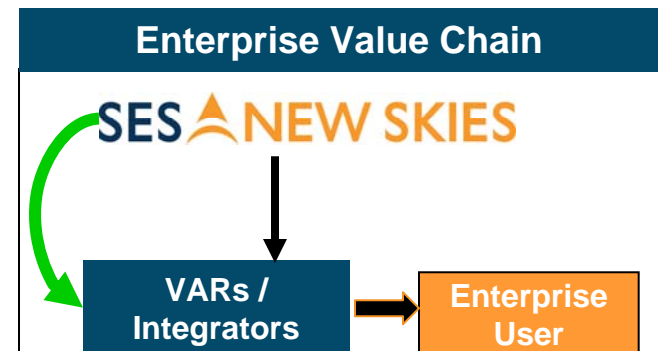
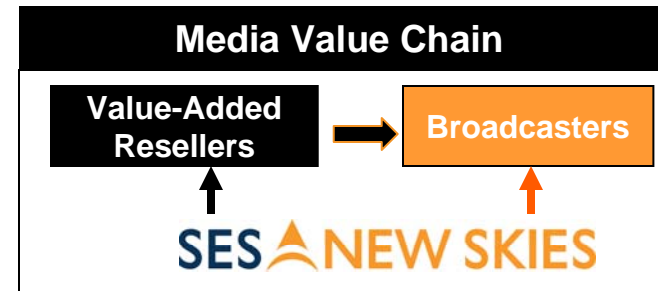
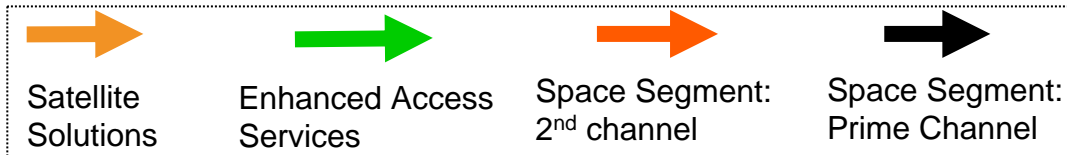


\*OU/SNG: Occasional Use/Satellite News Gathering

# SES NEW SKIES - Position in the Value Chain

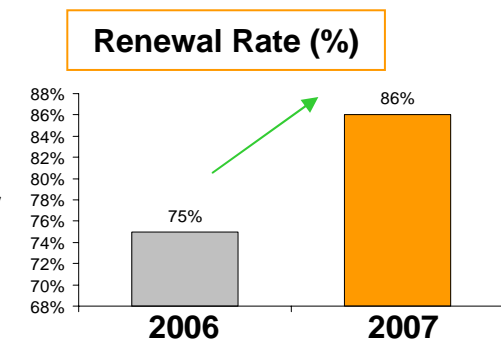
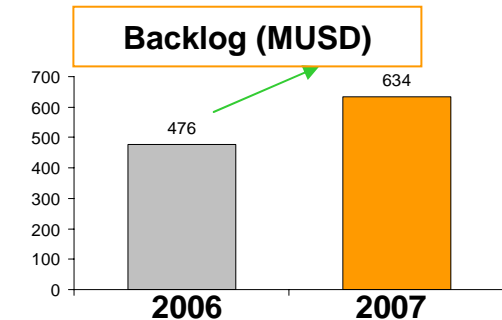
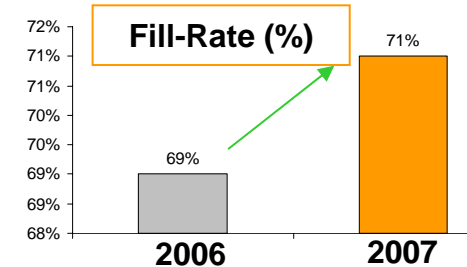
- ▲ **SES NEW SKIES focuses on sale of capacity to broadcasters and network operators / integrators**
- ▲ **COOPERATION, not COMPETITION with our customer base who are often serving other end-users**
- ▲ **SES NEW SKIES sells predominantly to:**
  - Value-added Resellers (VARs)
  - Telecom and Internet Service Providers
  - Enterprise Service Providers/Integrators
  - Government Contractors
  - Broadcasters & Channel Aggregators
  - DTH platforms
- ▲ **SES NEW SKIES does not provide 'end-user' services or solutions**

Key:



# SES NEW SKIES Recent Growth

- ▲ **Geographically diverse customer base of over 300 customers, spanning five continents, and 85 countries**
- ▲ **SES NEW SKIES serves several international organizations and the governments of over 20 nations worldwide**
  - One of the leading FSS providers to the U.S. Government
  - Approximately a third of revenues derived via government sales
- ▲ **Home to four DTH platforms worldwide**
- ▲ **566 channels broadcast across fleet**
- ▲ **SES NEW SKIES' Enhanced Access Services deliver over 2 Gbps of IP traffic to over 1000 customer locations worldwide**



# SES NEW SKIES: Growth Driven by Emerging Markets

## Expected Transponder Demand (2007-2012)

Region	5 Yr. CAGR : 2007-2012
North America	2.6%
✓ South America & Caribbean	4.1%
Western Europe	1.3%
✓ CIS-Eastern Europe	2.7%
✓ Middle East & North Africa	3.8%
✓ Sub-Saharan Africa	6.9%
Greater-China/Japan/Korea	2.8%
✓ Indian Subcontinent	4.9%
✓ Southeast Asia	2.6%
World Average	3%
✓ SES New Skies' Markets	4%

### Asia-Pacific

C-band demand revival due to GSM/GPRS/EDGE backhaul requirements  
 Promising Ku-band DTH initiatives in Southeast Asia  
 Pacific island broadband VSAT requirements generating increased demand  
 2008 Beijing Olympics generating OU/SNG demand from broadcasters

### Latin America

DTH poised to take-off with Telmex, Telefónica and Sky  
 Government-sponsored 'Universal Access' projects, specifically Brazil  
 Cable market growth in channel demand

### North America/U.S. Government

Sustained NCW\* and application-driven growth across regions  
 Demand from reconstruction and rebuilding in Middle East  
 Oil & Gas / Maritime segments continue to show strength

### Europe / CIS

Oil & Gas vertical driving demand for Russia/Siberia and Central Asia  
 European network operators increasingly focused on maritime markets  
 Afghanistan/Africa demand corresponding to peacekeeping efforts  
 Enterprise demand from telcos serving clients in Africa

### Middle East

Iraq/Afghanistan/Lebanon reconstruction and infrastructure demand  
 Oil & Gas Off/on-shore demand in Libya, Algeria, Egypt, Qatar, Saudi Arabia. GSM trunking and broadband demand driven by telecom boom in region HD channel requirements in affluent but capacity constrained region

### Indian Subcontinent

Explosive DTH demand currently outstripping supply  
 HITS now likely to contribute to C-band demand  
 National and state-level e-Government/rural tele-center initiatives  
 VSAT demand strong but hampered by capacity constraints  
 Pakistan DTH likely to resurrect following political stability from coalition

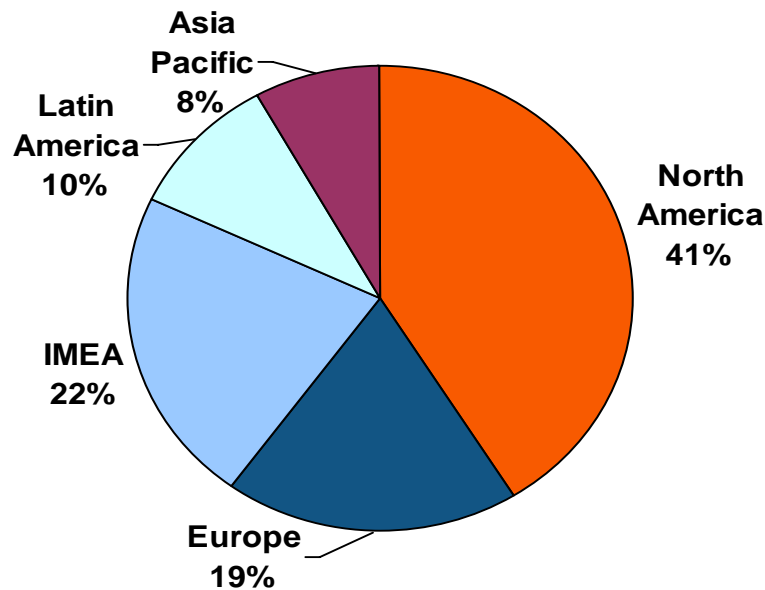
### AFRICA

Demand from credible DTH challengers to MultiChoice/DSTV  
 Broadband access and enterprise VSAT requirements continue to grow  
 Oil & Gas segment particularly in Angola, Nigeria sustaining demand  
 GSM backhaul demand strong due to consolidation + FDI in mobile segment  
 Continued deregulation and licensing

\*Note: Network Centric Warfare

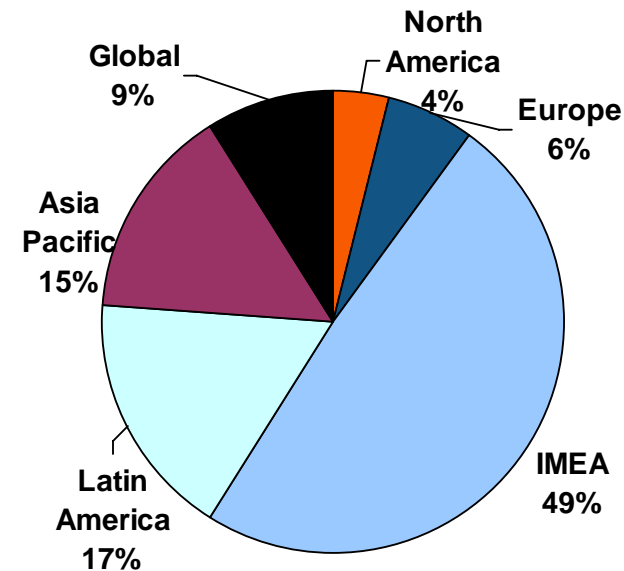
# SES NEW SKIES Revenue Distribution by customer and service area

By customer “Billing Address”



Developed Markets' Share > 65 %

By “Service Area”



Emerging Markets' Share: 90%

- ▲ Geographic split of revenues varies according to basis: billing address or the area of service delivery
- ▲ Typical example of this distinction is U.S. government revenue, most of which are billed in the U.S. while the service is delivered in the Middle East / Africa / Latin America

**Today approximately 15% of SES Group revenue is delivered by SES NEW SKIES Emerging Markets business**

# Emerging Markets - India / Middle East / Africa

## ▲ Satellites

- NSS-703, NSS-7, NSS-6,
- ASTRA 2B - Spot, NSS-10

## ▲ Future launches

- NSS-12, NSS-14

## ▲ Sales revenue\* (2007)

- 77 MUSD

## ▲ Main Customers

- ISRO-Antrix, SkyVision,  
GS Telecom, Zee-TV

## ▲ Main services delivered

- VSAT Enterprise Networks, DTH,  
IP-Trunking, Government  
Networks

### Middle East

Iraq / Afghanistan / Lebanon reconstruction and infrastructure demand

Oil & Gas Off/on-shore demand in Libya, Algeria, Egypt, Qatar, Saudi Arabia. GSM trunking and broadband demand driven by telecom boom in the region HD channel requirements in affluent but capacity constrained region

### Indian Subcontinent

Explosive DTH demand currently outstripping supply HITS now likely to contribute to C-band demand National and state-level e-Government/rural tele-center initiatives VSAT demand strong but hampered by capacity constraints Pakistan DTH likely to resurrect following political stability from coalition

### AFRICA

Demand from credible DTH challengers to MultiChoice/DSTV Broadband access and enterprise VSAT requirements continue to grow

Oil and Gas segment particularly in Angola, Nigeria sustaining demand

GSM backhaul demand strong due to mobile segment explosion Continued deregulation and licensing

12 \* = From customers with "Billing Address" in this Market

# Emerging Markets - Asia Pacific

## ▲ Satellites

- NSS-703, NSS-6, NSS-5, NSS-11

## ▲ Future launches

- NSS-9

## ▲ Sales revenue\* (2007)

- 13 MUSD

## ▲ Main Customers

- TVB-PayVision, PCCW, Australian DoD, PNG, Telikom

## ▲ Main services delivered:

- VSAT, DTH, GSM Backhaul, Government Network Services

### Asia-Pacific

C-band demand revival due to GSM/GPRS/EDGE backhaul requirements

Promising Ku-band DTH initiatives in Southeast Asia Pacific island broadband VSAT requirements generating increased demand

2008 Beijing Olympics generating OU/SNG demand from broadcasters

\* = From customers with "Billing Address" in this Market

# Emerging Markets - Latin America

## ▲ Satellites

- NSS-10, NSS-7, NSS-806

## ▲ Future launches

- NSS-14

## ▲ Sales revenue\* (2007)

- 34 MUSD

## ▲ Main Customers

- Embratel, TIBA, Global Crossing, Pramer

## ▲ Main services delivered:

- Cable Distribution, Enterprise VSAT, GSM-Trunking, IP Broadband

### Latin America

DTH poised to take-off with Telmex, Telefónica and Sky

Government-sponsored 'Universal Access' projects, specifically Brazil

Cable market growth and growth in GSM trunking to keep pace with mobile phone demand

\* = From customers with "Billing Address" in this Market

# Other Markets - Out-of-Europe and Central Asia

## ▲ Satellites

- NSS-703, NSS-7, NSS-10, NSS-6

## ▲ Sales revenue\* (2007)

- 67 MUSD

## ▲ Main Customers

- Telenor (Vizada), Arquiva, Nursat

## ▲ Main services delivered

- Enterprise VSAT, GSM-Trunking, IP Broadband and Mobile VSAT services

### Out-of-Europe / CIS

Oil & Gas vertical driving demand for Russia/Siberia and Central Asia

European network operators increasingly focused on maritime markets

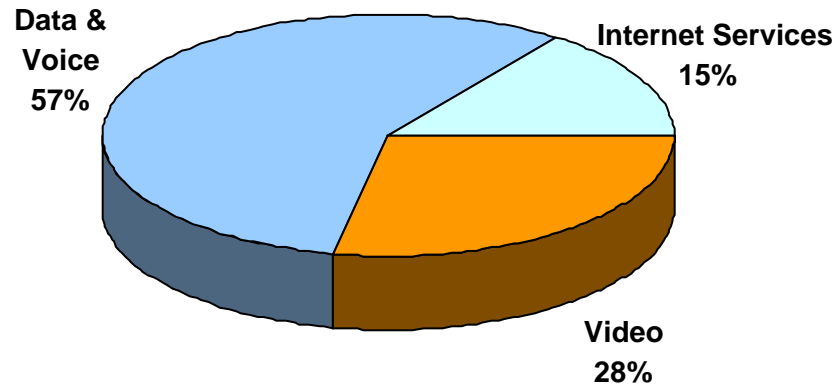
Afghanistan/Africa demand corresponding to peacekeeping efforts

Enterprise demand from telcos serving clients in Africa

\* = From customers with "Billing Address" in this Market

# SES NEW SKIES Revenue Distribution by Application

**FY 2007 Breakdown by Application (%)**

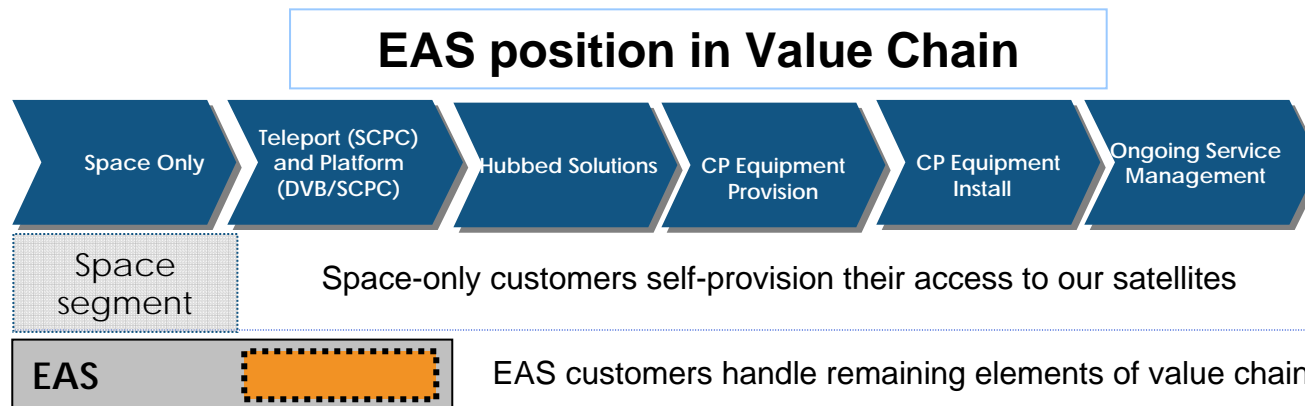


Segment	FY 2007 (MUSD)	% of Total
Infrastructure	315	90%
Services	65	10%
Eliminations	(33)	
Total Revenues	347	100%

- ▲ Government segment is served by all application categories
- ▲ Government segment accounts for 32% of total revenue
- ▲ 84% of Government segment revenue is from US Government
- ▲ Internet Services category includes IPsys platforms customers running IP Broadband, IP Trunking
- ▲ Data & Voice includes Enterprise VSAT networks and carrier services

# Enhanced Access Services (EAS)

- ▲ **EAS ‘add value’ at the teleport / hub**
  - Customers are responsible for all remote site equipment
    - SES NEW SKIES troubleshoots remote end through the NOC
  - SES NEW SKIES provides teleport, co-location, IP and routing services
  - No customer equipment sales or leases, or field support
  
- ▲ **SES NEW SKIES is one of the largest providers of satellite-based IP platform services**
  - Over 2 Gbps of contracted capacity
  
- ▲ **EAS constitute a significant segment of SES NEW SKIES’ revenue**
  
- ▲ **EAS are scalable and easy to grow**



# SES NEW SKIES EAS Platforms Worldwide

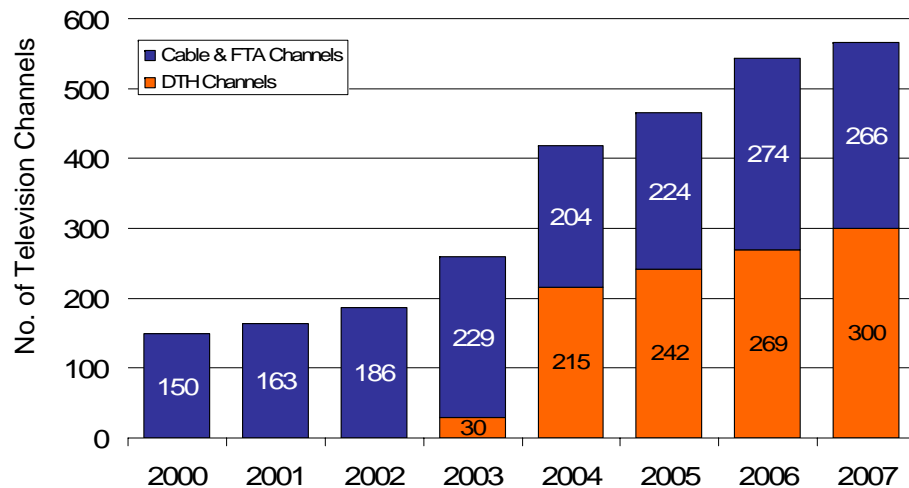
Multiple high-performance platforms in C- and Ku-band worldwide



Key: C-band .....

Ku-band ———

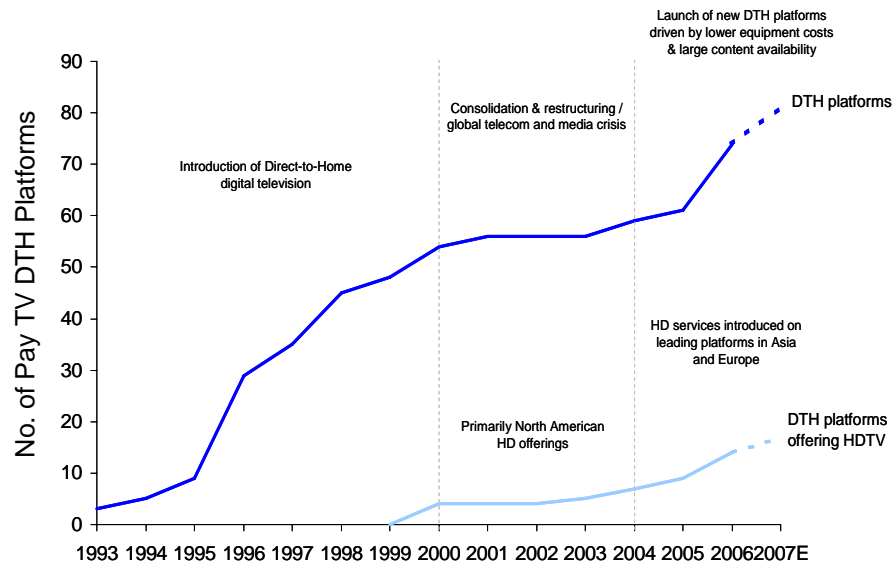
# SES NEW SKIES Video Channel Growth



## DTH strength has led to 550+ channel community

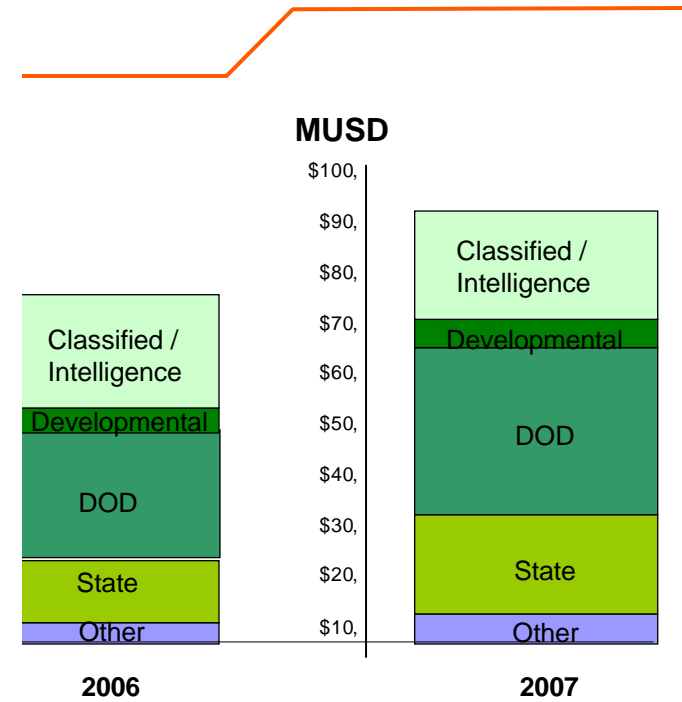
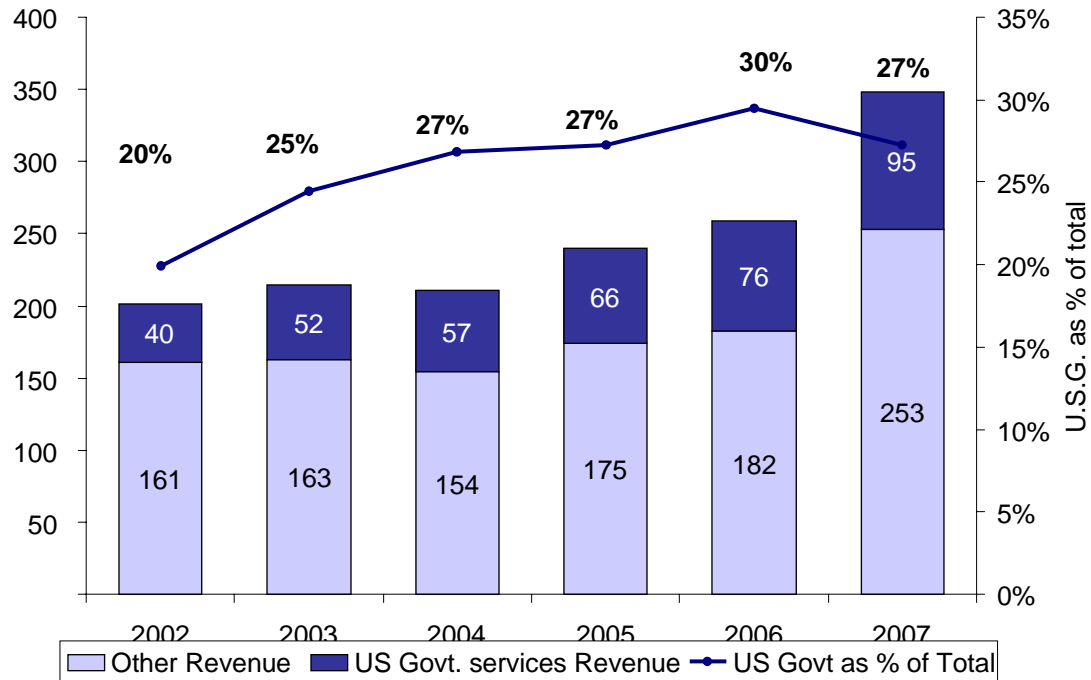
- ▲ SES NEW SKIES has maintained an annual channel growth of 20% per year over the past decade
- ▲ Growth powered by multichannel platforms, but most significantly by DTH neighborhoods:
  - Dish TV (India), Canal Satellite Horizon (West Africa), Asia Times Online (Thailand) and TVB Pay TV (Hong Kong)
- ▲ 566 Channels carried at YE 2007

## Worldwide, DTH platforms are proliferating



- ▲ Over 80 Pay DTH platforms exist today
  - including “Free” DTH packages >100
  - Trend is accelerating with Telcos entering sector
- ▲ Growth drivers:
  - Local Content
  - Regional economic growth – particularly in emerging markets
  - Cheaper consumer equipment
  - Better compression/modulation technologies
  - Fastest and most economic alternative for multichannel content delivery in most emerging regions

# SES NEW SKIES - U.S. Government Activities



- ▲ **SES NEW SKIES has grown U.S. Government revenue at an annualized rate of 19% over the past 5 years**
- ▲ **Based on our current projections, FY 2008 U.S. Govt. revenue expected to top 100 MUSD (6-8% growth YoY)**
- ▲ **Growth is diversified; not dependent on continuing operations in Iraq/Afghanistan**
  - DOD is single largest end-user segment within U.S. Government revenue base, non-Defense users represent over 60% of total U.S. Government revenue
  - Non-Defense (specifically U.S. Dept. of State) revenue has grown faster than DOD revenue
  - Result of worldwide capability upgrade to U.S. embassies and missions, as well as rise in classified programs funding

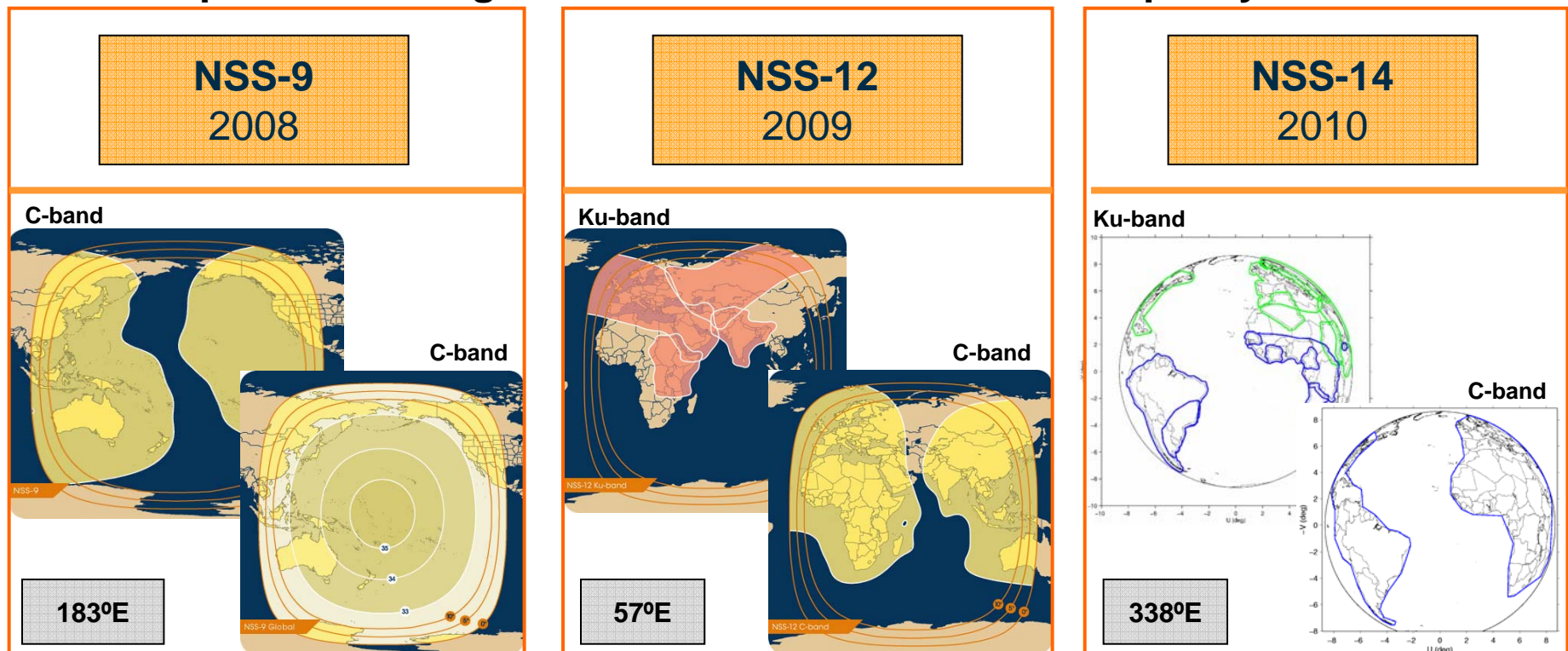
# SES NEW SKIES Fleet Expansion

## ▲ 3 new satellites launching over the next 3 years

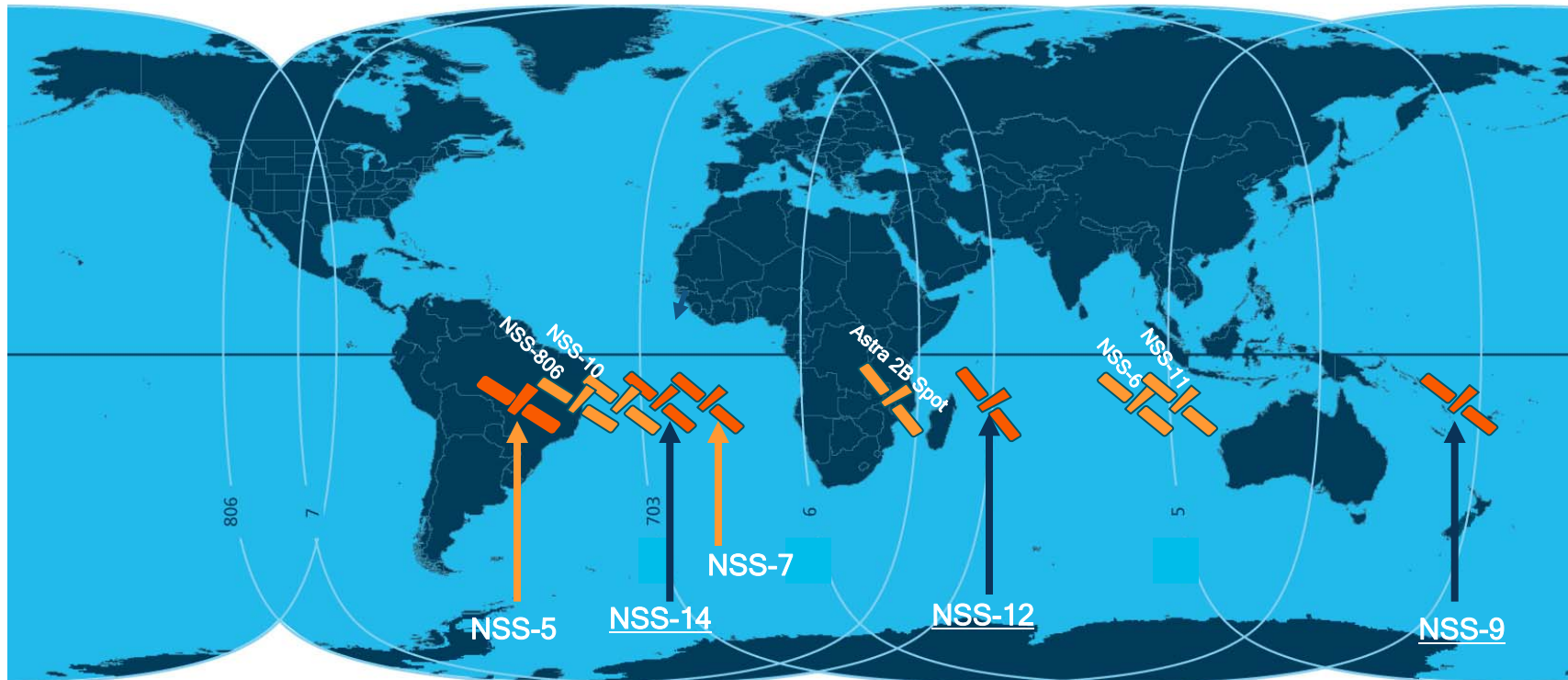
- NSS-9 in Q4 2008 (44 x 36 MHz transponder equivalents)
- NSS-12 in Q2 2009 (88 x 36 MHz transponder equivalents)
- NSS-14 in Q4 2010 (102 x 36 MHz transponder equivalents)

## ▲ Net capacity expansion of 176 36 MHz transponder equivalents

## ▲ Equates to 40% growth in SES NEW SKIES total capacity



# SES NEW SKIES Fleet - Future Deployment (2010+)



## SES NEW SKIES - Tomorrow (2010+)

- Capacity on 9 dedicated in-orbit satellites (+1 shared) providing global coverage in C- band and Ku-band
- 456 Physical Transponders equal to 601 Transponder Equivalents (36 MHz units)

1. NSS-9 replaces NSS-5 in POR at 183° E
2. NSS-12 replaces NSS-703 in IOR at 57° E
3. NSS-14 replaces NSS-7 in AOR at 338° E
4. NSS-7 subsequently moved to 340° E
5. NSS-5 eventually re-located to AOR at 319.5°E; co-located with NSS-806

## SES NEW SKIES - Summary

- ▲ **Achieved outstanding year-on-year revenue growth**
  - 347 MUSD in 2007 vs. 258 MUSD in 2006; 34% increase
- ▲ **Strong development in (adjusted\*) EBITDA margin due to growth in sales and cost control**
  - EBITDA margin in 2007 of 76% vs. 70% in 2006
- ▲ **Investing in growth**
  - Current investment in three new satellites will result in 40% growth in SES NEW SKIES transponder capacity by the end of 2010
  - SES NEW SKIES actively monitors acquisition opportunities
- ▲ **SES NEW SKIES is positioned in high growth emerging markets**
  - Increasing demand across diverse geographic regions
  - Strong signs of promising growth in high value segments and applications

**Strong presence in emerging markets supports SES Group growth**

\* Adjusted for one-off costs associated with acquisition of NEW SKIES by SES