

SES Investor Day - 2008

Strategy and Business update

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Introduction 1 of 2

▲ Growth across the business

- mainly driven by high-value media applications (SD and HDTV)
- strong demand for government services

▲ Transponder capacity is in high demand

- key orbital positions are in short supply
- SES is developing new capacity

▲ Pricing environment continues to improve

- growing customer base

Introduction 2 of 2

- ▲ German market transition from analogue to digital is underway
 - releasing high value capacity for new market opportunities
 - negative revenue impact more than compensated by other growth in the ASTRA segment

- ▲ Ideal balance between established and emerging markets
 - SES is the only satellite operator with a leadership position in Europe and North America
 - good presence in the emerging markets

- ▲ Well funded, with no liquidity concerns

- ▲ Creating value for shareholders
 - capital structure
 - dividend policy
 - share buyback programme

The Last Five Years in the Satellite Industry

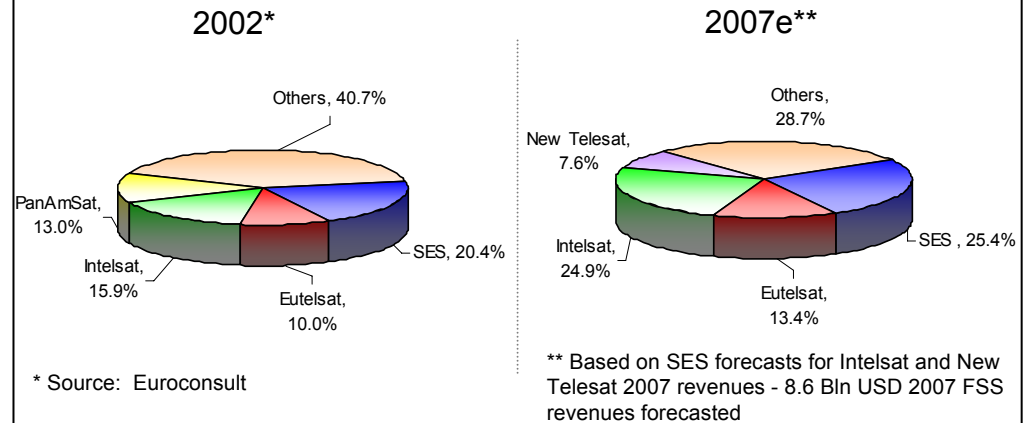
Industry Structure

The last few years in the FSS satellite industry have been characterized by ownership changes, consolidation of large players, and the emergence of smaller players, mainly in developing economies

Changes of ownership in satellite key players over the last 5 years:

SES	2004: Introduction to Euronext Paris 2007: GE exit
Intelsat	2004: owned by c. 200 private holders 2005: acquisition by private equity investors 2007: acquisition by BC Partners and other Private Equity funds
Panamsat	2003: purchased by News Corporation 2004: KKR, Carlyle and Providence took control (consortium of PE firms) 2004: IPO on the NYSE 2005: full acquisition by Intelsat
Eutelsat	2005: IPO Euronext Paris 2006: Abertis take a 32% stake 2007: CDC take a 26% stake (Eurazeo exit)
NEW SKIES	2004: Blackstone Group took ownership 2006: 100% acquired by SES

Consolidation: revenue share of top 4 players in 2002 versus 2007



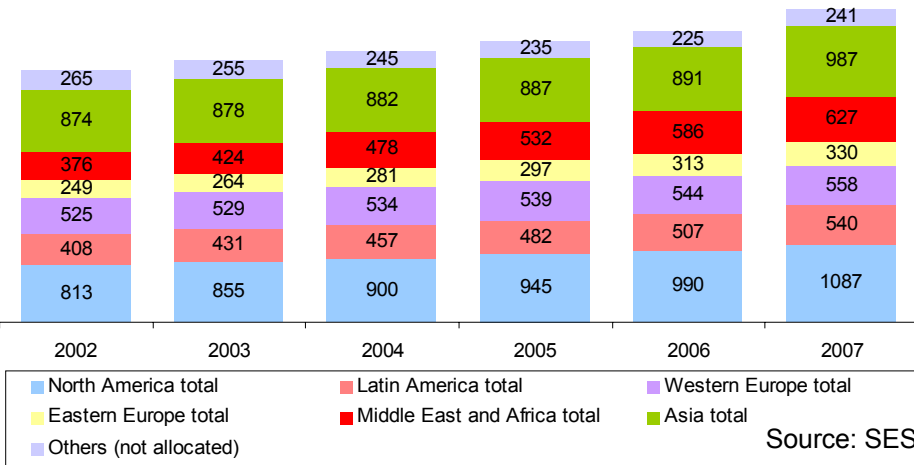
Over the last 5 years, a number of new satellite operators have been created. Most of those operators are based in emerging economies, and often serve a significant domestic political agenda:

- ▲ Yahsat, expected to launch two satellites in 2010
- ▲ Vinasat, first satellite launched in 2008
- ▲ Venesat, first satellite expected to be launched in 2008
- ▲ Kazsat, first satellite launched in June 2006
- ▲ Avanti, to cover Western Europe
- ▲ Protostar, first satellite expected to be launched in 2008

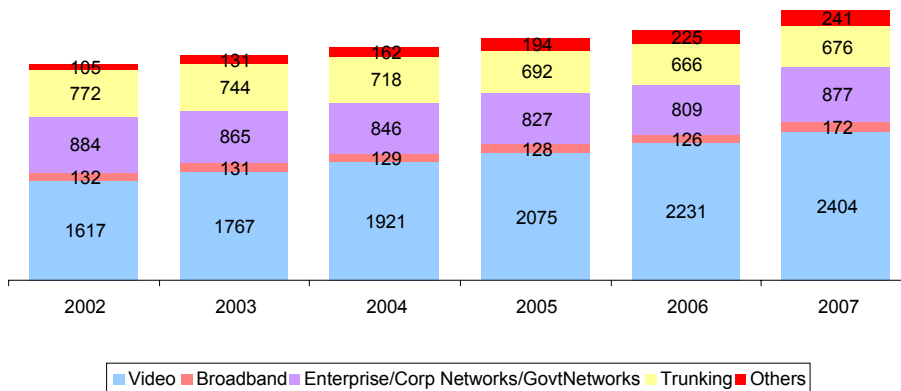
The Last Five Years in the Satellite Industry

Demand Drivers for Transponder Leasing

Worldwide transponder demand, C- & Ku-band by Region



Worldwide transponder demand, C- & Ku-band by Application



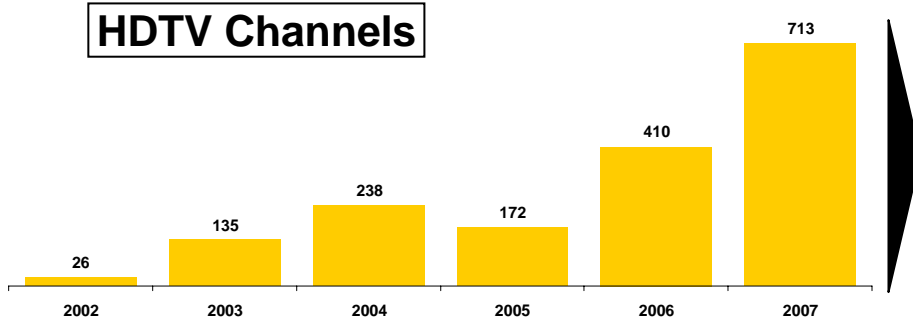
- Steady growth of demand delivered circa 3.5% CAGR from 2002 to 2007.
- Main regional drivers were:
 - North America
 - Asia
 - Eastern Europe
 - Middle East and Africa
- Main application driver was video
- Trunking market declined between 2002 and 2007

The Last Five Years in the Satellite Industry

Demand Drivers for FSS Transponder Leasing

- ▲ A significant demand driver is HDTV

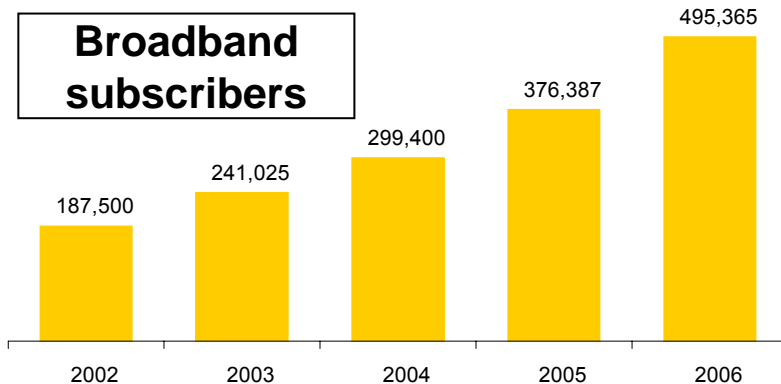
HDTV Channels



- ▲ The commercial roll-out of High Definition TV (HDTV) is reinforcing the growth dynamics.
- ▲ Approximately 600 of the HD channels in 2007 were broadcast in the North American market, of which 450 were local channels.
- ▲ In western Europe the HD offer doubled in 2007 from the previous year to about 65 HD channels

- ▲ Broadband Internet via satellite has gained momentum. By far the largest market is the United States, using Ku-band and Ka-band spectrum

Broadband subscribers



- ▲ Services initially offered in North America were limited to HughesNet and StarBand over Ku-band;
- ▲ Broadband over Ka-band emerged in 2005, offered via Wildblue and Spaceway-3 (HughesNet)
- ▲ In Asia the first subscribers emerged in Australia/New Zealand and later subscribing to IPSTAR. At the end of February 2008, IPSTAR had 104,000 subscribers
- ▲ Next is Western Europe with 14,000 subscribers in 2006; the major service provider has been HNS Europe

▲ SES is building a leading position in satellite infrastructure development

- SES acquired NEW SKIES, enhancing SES's presence in the Middle East, South America, Africa and Asia
- SES reinforced its leading position in core markets with a strong focus on video:
 - Europe : built on relationships with leading DTH customers in UK, Germany, Spain, France, initiated new partnerships with emerging platforms in Benelux, the Nordic countries and Central and Eastern Europe
 - North America : maintained cable neighbourhood and DTH outsourcing leadership
- SES is improving productivity through the creation of SES ENGINEERING
- SES developed service offerings (in video and government segments) that complement the core infrastructure business
- SES rationalised its asset portfolio and removed a significant share overhang through the GE transaction in Q1 2007
- SES implemented an efficient financial strategy (Listing in Paris, share buyback programme, progressive dividend policy)

SES Today - SES Portfolio

▲ Current SES business portfolio:

		Broadcasters (TV channels/ DTH platforms)	Telecom Providers and cable	Government, Maritime and selected verticals	Other enterprise markets (*)
Infrastructure	FSS Satellite Infrastructure provision	<ul style="list-style-type: none"> - Space segment lease - 3rd party space segment reselling - Outsourcing 	<ul style="list-style-type: none"> - Space segment lease for backhauling - Video service delivery (IP-PRIME) - Direct to cable 	<ul style="list-style-type: none"> - Space segment lease - 3rd party Space segment reselling direct and indirect 	<ul style="list-style-type: none"> - Space segment lease - 3rd party Space segment reselling via third parties
	Other infrastructure Provision	<ul style="list-style-type: none"> - Option to lease space segment for mobile video in complement with other infrastructures - Solaris 			
Services	Service provision B2B	<ul style="list-style-type: none"> - Uplink services : APS - Encryption services : entavio 	<ul style="list-style-type: none"> - Video Service encoding (IP-PRIME) 	<ul style="list-style-type: none"> - Uplink service - IPconnect services - Solution engineering (ND Satcom/AGS) 	<ul style="list-style-type: none"> - Broadband satellite solution provision (A2C) - IPconnect services
	Service provision B2C				

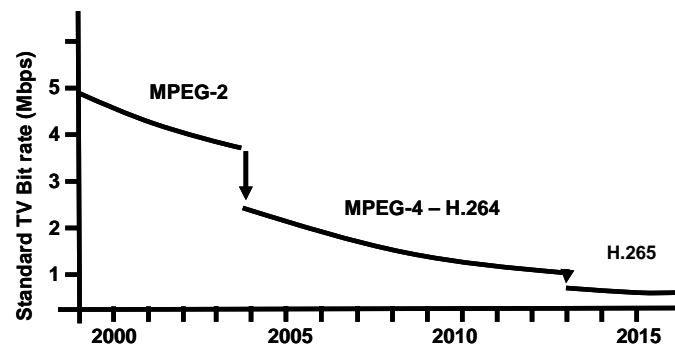
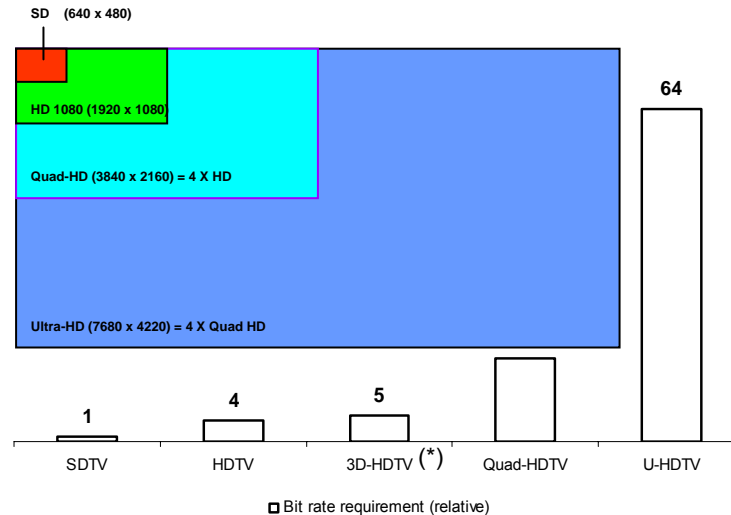
(*) Market served mainly indirectly via telecom operators as independent service providers

Evolution of the business landscape

Technology – Video quality requirements

▲ Video - Screen size and quality requirements grow faster than encoding efficiency = more bandwidth needed

- Human eye can discriminate more than 4 times HD resolution at TV viewing distance (around 3 metres from screen) and up to 100 times HD at working distance (around 50 cm from screen). The screen resolution will continue to increase.
- Replacement cycle of TV sets is shortening significantly
- Historic adoption of SD TV set, HD TV set and cellular handset shows that once 2% of users adopted the technology, the virtuous circle of price decrease driving mass demand is engaged



- One U-HDTV channel coded in H.265 will require about 5 times more bandwidth in 2015 than a SDTV encoded in MPEG-2 today
- Additional demand will come from broadcaster requirement to maintain large installed base of current set-top-boxes, and from “simulcasting”

(*) 3D enhancement on a regular HDTV requiring +/- 1.3 X HDTV feed

Evolution of the business landscape

Development of terrestrial technologies

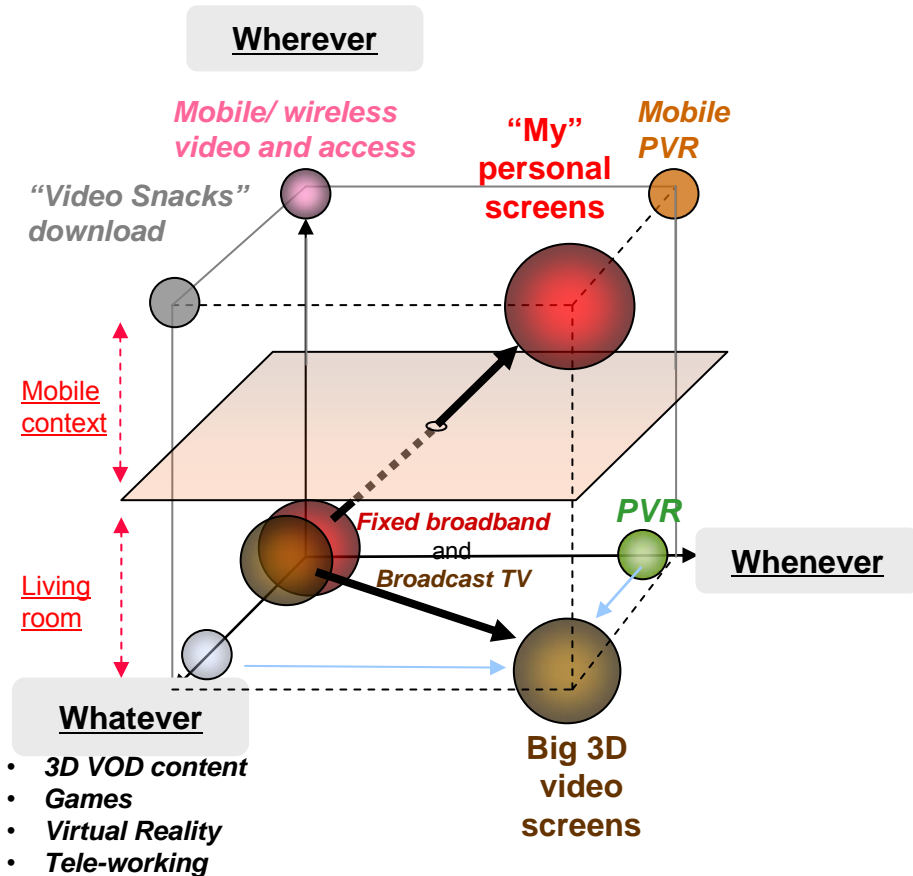
▲ Terrestrial technologies will present opportunities as well as risks



Evolution of the business landscape

Pervasive video consumption

▲ Evolution of consumer behaviour creating a vibrant market for video consumption and distribution in developed markets first, followed by top segments in emerging markets

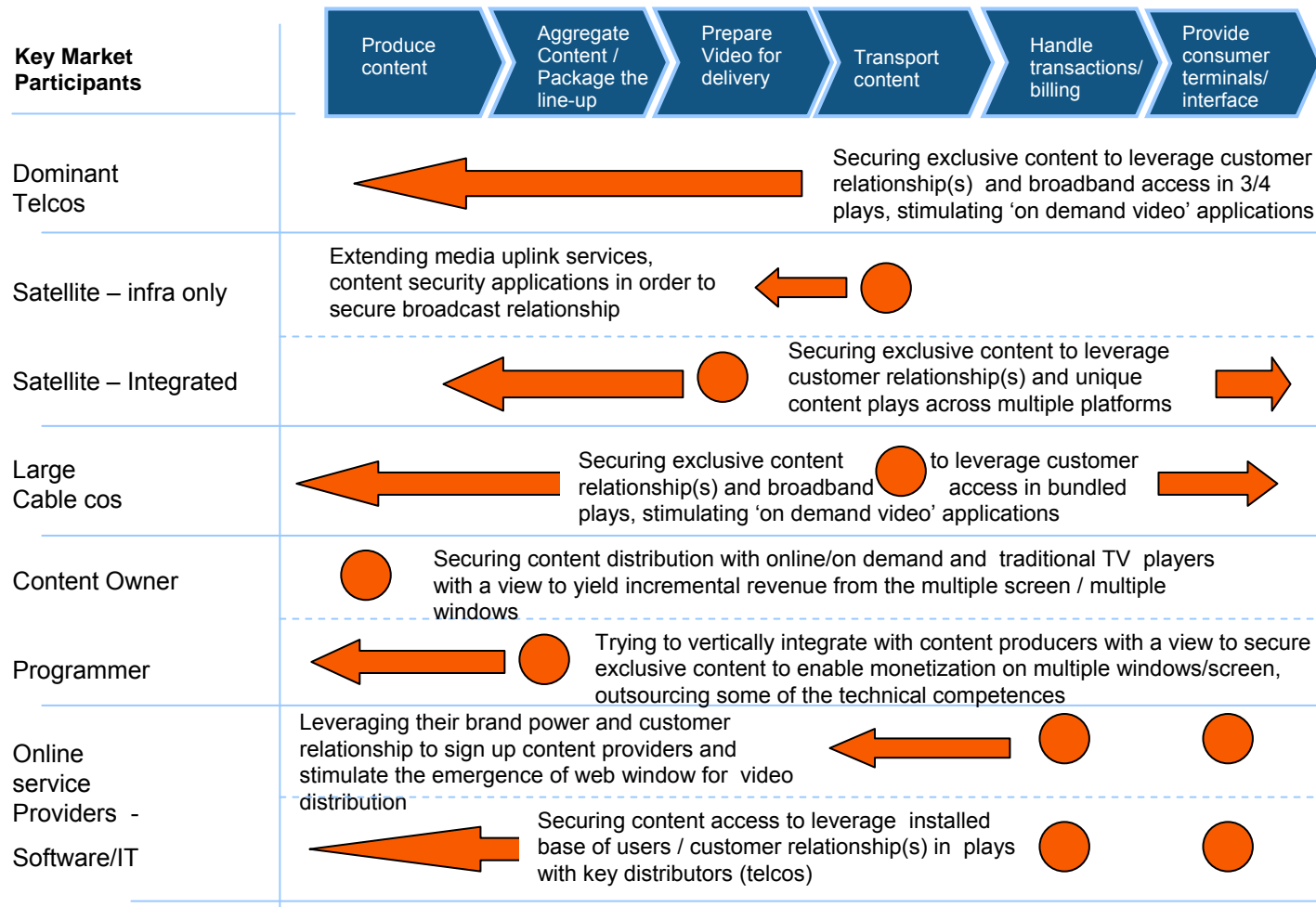


- ▲ "Non linear" video to become a medium in its own right, complementing linear TV, radio and newspapers
- ▲ ...however, large part of the population is still likely to consume comparable media to current usages in Europe by 2020.
- ▲ Mobile content consumption with increasing quality level growing as number one 'personal' medium in the western world
- ▲ Adoption of Ultra HD and possibly 3D TV in the developed world by 2020 as a consequence of equipment renewal cycle
- ▲ Emerging markets convert to Digital TV, but HDTV limited to BRIC top earners in urban centres by 2015
- ▲ High end consumers in emerging markets are likely to adopt similar media usages (mobile, HD) as in the western world by 2030.
- ▲ In the emerging world, wireless technologies will be the dominant gates to content by 2015

Evolution of the business landscape

Opportunities from industry evolution

▲ Evolution of the competitive structure of the video distribution market offers multiple options for participation of satellite sector



The planned evolution of the competitive landscape is the direct consequence of the emergence of multiple video-capable distribution networks and associated differentiation of video distribution services.

The satellite industry has the potential to participate in multiple distribution models by leveraging its unique selling proposition of being the lowest cost provider of reach for broadcast media to mass markets (fixed or mobile) and by leveraging long standing relationships with broadcasters

Evolution of the business landscape

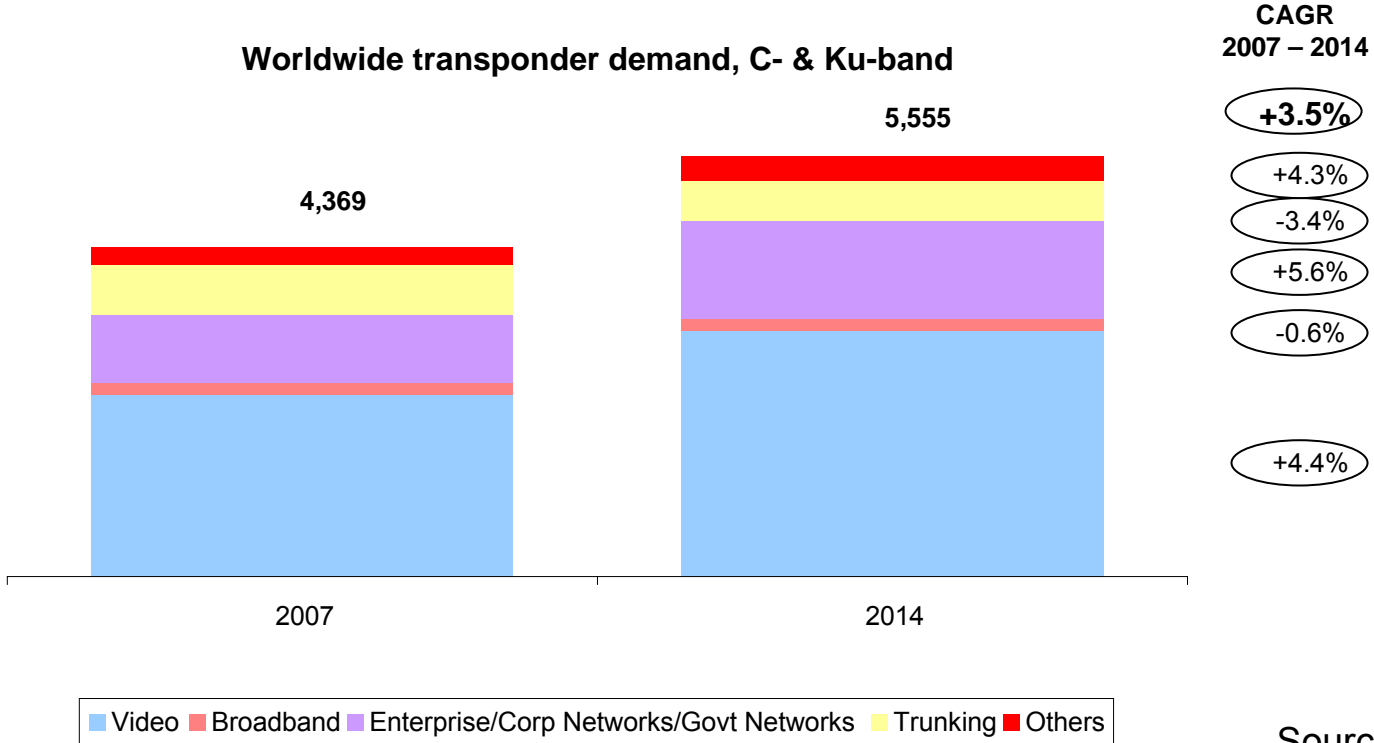
Government growth primarily from military segment

- ▲ Government market confirmed as a strong pillar of development of the satellite sector with high growth driven by multiple sustainable trends
 - growing bandwidth requirements from military applications
 - primarily driven by U.S. DoD today, with western European forces following similar application development
 - mobility and broadband emerging as key drivers of the satellite space segment demand
 - Ku to Ka substitution expected for imagery applications
 - fast growing demand for solution provision
 - continued U.S. Government collaboration with commercial space service providers
 - NATO Satellite Post 2000 directive opening up new forms of collaboration and market opportunities for commercial space service providers

Demand Forecast

Short term, C-band and Ku-band per application

▲ Both Video and data growing, with most growth from video and Government



Source: SES

Note:
 1. Excludes vertically integrated players DirecTV and Echostar
 2. Figures represent the forecasted **used** transponders (therefore excluding leased but unused transponders and also excluding unleased capacity). It is assumed that there will be sufficient spectrum and space assets available to meet the projected demand



Demand Forecast Summary

▲ In the next 5 to 10 years:

- Demand for FSS C-Band and Ku-Band transponders is expected to continue to grow at a rate of 3% to 4% per year
- Key applications that will drive growth are video – despite the ending of analogue transmissions - and, to a lesser extent, corporate and government data networks
- Most of the growth in the coming years will come from Asia, Eastern Europe, Latin America, Middle East and Africa
- Demand for Ku-band broadband capacity is expected to be supplemented by demand for Ka-band
- Trunking will continue to shrink (this excludes GSM backhauling, which is a corporate networks application)

▲ In the long run:

- Demand for capacity for video transponders is expected to continue to grow, driven by high picture quality requirements (HD TV, Ultra HD, etc.) of real time broadcasting (despite compression improvements and the lower number of linear channels in developed markets)
- Market for satellite feeds to cable head-ends in Europe and North America is expected to shrink, partly offset by feeds to alternative networks (DTT and DSL), by growth in corporate and government networks, and by DTH complement to terrestrial bundles

SES FSS Infrastructure Strategy

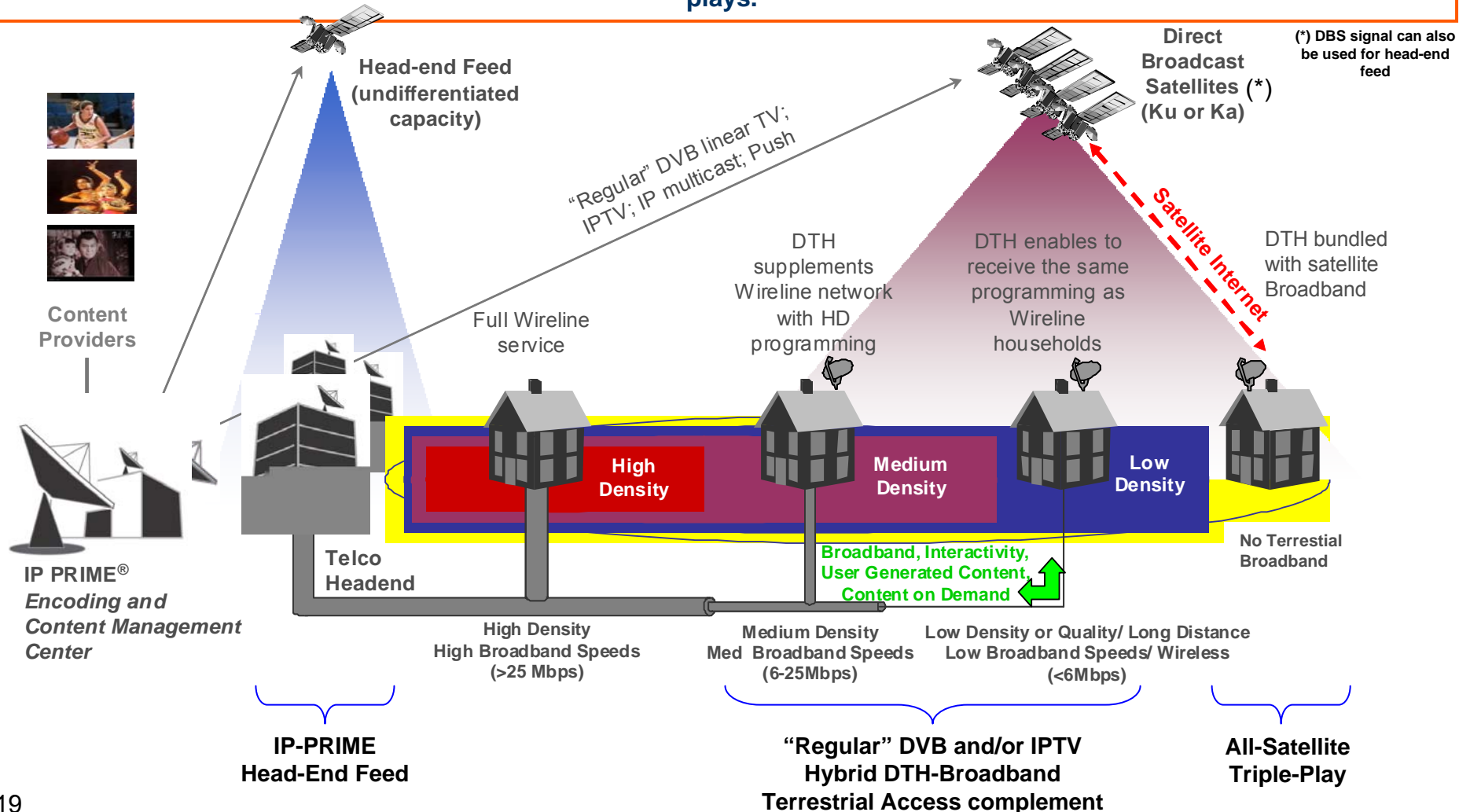
- ▲ Our infrastructure strategy is articulated around expansion and innovation
- ▲ The investment priorities are organic growth and acquisition targets that complement the current SES fleet
- ▲ We will continue to expand and protect SES's spectrum rights
- ▲ SES will prudently assess investments in Ka-Band satellite infrastructure
- ▲ SES will continue to play a leading role in outsourcing and in partnerships (e.g. hosted payloads, investments in non-core satellite infrastructure)
- ▲ SES will foster innovation in FSS technologies

Other Infrastructures and Services Strategy

- ▲ Implement the Solaris S-band joint venture in Europe and selectively participate in the development of similar projects in developed markets
- ▲ Consider expanding the capabilities of SES media services companies (APS, IP-PRIME) in the provision of encoding services to emerging video distribution networks (fixed and mobile)
- ▲ Continue to develop SES's ability to design and deliver solutions that address specific mission requirements of the government sector
- ▲ As a complement to space segment sales, selectively participate in the provision of managed video services to telecom operators opting for hybrid DTH-terrestrial triple play

Hybrid DTH-Terrestrial Triple Play

Even in advanced markets, xDSL and Fiber's combined IPTV reach will top between 50-60% of total households. Hybrid DTH-broadband bridges the fixed line telco gap and also enables wireless operators to roll-out full market reach triple plays.



SES Corporate Strategy - Summary

▲ Portfolio of strategic initiatives :

SES – Portfolio of strategic initiatives		Broadcasters (TV channels/ DTH platforms)	Telecom Providers and cable	Government, Maritime and selected verticals	Other enterprise Markets (*)
Infrastructure	FSS Satellite Infrastructure provision	Focus of resources on the provision of FSS satellite video and data capacity, via two principal avenues: expansion (organically as well as through acquisitions or partnerships) and innovation			
	Other infrastructure provision	Implementation of the Solaris joint venture in Europe and selective participation in the development of similar projects in developed markets			
Services	Service provision B2B	Expansion of video encoding and distribution services to other platforms (Web, Content Distribution Networks,...) Participation in managed services (directly or through partnerships) as a complement to space segment in order to provide Hybrid DTH/DSL triple play offerings		Selective investment in the development or the acquisition of service offerings for government customers as a complement to SES infrastructure business	

(*) Market served mainly indirectly via telecom operators as independent service providers

SES Corporate Strategy - Summary

- ▲ SES will focus its resources on the provision of satellite video and data capacity, through expansion (organic as well as via acquisitions or partnerships) and innovation. SES will also selectively participate in the development of mobile TV satellite infrastructure projects

- ▲ SES will continue to develop service initiatives, where this strengthens the core satellite infrastructure business. These will be limited to:
 - Expansion of video encoding and distribution services to other platforms (e.g. Web, Content Distribution Networks)
 - Development or acquisition of service offerings for government customers, provided the service is complementing SES's infrastructure business
 - Participation in managed services (directly or through partnerships) as a complement to space segment for hybrid DTH/DSL, based on market segment priorities (wireless and competitive telco players)
 - Implementation of the Solaris joint venture in Europe and selective participation in the development of similar projects in developed markets