PRESS RELEASE

Betzdorf, August 8th 2005

SES GLOBAL S.A.

ON TRACK TO MEET GROWTH TARGETS

SES GLOBAL, the world's leading satellite operator (Euronext Paris and Luxembourg Stock Exchanges: SESG), announces group consolidated results for the six months to 30 June 2005.

Figures for the first half of 2004 have been restated under IFRS to facilitate comparison. A full reconciliation is contained in the financial tables at the end of this document.

HIGHLIGHTS

- Revenues increased 9.7% to EUR 609.2 million (2004: EUR 555.3 m). Recurring revenues[1] are 11% ahead
- EBITDA of EUR 437.6 million rose 7.4%, driving Operating Profit to EUR 241.3 million
- Net Profit of EUR 168.5 million (2004: EUR 220.7 m, including a one time tax provision release of EUR 59.9 million)
- Net Operating Cash Flow of EUR 451.2 million (2004: EUR 437.0 m)
- AMC-12 successfully launched in February 2005
- AMC-18 and ASTRA 1M satellite programmes underway to secure timely delivery of additional capacity
- Introduction of High Definition TV ("HDTV") services in Europe later this year confirmed by Premiere; BSkyB to start in 2006
- ASTRA's market penetration rose to 103 million households
- Share buyback programme in progress

Romain Bausch, President & CEO, said, "The SES team has continued to grow the business during this eventful first half of 2005. A solid foundation has been laid for our future growth, with the development of HDTV, IPTV, interactive services and mobile applications making good progress. We remain completely focused on delivering shareholder value, continuing to grow organically and investing in suitable opportunities, as well as returning cash to shareholders via our progressive dividend policy and delivering on our share buyback and cancellation programme."

[1] "Recurring revenues" is a measure designed to clarify underlying revenue performance by removing currency exchange effects, eliminating one-time items and disregarding any changes in consolidation scope.

Overview

During the first six months of 2005, SES continued to develop its business on all fronts. The financial performance reflects this progress. Group revenues rose 9.7% to EUR 609.2 m, mainly reflecting the new business won. On a recurring revenue basis, revenues grew by 11%, in line with our guidance. Group EBITDA rose by 7.4% to EUR 437.6 m, delivering an EBITDA margin of 71.8%. The reduction of the Group EBITDA margin reflects the contribution of newly acquired service businesses, which deliver lower EBITDA margins. The core activity of the Group - satellite transponder capacity - remains the principal source of revenues and is in robust health, delivering an EBITDA margin of 81%. Services activities represent a lesser proportion of the revenue stream and the lower EBITDA margins of these businesses are to be considered in combination with the lower capital expenditure required, which enables the achievement of a good return on capital.

Net profit was EUR 168.5 m, against EUR 220.7 m recorded in the prior period, which had benefited from the release of EUR 59.9 m in tax provisions.

During June, we began our share buyback programme and by the end of July had completed approximately one third of the authorised amount, having bought 7.2 million FDRs in the market. Certain A shareholders as well as the B and C shareholders have agreed to sell part of their holdings to maintain their relative participations. The total consideration for these purchases until the end of July was EUR 200.8 m, including market purchases. An Extraordinary General Meeting of shareholders will be held before the year end to approve the cancellation of the shares bought under the programme. Net debt at the period end stood at EUR 1,716.3 m (2004: EUR 1,737.8 m).

Operationally, our markets continued to develop well and demonstrate strong growth, with High Definition TV services adding further momentum. Transponder utilisation at 30 June was 79% at SES AMERICOM (349 of 439 commercially available transponders utilised), and at 84% at SES ASTRA (169 of 202 commercially available transponders utilised).

In Europe, Premiere has confirmed plans to launch HDTV services later this year, BSkyB will begin broadcasting its HDTV bouquet in 2006, and plans are well advanced at several other broadcasters for the initiation of their own HD offerings.

In the year to date, several important new agreements have been concluded, notably with BSkyB, who have signed up a further three transponders to deliver their HDTV bouquet; the BBC, who contracted a seventh transponder on a multi-year basis to serve the strong UK and Irish markets; UPC who contracted a fourth transponder for the Central and Eastern European market; Premiere who contracted a transponder to roll out HDTV services later this year; Digital Cable System ("DCS") who have contracted two transponders and taken an option on a third with NSAB for DTH services in Romania; and Globecast contracted a further transponder to serve the UK and Irish markets. In the US, iNDEMAND contracted capacity at the HD-Prime neighbourhood for delivery of HD and Video On Demand services, and SES AMERICOM partnered with Comcast Media Services to offer HD content origination and delivery services.

Market research confirmed the continued growth of the television markets served by ASTRA. Within the ASTRA footprint of 34 countries, the number of households reached grew by 8.3 million to 102.7 million, confirming ASTRA's status as the leading satellite system in Direct-To-Home, the most valuable satellite broadcast segment, (41 million homes); a further 61 million households receive ASTRA content via cable.

AMERICOM Government Services continued to increase the volume of services delivered to the US Government, augmented by the contribution of the acquired Verestar business throughout the six months.

The AMC-16 satellite was launched in December 2004 and brought into service in February this year, and is wholly contracted by EchoStar. SES AMERICOM successfully launched the

AMC-12 satellite in February, to serve international markets in the Atlantic Ocean Region. SES ASTRA has taken ownership of 33 transponders on that satellite. This capacity is being marketed under the brand name ASTRA 4A. The first contract has been signed with SkyVision, which contracted two transponders for internet connectivity into Africa.

Decisions to procure two new satellites were made to ensure the timely availability of additional capacity. The first, AMC-18, is scheduled to launch in the second half of 2007 and will provide additional capacity to serve demand for HD at SES AMERICOM's cable neighbourhoods. The second, ASTRA 1M, is being procured in order to protect the timing of the relocation of ASTRA 2C from 19.2° East to 28.2° East, where it will provide a minimum of 10 additional transponders to meet the strong demand at that orbital position. In the event of successful launch of the ASTRA 1KR and ASTRA 1L satellites, it is foreseen that the ASTRA 1M spacecraft build programme can be suspended for a defined period.

Outlook

In May, when we announced our first quarter results, we reiterated our guidance to investors and analysts that we had stated in February. This remains unchanged, except that we now have greater visibility of revenue developments after 2006. We expect recurring revenues[2] to grow at 10%+ in each of 2005 and 2006, and are confident that we will deliver high single digit percentage growth in 2007, thereby achieving a double digit compound annual growth rate over the three years.

We have reviewed our approach to in-orbit insurance of our satellites and, in recognition of our excellent procurement and operating record, we have adopted a policy of limited self-insurance. We will self-insure the first 20% of insured in-orbit value, capped at EUR 30 million per spacecraft. Premiums will be paid to a wholly owned subsidiary, thus reducing the amount of insurance premiums paid to external insurance companies in the future. Satellite launches, the highest risk part of our business, will continue to be fully insured by third parties.

Our capital expenditure programme is unchanged in aggregate and we have published separately the updated schedule, which incorporates changes in timing of construction milestone payments. Our share buyback programme is in progress, and the record of market purchases is published weekly.

We assess the development of our markets on a regular basis and recently revisited our strategy for continuing to deliver growth as the technical distribution of video content continues to evolve. We have concluded that our strategy remains valid and that our vision of further growth will continue to be served by the development of new products and services, including end-to-end as well as hybrid solutions (satellite plus terrestrial infrastructure) to be extended to new market segments such as mobile video and broadband applications. While introducing an additional degree of diversification into our business, this strategic route will assure continuity of sustainable growth, thus creating further shareholder value in addition to the ongoing cash returns.

[2] "Recurring revenues" is a measure designed to clarify underlying revenue performance by removing currency exchange effects, eliminating one-time items and disregarding any changes in consolidation scope.

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PRESS / ANALYST TELECONFERENCES

A **press** teleconference will be held at 11.00 Betzdorf time today, 8 August 2005.

An **investor** teleconference will be held at 14.00 Betzdorf time today, 8 August 2005.

The same number will be used for each call. To participate, please call + 32 2 600 2675 five minutes prior to the start time of the teleconference in which you wish to participate.

A presentation, which will be referred to in each call, will be available for download from the Investor Relations section of our website www.ses-global.com.

A replay facility will be available for one week via an internet link on our website.

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FINANCIAL REVIEW

Summary Financial Information (EUR million)

	Six month period ended June 30, 2005	Six month period ended June 30, 2004	Variance	Variance %
Revenues	**609.2**	**555.3**	**53.9**	**+9.7%**
Operating expenses	(171.6)	(147.9)	(23.7)	+16.0%
EBITDA	**437.6**	**407.4**	**30.2**	**+7.4%**
Depreciation	(174.7)	(163.8)	(10.9)	+6.7%
Amortisation	(21.6)	(18.4)	(3.2)	+17.4%
Operating profit	**241.3**	**225.2**	**16.1**	**+7.1%**
Net financing charges	(11.8)	(10.3)	(1.5)	+14.6%
Share of associates' result	4.6	1.4	3.2	+228.6%
Profit before tax	**234.1**	**216.3**	**17.8**	**+8.2%**
Income tax expense	(66.4)	3.8	(70.2)	--
Minority interests	0.8	0.6	0.2	+33.3%
Net profit for the period	**168.5**	**220.7**	**(52.2)**	**-23.7%**
Earnings per A-share (CENT)	28.8	37.6	(8.8)	-23.4%
EBITDA margin	71.8%	73.4%	(1.6) % points	--
Net income margin	27.7%	39.7%	(12.0) % points	--
Net cash flow from operating activities	451.2	437.0	14.2	+3.2%
Free cash flow	313.8	170.4	143.4	+84.2%
Net debt	1,716.3	1,737.8	(21.5)	-1.2%
Net debt / EBITDA [pro rata]	2.0	2.1	(0.2)	-9.5%
Net debt / shareholders' equity	47.8%	50.9%	(3.1) % points	--

Operating result development [1]

2005	**Q1**	*%*	**Q2**	*%*	**Q3**	*%*	**Q4**	*%*	***2005***
Revenue	**289.6**	*+ 10.1%*	**319.6**	*+ 10.4%*	**--**	**--**	**--**	--	***609.2***
Operating expenses	(83.1)	*+ 4.5%*	(88.5)	*+6.5%*	--	--	--	--	*(171.6)*
EBITDA	**206.5**	*+ 12.5%*	**231.1**	*+ 11.9%*	**--**	**--**	**--**	--	***437.6***
Depreciation	(81.4)	*- 14.2%*	(93.3)	*+ 14.6%*	--	--	--	--	*(174.7)*
Amortisation	(8.1)	*- 72.8%*	(13.5)	*+66.7%*	--	--	--	--	*(21.6)*
Operating profit	**117.0**	*+ 99.0%*	**124.3**	*+6.2%*	**--**	**--**	**--**	--	***241.3***

2004	**Q1**	*%*	**Q2**	*%*	**Q3**	*%*	**Q4**	*%*	***2004***
Revenue	**288.0**	--	**267.3**	*- 7.2%*	**259.5**	*- 2.9%*	**263.0**	*+ 1.3%*	***1,077.8***
Operating expenses	(85.0)	--	(62.9)	*- 26.0%*	(63.6)	*+ 1.1%*	(79.5)	*+ 25%*	*(291.0)*
EBITDA	**203.0**	--	**204.4**	*+ 0.7%*	**195.9**	*- 4.2%*	**183.5**	*- 6.3%*	***786.8***
Depreciation	(79.6)	--	(84.2)	*+ 5.7%*	(79.0)	*- 6.1%*	(94.8)	*+20.1%*	*(337.6)*
Amortisation	(8.0)	--	(10.4)	*+ 31.3%*	(7.9)	*-24.8%*	(29.9)	*+277 %*	*(56.2)*
Operating profit	**115.4**	--	**109.8**	*- 4.9%*	**109.0**	*- 0.7%*	**58.8**	*- 46.1%*	***393.0***

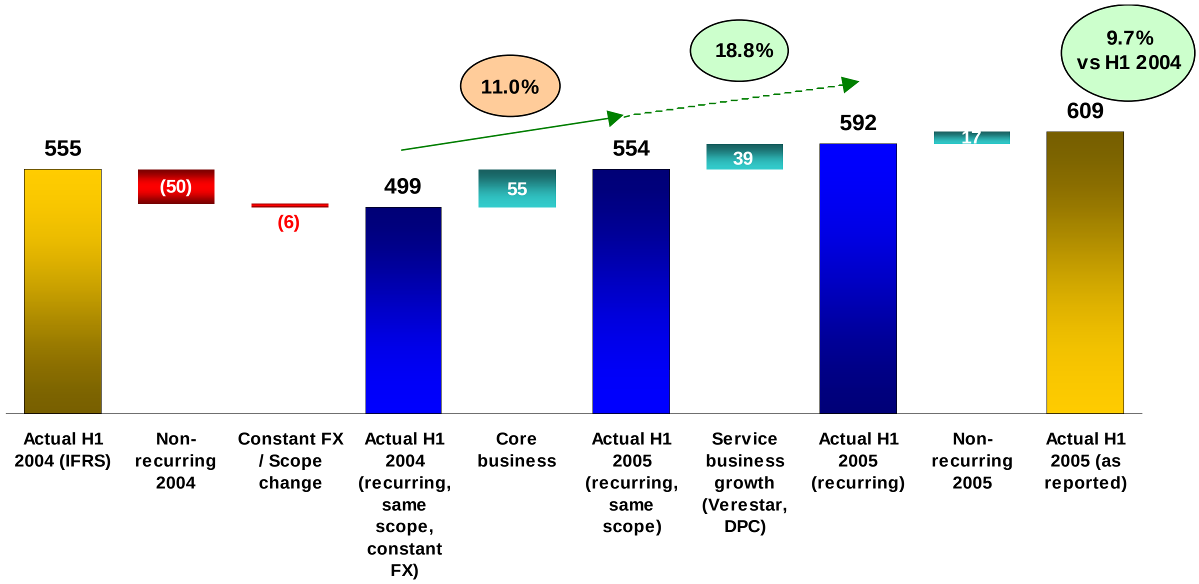
[1] Percentage changes are to previous quarter

Revenue

Reported revenue, at EUR 609.2 million is EUR 53.9 million, or 9.7%, ahead of the prior year level of EUR 555.3 million.

The favourable revenue development against the prior period reflects: organic growth in both the EMEA and AMERICAS segments; and the impact of additional revenues generated by services businesses which the Group either acquired, or in which the Group increased its existing shareholding, subsequent to the close of the prior year period.

An analysis of the movement between the interim 2004 revenues and those reported for the same period of 2005 is set out below.



The lower level of non-recurring revenues reflects primarily the SIRIUS 2 transaction revenues recognised in February 2004.

The organic growth is mainly driven by additional contracts in the AMERICAS segment, primarily relating to the satellites AMC-15 and AMC-16 which were taken into service in December 2004 and February 2005 respectively, and which are wholly contracted by EchoStar. Organic growth in Europe was driven mainly in the German and UK markets.

On a same scope, constant exchange rate basis, recurring revenues[1] increased 11.0% compared to the prior year period.

Earnings before interest, tax, depreciation and amortisation ("EBITDA")

Reported EBITDA, at EUR 437.6 million is EUR 30.2 million, or 7.4%, ahead of the prior year level of EUR 407.4 million.

Whilst additional revenues arising from satellite infrastructure activities continued to generate EBITDA margins of around 80%, new service businesses revenues brought, as expected, lower-margins, and this is the primary driver of the small dilution in margin compared to the prior year from 73.4% to 71.8%. Recurring EBITDA[1], on a same scope, constant exchange rate basis remained in line with the prior year.

Operating profit

Reported operating profit, at EUR 241.3 million is EUR 16.1 million, or 7.1%, ahead of the prior year level of EUR 225.2 million.

The reduction in the favourable variance to prior at the EBITDA level reflects mainly the additional depreciation charges on SES AMERICOM satellites taken into service during, or subsequent to the close of the prior-year period, the satellites concerned being: AMC-15 (entered service in December 2004), AMC-16 (February 2005), AMC-12 (March 2005), AMC-11 (November 2004) and AMC-10 (May 2004). Reflecting these significant additions to the fleet, depreciation charges, at EUR 174.7 million, were 6.7% ahead of the prior year level.

Amortisation charges on definite life intangible assets of EUR 21.6 million were EUR 3.2 million higher than the prior year period level of EUR 18.4 million.

[1] "Recurring revenues / recurring EBITDA" are measures designed to clarify underlying performance by removing currency exchange effects, eliminating one-time items and disregarding any changes in consolidation scope.

Net financing charges

Net financing charges rose slightly from EUR 10.3 million in 2004 to EUR 11.8 million in 2005.

Whilst interest rates on USD dollar borrowings trended upwards in the course of the first half of 2005, the corresponding increase in the Group's financing cost was offset by gains on financial instruments and a non-recurring income of EUR 4.6 million taken in the framework of the restructuring of the shareholder and financing structure of the Group's SATLYNX subsidiary.

Income tax expense

In the prior year period, the Group recorded a one-time tax credit to net profit of EUR 59.9 million generated in the framework of a realignment of the intra-Group shareholding structure. This resulted in an overall Group income tax income of EUR 3.8 million. Excluding this non-recurring prior year credit, the underlying tax charge rose from EUR 56.1 million to EUR 66.4 million, reflecting, primarily, the higher profit before tax.

Share of associates' result & minority interests

The Group's share of associates' result of EUR 4.6 million is EUR 3.2 million ahead of the prior year level of EUR 1.4 million. The increase reflects continued favourable trading development at the Group's Brazilian affiliate Star One, and reduced losses at the Group's other equity investments Accelon and SpeedCast. At EUR 0.8 million, minority interests remain in line with the prior period level of EUR 0.6 million.

Profit for the period

Profit for the period, at EUR 168.5 million, is EUR 52.2 million lower than the prior period due primarily to the impact of the EUR 59.9 million tax credit taken in 2004. Excluding this, profit for the period rose EUR 7.7 million, or 4.9%.

Cash flow

Net operating cash flow for the period rose EUR 14.2 million, or 3.2%, from EUR 437.0 million to EUR 451.2 million.

At the free cash flow level, the Group generated EUR 313.8 million, an increase of EUR 143.4 million to the prior year period. The primary contributory factor was the closing of certain financial instruments acquired as an exchange rate hedge of the Group's investment in SES AMERICOM. This closure resulted in a favourable impact of EUR 142.2 million on the free cash flow. In the period the Group applied EUR 262.9 million (2004: EUR 204.0 million) to the purchase of property, plant & equipment.

Net debt

Net debt, at EUR 1,716.3 million is below the corresponding prior year level, but rose during the period.

	June 30, 2005 EUR million	December 31 2004 EUR million	June 30, 2004 EUR million
Cash	(181.2)	(381.9)	(384.7)
Interest bearing loans & borrowings	1,897.5	2,070.9	2,122.5
Net debt	1,716.3	1,689.0	1,737.8

During the first months of 2005, cash was applied to the settlement of certain bank borrowings. Additional borrowings were subsequently taken on primarily in connection with the share buy-back programme announced on May 9, 2005.

Contract backlog

Contract backlog at June 30, 2005 stands at EUR 6,528.8 million, an increase of 8.2% over the comparable figure of EUR 6,032.2 million at the end of 2004 (after adjusting for the proportional, rather than full, consolidation of ASIASAT). The rise in backlog comes mainly from the impact of the strengthening US Dollar on AMERICOM backlog, and the addition of new backlog through the acquisition of ASTRA Platform Services.

International Financial Reporting Standards ("IFRS")

In accordance with the European Parliament and Council Regulation 1606/2002, the Group will prepare its consolidated financial statements in accordance with IFRS for all periods ending after January 1, 2005. These are hence the first half-year financial statements drawn up using the accounting principles and valuation methodologies established under IFRS. Full reconciliations of the prior year interim and full-year reported income statement and balance sheet from Luxembourg-GAAP to IFRS are provided in the notes to the consolidated financial statements.

In the course of finalising the reconciliation of the full-year 2004 result, certain additional valuation adjustments were found necessary beyond those reflected in the preliminary guidance given in the 2004 Annual Report. The final 2004 net profit under IFRS is EUR 340.5 million, 2.1% lower than the guidance given of EUR 347.7 million.

FINANCIAL REVIEW (continued)

Segment information for the six month period ended June 30, 2005

EUR million	EMEA	AMERICAS	OTHER OPERATIONS / ELIMINATION	TOTAL
Revenues	**370.5**	**220.3**	**18.4**	**609.2**
Operating expenses	(74.4)	(78.2)	(19.0)	(171.6)
EBITDA	**296.1**	**142.1**	**(0.6)**	**437.6**
Depreciation	(89.5)	(72.7)	(12.5)	(174.7)
Amortisation	(14.1)	(1.6)	(5.9)	(21.6)
Operating profit	**192.5**	**67.8**	**(19.0)**	**241.3**

Changes in the structure of the Group's regional segments

With effect from 2005 the definition of the primary segments used for management reporting were changed to better reflect the Group's regionally-focused management responsibility structure.

The primary changes from the previous primary segments ("ASTRA" / "AMERICOM" / "ASIASAT", and "OTHER PARTICIPATIONS") were as follows:

1. the SATLYNX business was re-allocated out of "OTHER PARTICIPATIONS" to "ASTRA", becoming part of the new "Europe, Middle East and Africa" (EMEA) segment;
2. the existing Latin American interests in Star One and Nahuelsat were transferred out of "OTHER PARTICIPATIONS" to "AMERICOM", this combination representing the new "AMERICAS" segment;
3. SES GLOBAL ASIA S.A. (formerly "SES FINANCE S.A.") was transferred out of "OTHER PARTICIPATIONS" to "ASIASAT" resulting in the new business segment "ASIA".
4. the fourth business segment is "SES GLOBAL and Other Participations" which includes the results of SES GLOBAL S.A. and certain other non-operating companies.

For the purposes of the analysis above, the segments "ASIA" and "SES GLOBAL and Other Participations" have been aggregated together with the elimination of inter-segmental transactions.

Business segmentation for the six month period ended June 30, 2005

EUR million	Infrastructure	Services	Other/Elimination	Total
Revenues	**546.3**	**85.5**	**(22.6)**	**609.2**
EBITDA	**442.7**	**3.0**	**(8.1)**	**437.6**
EBITDA margin	**81.0%**	**3.5%**	**-**	**71.8%**

CONSOLIDATED INCOME STATEMENT

EUR million	6 months to 30.06.2005 [1]	6 months to 30.06.2004 [2]	12 months to 31.12.2004 [3]
Revenue	**609.2**	**555.3**	**1,077.8**
Operating expenses	(171.6)	(147.9)	(291.0)
Depreciation	(174.7)	(163.8)	(337.6)
Amortisation	(21.6)	(18.4)	(56.2)
Operating profit	**241.3**	**225.2**	**393.0**
Net financing charges	(11.8)	(10.3)	0.8
Share of associates' result	4.6	1.4	3.5
Profit for the period before tax	**234.1**	**216.3**	**397.3**
Income tax expense	(66.4)	3.8	(58.7)
Profit for the period after tax	**167.7**	**220.1**	**338.6**
Minority interest	0.8	0.6	1.9
Net Profit of the Group	**168.5**	**220.7**	**340.5**
Weighted basic and diluted earnings per share *			
A – shares (CENT)	28.8	37.6	58.2
B – shares (CENT)	11.5	15.1	23.3
C – shares (CENT)	28.8	37.6	58.2

[1] The results have been subject to a review by the Company's auditors Ernst & Young
[2] Restated from the 2004 interim financial statements, drawn up under Luxembourg-GAAP, to IFRS (see Note 3)
[3] Restated from the audited 2004 financial statements, drawn up under Luxembourg-GAAP, to IFRS (see Note 3)

* Earnings per share is calculated by dividing the net profit attributable to ordinary shareholders for the period by the weighted average number of shares outstanding during the year as adjusted to reflect the economic rights of each class of share.

CONSOLIDATED BALANCE SHEET

EUR million	30.06.2005 [1]	30.06.2004 [2]	31.12.2004 [3]
Non-current assets			
Property, plant & equipment	2,940.2	2,481.5	2,525.0
Assets in the course of construction	500.4	787.2	648.0
Total property, plant & equipment	**3,440.6**	**3,268.7**	**3,173.0**
Intangible assets	2,960.2	2,944.7	2,682.5
Financial & other non-current assets	194.7	164.1	208.7
Total non-current assets	**6,595.5**	**6,377.5**	**6,064.2**
Current assets			
Inventories	4.3	4.0	2.5
Trade and other receivables	186.8	137.0	145.8
Prepayments	45.1	36.6	48.9
Valuation of financial instruments	29.7	73.6	271.2
Cash and short-term deposits	181.2	384.7	381.9
Total current assets	**447.1**	**635.9**	**850.3**
Total assets	**7,042.6**	**7,013.4**	**6,914.5**
Equity			
Attributable to equity holders of parent	3,588.7	3,414.8	3,338.6
Minority interest	34.3	35.2	35.9
Total equity	**3,623.0**	**3,450.0**	**3,374.5**
Non-current liabilities			
Interest bearing loans & borrowings	1,897.5	2,075.2	2,070.9
Provisions and deferred income	148.6	157.2	133.3
Deferred income tax liabilities	703.5	660.2	741.4
Total non-current liabilities	**2,749.6**	**2,892.6**	**2,945.6**
Current liabilities			
Trade & other payables	181.3	211.6	230.8
Interest bearing loans & borrowings	--	47.3	--
Valuation of financial instruments	13.3	33.0	20.0
Income tax payable	251.2	187.1	203.6
Deferred income	224.2	191.8	140.0
Total current liabilities	**670.0**	**670.8**	**594.4**
Total liabilities	**3,419.6**	**3,563.4**	**3,540.0**
Total liabilities and equity	**7,042.6**	**7,013.4**	**6,914.5**

[1] The results have been subject to a review by the Company's auditors Ernst & Young
[2] Restated from the 2004 interim financial statements, drawn up under Luxembourg-GAAP, to IFRS (see Note 4)
[3] Restated from the audited 2004 financial statements, drawn up under Luxembourg-GAAP, to IFRS (see Note 4)

CONSOLIDATED CASH FLOW STATEMENT

EUR million	6 months to 30.06.2005[1]	6 months to 30.06.2004[2]
Consolidated net income before taxes	**234.1**	**216.3**
Adjustment for non-cash items	161.9	170.2
Consolidated operating profit before working capital changes	**396.0**	**386.5**
Changes in operating assets and liabilities	55.2	50.5
Net operating cash flow	**451.2**	**437.0**
Cash flows from investing activities		
Purchase of property, plant & equipment	(262.9)	(204.0)
Acquisition of subsidiary, net of cash acquired	--	(31.1)
Realised proceeds on the settlement of swaps	142.2	--
Other flows from investing activities	(16.7)	(31.5)
Total cash flows from investing activities	**(137.4)**	**(266.6)**
Cash flows from financing activities		
Movements on borrowings	(317.0)	74.0
Dividends paid to equity holders of the parent	(175.5)	(130.4)
Treasury Shares acquired	(41.4)	(6.0)
Other cash flows from financing activities	(8.0)	(8.6)
Total cash flows from financing activities	**(541.9)**	**(71.0)**
Movements in exchange	27.4	20.1
(Decrease) / increase in cash	**(200.7)**	**119.5**
Cash at beginning of the period	**381.9**	**265.2**
Cash at end of period	**181.2**	**384.7**

1 The results have been subject to a review by the Company's auditors Ernst & Young
2 Restated from the 2004 interim financial statements, drawn up under Luxembourg-GAAP, to IFRS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Issued capital	Share premium account	Treasury shares	Retained earnings	Foreign currency translation	Other reserves	Total	Minority interest	Total equity
As at January 1, 2005[3]	**921.8**	**2,819.7**	**(56.8)**	**343.6**	**(903.0)**	**213.3**	**3,338.6**	**35.9**	**3,374.5**
Change in consolidation scope	--	--	--	--	--	--	--	(0.8)	(0.8)
Allocation of results	--	--	--	(162.8)	--	162.8	--	--	--
Dividend	--	--	--	(175.5)	--	--	(175.5)	--	(175.5)
Purchase of shares	--	--	(42.0)	--	--	--	(42.0)	--	(42.0)
Result for period	--	--	--	168.5	--	--	168.5	(0.8)	167.7
Impact of currency tr.	--	--	--	--	299.1	--	299.1	--	299.1
As at June 30, 2005	**921.8**	**2,819.7**	**(98.8)**	**173.8**	**(603.9)**	**376.1**	**3,588.7**	**34.3**	**3,623.0**

EUR million	Issued capital	Share premium account	Treasury shares	Retained earnings	Foreign currency translation	Other reserves	Total	Minority interest	Total equity
As at January 1, 2004[4]	**921.8**	**2,819.7**	**(45.3)**	**197.4**	**(771.8)**	**145.1**	**3,266.9**	**(0.4)**	**3,266.5**
Change in consolidation scope	--	--	--	--	--	--	--	37.7	37.7
Allocation of results	--	--	--	(63.9)	--	63.9	--	--	--
Dividend	--	--	--	(129.8)	--	--	(129.8)	--	(129.8)
Purchase of shares	--	--	(6.0)	--	--		(6.0)	--	(6.0)
Result for period	--	--	--	220.7	--		220.7	(0.6)	220.1
Impact of currency tr.	--	--	--	--	63.0	--	63.0	(1.5)	61.5
As at June 30, 2004	**921.8**	**2,819.7**	**(51.3)**	**224.4**	**(708.8)**	**209.0**	**3,414.8**	**35.2**	**3,450.0**

[3] The results have been subject to a review by the Company's auditors Ernst & Young.
[4] Restated from the 2004 interim financial statements, drawn up under Luxembourg-GAAP, to IFRS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the six-month period ended June 30, 2005

NOTE 1 - CORPORATE INFORMATION

The consolidated financial statements of SES Global S.A. for the six-month period ended June 30, 2005 were authorised for issue in accordance with a resolution of the directors on August 4, 2005.

SES Global S.A. ("SES Global", "the Company" or "the Group") was incorporated on March 16, 2001 as a limited liability company (Société Anonyme) under Luxembourg law. References to the "Group" in the following notes are to the Company and its subsidiaries, joint ventures and associates.

SES Global trades under "SESG" on the Luxembourg Stock Exchange and Euronext Paris.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

The interim consolidated financial statements have been prepared in accordance with the recognition and measurements principals of International Financial Reporting Standards. The consolidated accounts comprise the accounts of the Company and its controlled subsidiaries, after the elimination of all material inter-company transactions. Subsidiaries are consolidated from the date the Company obtains control until such time as control ceases. Acquisitions of subsidiaries are accounted for using the purchase method of accounting. The financial statements of subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Adjustments are made to conform any dissimilar material accounting policies that may exist.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated accounts, and reported amounts of revenues and expenses during that reporting period. Actual results could differ from those estimates.

Joint ventures

The Company's interests in jointly controlled entities are accounted for by proportional consolidation, which involves recognising a proportional share of the joint ventures' assets, liabilities, income and expenses with similar items in the consolidated accounts on a line-by-line basis.

Investments in associates

Investments in associates over which the Company has significant influence are accounted for under the equity method of accounting and are carried in the balance sheet at the lower of the equity-accounted amount and the recoverable amount. The pro rata share of income (loss) of associates is included in income. The carrying value of such investments includes a goodwill component where the consideration paid exceeded the fair value of the Company's share of the underlying assets.

Intangible assets

Goodwill

Goodwill represents the difference between the cost of acquisition of shares in a consolidated company and the Group's share in the fair value of the net tangible and intangible assets acquired. In the framework of impairment testing, the carrying value of acquisition goodwill is regularly reviewed to establish whether the value is still recoverable. Impairment charges are taken as a charge against net profit where a non-recoverable component is identified. Goodwill is stated in the balance sheet at cost less any impairment charges taken.

Other intangibles

Intangible assets, consisting principally of rights of usage of orbital frequencies and acquired transponder service agreements, are reviewed to establish whether the represent assets with a definite, or indefinite life. Those assessed as being definite life assets are amortised on a straight-line basis over a period not currently exceeding 21 years. Indefinite life intangible assets are held at cost in the balance sheet but are subject to impairment testing in line with the treatment outlined for goodwill above.

Tangible assets

Land and buildings

Land is recorded at acquisition cost. Buildings are shown in the balance sheet at cost less depreciation. Buildings are depreciated over their estimated useful life on a straight-line basis. The depreciation period is primarily 25 years.

Plant and machinery - space segment

The cost of the space segment includes the procurement of satellites together with launch expenses, insurance, and other related costs. Relevant finance charges arising during the construction period of satellites are capitalised. The Group's satellite depreciable lives range from 10 to 16 years.

Plant and machinery - ground segment

Machinery and equipment is depreciated evenly over its estimated useful life, which is between 3 to 15 years.

Other fixtures, fittings, tools and equipment

All such items are depreciated evenly over the estimated useful lives of between 3 to 15 years.

Payments on account and assets in course of construction

Amounts payable in respect of the purchase of future satellites, launch costs and other related expenses including ground segment expenditure and financing costs are included in the balance sheet when billed. When the asset is subsequently put into service, the expenditure is transferred to assets in use and depreciation commences.

Revenue recognition

The Group enters into contracts to provide high quality satellite transponder capacity and broadcasting services through which television, radio and data broadcasting make available programming services to the general public. Revenues are generated primarily from service agreements with customers to provide satellite transponder services.

All amounts received from customers under contracts for satellite capacity are recognised over the duration of the respective contracts on a straight-line basis. Payments received in advance are deferred and included in the balance sheet as deferred income. Payments of receivables in arrears are accrued and included in trade debtors.

Deferred taxes

The Group provides for deferred income taxes on all temporary differences between financial and tax reporting, including tax losses and tax credits available for carry-forward. Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred tax. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Translation of foreign currencies

The Company maintains its accounting records in Euro and the consolidated accounts are expressed in this currency. The cost of non-monetary assets is translated at the rate applicable at the date of the transaction. All other assets and liabilities are translated at closing rates of exchange. During the year, expenses and income expressed in foreign currencies are recorded at exchange rates prevailing on the date they occur or accrue. All exchange differences resulting from the application of these principles are included in the profit and loss account.

The principal foreign currency exchange rates used by the Group during the period were as follows:

1 Euro =	Closing rate December 2004	Average rate January to June 2005	Closing rate June 2005
United States Dollar	1.36	1.30	1.21
Hong Kong Dollar	10.59	10.15	9.40
Swedish Krona	9.02	9.11	9.43

Derivative financial instruments

The Group recognises all derivatives as assets and liabilities on the balance sheet at fair value. Changes in the fair value of derivatives are recorded in the income statement or in accordance with the principles below where hedge accounting is applied. The Group uses derivative financial instruments such as foreign currency contracts and interest rate swaps to hedge its risks associated with interest rate and foreign currency fluctuation. The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments. On the date a hedging derivative instrument is entered into, the Group designates the derivative as either:

(1) a hedge of the fair value of a recognised asset or liability or of an unrecognised firm commitment (fair value hedge),
(2) a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognised asset or liability (cash flow hedge), or
(3) a hedge of a net investment in a foreign operation.

Fair value hedges

In relation to fair value hedges (interest rate swaps) which meet the conditions for special hedge accounting, any gain or loss from re-measuring the hedging instrument at fair value is recognised immediately in the profit and loss account. Any gain or loss on the hedged item attributable to the hedged risk is adjusted against the carrying amount of the hedged item and recognised in the profit and loss account.

Cash flow hedges

In relation to cash flow hedges (forward foreign currency contracts) to hedge firm commitments which meet the conditions for special hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity and the ineffective portion is recognised in net profit or loss.

When the hedged commitment results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses that had previously been recognised in equity are included in the initial measurement of the acquisition cost or carrying amount of the asset or liability.

Net investment hedges

Changes in the fair value of a derivative or non-derivative that is designated as and meets all the required criteria for a hedge of a net investment are recorded in the currency exchange reserve to the extent that it is deemed to be an effective hedge. The ineffective portion is recognised in net profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for special hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity is kept in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the period.

The Group formally documents all relationships between hedging instruments and hedged items, as well as its risk-management objective and strategy for undertaking various hedge transactions. This process includes allocating all derivatives that are designated as fair value or cash flow hedges to specific assets and liabilities on the balance sheet or to specific firm commitments or forecasted transactions. The Group also formally assesses, both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item. If it is determined that a derivative is not highly effective as a hedge or if a derivative ceases to be a highly effective hedge, the Group will discontinue hedge accounting prospectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the six-month period ended June 30, 2005

NOTE 3 – RECONCILIATION OF INCOME STATEMENT PRIOR YEAR FIGURES TO PUBLISHED FINANCIAL STATEMENTS (see Note 5 for explanations)

Six month period ended June 30, 2004 EUR million	As reported under Lux-GAAP as at 30.06.2004	Reclassifications for IFRS reporting [1]	AsiaSat consolidation methodology [2]	Capitalisation of interest on acquisitions [3]	Non-amortisation of indefinite life intangibles [4]	Provision of deferred tax [5]	Other adjustments [6]	Restated to IFRS as at 30.06.2004
Revenue	**593.2**	**--**	**(37.9)**	**--**	**--**	**--**	**--**	**555.3**
Operating expenses	(153.7)	--	6.6	--	--	--	(0.8)	(147.9)
Depreciation	(169.2)	--	9.7	(4.3)	--	--	--	(163.8)
Amortisation	(85.7)	--	--	--	67.3	--	--	(18.4)
Operating profit	**184.6**	**--**	**(21.6)**	**(4.3)**	**67.3**	**--**	**(0.8)**	**225.2**
Net financing charges	(9.2)	--	(0.2)	--	--	--	(0.9)	(10.3)
Share of associates' result	(0.1)	--	0.8	--	0.5	--	0.2	1.4
Profit for the period before tax	**175.3**	**--**	**(21.0)**	**(4.3)**	**67.8**	**--**	**(1.5)**	**216.3**
Income tax expense	3.7	--	3.4	1.3	(2.6)	(1.6)	(0.4)	3.8
Profit for the period	**179.0**	**--**	**(17.6)**	**(3.0)**	**65.2**	**(1.6)**	**(1.9)**	**220.1**
Minority interests	(17.0)	--	17.6	--	--	--	--	0.6
Net profit of the Group	**162.0**	**--**	**--**	**(3.0)**	**65.2**	**(1.6)**	**(1.9)**	**220.7**

NOTE 3 – RECONCILIATION OF INCOME STATEMENT PRIOR YEAR FIGURES TO PUBLISHED FINANCIAL STATEMENTS (see Note 5 for explanations)

Year ended December 31, 2004 EUR million	As reported under Lux-GAAP as at 31.12.2004	Reclassifications for IFRS reporting [1]	AsiaSat consolidation methodology [2]	Capitalisation of interest on acquisitions [3]	Non-amortisation of indefinite life intangibles [4]	Provision of deferred tax [5]	Other adjustments [6]	Restated to IFRS as at 31.12.2004
Revenue	**1,146.6**	**--**	**(68.8)**	**--**	**--**	**--**	**--**	**1,077.8**
Operating expenses	(304.5)	--	15.0	--	--	--	(1.5)	(291.0)
Depreciation	(349.4)	--	19.8	(8.7)	--	--	0.7	(337.6)
Amortisation	(185.4)	--	--	--	128.0	--	1.2	(56.2)
Operating profit	**307.3**	**--**	**(34.0)**	**(8.7)**	**128.0**	**--**	**0.4**	**393.0**
Net financing charges	7.0	--	(1.6)	--	--	--	(4.6)	0.8
Share of associates' result	1.2	--	--	--	0.6	--	1.7	3.5
Profit for the period before tax	**315.5**	**--**	**(35.6)**	**(8.7)**	**128.6**	**--**	**(2.5)**	**397.3**
Income tax expense	(57.1)	--	5.2	2.6	(4.7)	(4.0)	(0.7)	(58.7)
Profit for the period after tax	**258.4**	**--**	**(30.4)**	**(6.1)**	**123.9**	**(4.0)**	**(3.2)**	**338.6**
Minority interests	(28.5)	--	30.4	--	--	--	--	1.9
Net profit of the Group	**229.9**	**--**	**--**	**(6.1)**	**123.9**	**(4.0)**	**(3.2)**	**340.5**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the six-month period ended June 30, 2005

NOTE 4 – RECONCILIATION OF BALANCE SHEET PRIOR YEAR FIGURES TO PUBLISHED FINANCIAL STATEMENTS (see Note 5 for explanations)

As at June 30, 2004 EUR million	As reported under Lux-GAAP as at 30.06.2004	Reclassifications for IFRS reporting [1]	AsiaSat consolidation methodology [2]	Capitalisation of interest on acquisitions [3]	Non-amortisation of indefinite life intangibles [4]	Provision of deferred tax [5]	Other adjustments [6]	Restated to IFRS as at 30.06.2004
Property, plant & equipment	3,409.1	--	(214.4)	71.7	--	--	2.3	3,268.7
Intangible assets	2,773.7	--	--	--	171.0	--	--	2,944.7
Financial & other non-current assets	188.1	(31.8)	(0.8)	--	--	--	8.6	164.1
Total non-current assets	**6,370.9**	**(31.8)**	**(215.2)**	**71.7**	**171.0**	**--**	**10.9**	**6,377.5**
Inventories	4.0	--	--	--	--	--	--	4.0
Trade and other receivables	158.3	--	(21.3)	--	--	--	--	137.0
Prepayments	62.1	--	(8.0)	--	--	--	(17.5)	36.6
Valuation of financial instruments	73.6	--	--	--	--	--	--	73.6
Cash and short-term deposits	445.0	--	(60.3)	--	--	--	--	384.7
Total current assets	**743.0**	**--**	**(89.6)**	**--**	**--**	**---**	**(17.5)**	**635.9**
Total assets	**7,113.9**	**(31.8)**	**(304.8)**	**71.7**	**171.0**	**--**	**(6.6)**	**7,013.4**

Attributable to equity holders of parent	3,330.2	(31.8)	--	50.1	109.6	(28.2)	(15.1)	3,414.8
Minority interest	285.7	--	(261.6)	--	10.7	--	0.4	35.2
Total equity	**3,615.9**	**(31.8)**	**(261.6)**	**50.1**	**120.3**	**(28.2)**	**(14.7)**	**3,450.0**
Interest bearing loans & borrowings	2,082.9	--	--	--	--	--	(7.7)	2,075.2
Provisions and deferred income	44.2	113.0	--	--	--	--	--	157.2
Deferred income tax liabilities	571.1	--	(14.6)	21.6	50.7	28.2	3.2	660.2
Total non-current liabilities	**2,698.2**	**113.0**	**(14.6)**	**21.6**	**50.7**	**28.2**	**(4.5)**	**2,892.6**
Trade & other payables	201.1	--	(2.0)	--	--	--	12.5	211.6
Interest bearing loans & borrowings	47.3	--	--	--	--	--	--	47.3
Valuation of financial instruments	33.0	--	--	--	--	--	--	33.0
Income tax payable	193.4	--	(6.3)	--	--	--	--	187.1
Deferred income	325.0	(113.0)	(20.3)	--	--	--	0.1	191.8
Total current liabilities	**799.8**	**(113.0)**	**(28.6)**	**--**	**--**	**--**	**12.6**	**670.8**
Total liabilities	**3,498.0**	**--**	**(43.2)**	**21.6**	**50.7**	**28.2**	**8.1**	**3,563.4**
Total liabilities and equity	**7,113.9**	**(31.8)**	**(304.8)**	**71.7**	**171.0**	**--**	**(6.6)**	**7,013.4**

NOTE 4 – RECONCILIATION OF BALANCE SHEET PRIOR YEAR FIGURES TO PUBLISHED FINANCIAL STATEMENTS (see Note 5 for explanations)

As at December 31, 2004 EUR million	As reported under Lux-GAAP as at 31.12.2004	Reclassification for IFRS reporting [1]	AsiaSat consolidation methodology [2]	Capitalisation of interest on acquisitions [3]	Non-amortisation of indefinite life intangibles [4]	Provision of deferred tax [5]	Other adjustments [6]	Restated to IFRS as at 31.12.2004
Property, plant & equipment	3,287.0	--	(183.6)	67.4	--	--	2.2	3,173.0
Intangible assets	2,484.2	--	--	--	198.3	--	--	2,682.5
Financial & other non-current assets	232.6	(38.4)	(1.5)	--	--	--	16.0	208.7
Total non-current assets	**6,003.8**	**(38.4)**	**(185.1)**	**67.4**	**198.3**	**--**	**18.2**	**6,064.2**
Inventories	2.5	--	--	--	--	--	--	2.5
Trade and other receivables	169.3	--	(17.1)	--	--	--	(6.4)	145.8
Prepayments	69.2	--	(6.3)	--	--	--	(14.0)	48.9
Valuation of financial instruments	271.2	--	--	--	--	--	--	271.2
Cash and short-term deposits	458.7	--	(76.8)	--	--	--	--	381.9
Total current assets	**970.9**	**--**	**(100.2)**	**--**	**--**	**--**	**(20.4)**	**850.3**
Total assets	**6,974.7**	**(38.4)**	**(285.3)**	**67.4**	**198.3**	**--**	**(2.2)**	**6,914.5**

Attributable to equity holders of parent	3,217.0	(38.4)	--	47.2	155.5	(30.5)	(12.2)	3,338.6
Minority interest	279.5		(243.6)				--	35.9
Total equity	**3,496.5**	**(38.4)**	**(243.6)**	**47.2**	**155.5**	**(30.5)**	**(12.2)**	**3,374.5**
Interest bearing loans & borrowings	2,078.3	--	--	--	--	--	(7.4)	2,070.9
Provisions and deferred income	20.7	112.6	--	--	--	--	--	133.3
Deferred income tax liabilities	657.8	--	(12.8)	20.2	42.8	30.5	2.9	741.4
Total non-current liabilities	**2,756.8**	**112.6**	**(12.8)**	**20.2**	**42.8**	**30.5**	**(4.5)**	**2,945.6**
Trade & other payables	220.6	--	(4.2)	--	--	--	14.4	230.8
Valuation of financial instruments	20.0	--	--	--	--	--	--	20.0
Income tax payable	210.4	--	(6.8)	--	--	--	--	203.6
Deferred income	270.4	(112.6)	(17.9)	--	--	--	0.1	140.0
Total current liabilities	**721.4**	**(112.6)**	**(28.9)**	--	--	**--**	**14.5**	**594.4**
Total liabilities	**3,478.2**	**--**	**(41.7)**	**20.2**	**42.8**	**30.5**	**10.0**	**3,540.0**
Total liabilities and equity	**6,974.7**	**(38.4)**	**(285.3)**	**67.4**	**198.3**	**--**	**(2.2)**	**6,914.5**

NOTE 4 – RECONCILIATION OF SHAREHOLDERS' EQUITY OF OPENING IFRS BALANCE SHEET TO PUBLISHED FINANCIAL STATEMENTS (see Note 5 for explanations)

As at January 1, 2004 **EUR million**	**Closing share-holders' equity as reported under Lux-GAAP as at 31.12.2003**	**Reclassifications for IFRS reporting** **[1]**	**AsiaSat consolidation methodology** **[2]**	**Capitalisation of interest on acquisitions** **[3]**	**Non-amortisation of indefinite life intangibles** **[4]**	**Provision of deferred tax** **[5]**	**Other adjustments** **[6]**	**Opening IFRS shareholders' equity as at January 1, 2004**
Attributable to equity holders of parent	3,247.8	(27.7)	--	52.4	43.9	(26.6)	(22.9)	3,266.9

NOTE 5 – Reconciling items between Lux-GAAP and IFRS 2004 financial statements

In 2005 the Group adopted all IFRS standards with the adoption being done according to IFRS 1 First Time Adoption of International Financial Reporting Standards, using January 1, 2004 as the transition date. The effect of adopting IFRS is summarised in the foregoing reconciliations and has resulted in a number of changes in accounting policy as outlined below.

Item 1 – Reclassifications for IFRS reporting

[1] As at June 30 and December 31 2004 the Group had acquired a quantity of SES Global Fiduciary Deposit Receipts ("FDRs") for use in connection with certain stock-based compensation schemes. Under Luxembourg-GAAP these were disclosed either as Investments under current assets, or as Treasury Shares within equity, depending on the underlying scheme in connection with which they were acquired.

Under IFRS, all such FDRs acquired are treated as Treasury Shares in accordance with IAS 32, thereby being disclosed as a deduction from equity.

[2] The Group has on its balance sheet liabilities relating to upfront payments on certain transponder capacity related service contracts. Some of these amounts relate to pre-payments for services contracted for periods longer than 12 months after the date of the balance sheet. The non-current portion of this deferred income has been reallocated from "Current liabilities" to "Non current liabilities"

Item 2 – AsiaSat consolidation methodology

In the Group's Luxembourg GAAP financial reporting, AsiaSat was fully consolidated reflecting the particular responsibility of the SES Group in assisting AsiaSat's management in developing the company's satellites operations.

The agreements in place do not however satisfy the "power to govern" criteria set out in IAS 27, although they do certainly support an assessment of joint control of AsiaSat in accordance with IAS 31. Hence under IFRS AsiaSat is only proportionately consolidated which impacts substantially all line items in the Group's financial statements. There is however no impact on net profit nor on shareholders' equity attributable to shareholders of the parent.

Item 3 – Capitalisation of interest

Under Luxembourg GAAP, a company has the choice to either capitalise or expense interest costs on borrowings incurred during the construction process of tangible assets. Until November 9, 2001, it was the policy of SES not to capitalise such interest. With effect from November 9, 2001, this accounting policy was changed to a policy of capitalisation of such interest.

Under IFRS 1 where a company chooses to apply an accounting policy of capitalising borrowing costs at the date of its first IFRS reporting it must apply this accounting policy retrospectively. As a result borrowing costs relating to pre November 9, 2001 must be capitalised under IFRS. This additional cost base results in an increase in the depreciation charge beyond that required under Luxembourg GAAP.

Item 4 – Non amortisation of goodwill and indefinite life intangibles

Under Luxembourg GAAP goodwill and intangibles are amortised on a straight line basis over their useful life whereas under IFRS goodwill and indefinite life intangibles are no longer amortised but are subject to an annual impairment review. The application of this policy under IFRS has had the following impact:

- certain intangible assets, primarily orbital slot rights, were deemed to meet the definition of indefinite life intangibles under IFRS;
- in line with IFRS 1, accumulated amortisation on such indefinite life intangibles has been reversed and subject to an impairment test at the date of transition and at each year end;
- deferred taxes, which were not required under Luxembourg GAAP, on certain purchase price allocation adjustments relating to indefinite life intangibles have been recognised under IFRS;
- goodwill amortisation posted under Luxembourg GAAP in 2004 has been reversed;

The primary impact of the different accounting treatment of this area under IFRS is that the amortisation charge is very significantly lower than under Luxembourg GAAP, and hence net profit is favourably affected. The intangible assets on the balance sheet are correspondingly higher.

Item 5 – Deferred tax

IAS 12 requires that companies recognise a deferred tax liability for all temporary differences. Under Luxembourg GAAP deferred tax is not provided on temporary differences which are not expected to reverse in the foreseeable future. As a result additional deferred taxes have been provided under IFRS primarily relating to:

- the reversal of the captive re-insurance provision in the Group's captive re-insurance company SES Ré S.A. which is considered to meet the definition of being a temporary difference under IFRS which was not the case under Luxembourg GAAP;
- Undistributed earnings of joint ventures and investments in associates.

Item 6 - Other adjustments

Under item 6 are included smaller adjustments, the most significant of which are as follows:

(i) Loan origination costs
Certain loan origination costs which were being deferred under Luxembourg GAAP do not meet the definition for deferral under IFRS. This results in a reduction in prepayments of EUR 11.9 million and EUR 8 million at June 30 and December 31, 2004 respectively. There was a corresponding impact on shareholders' equity and deferred tax.

(ii) Preferred C shares
Under IFRS the Group's Preferred C shares are deemed to have both debt and equity characteristics, whereas under Luxembourg GAAP they were fully disclosed under shareholders' equity. This results in a total re-allocation to "Other liabilities and deferred income" and "Deferred income tax liabilities" of EUR 10.5 million and EUR 10.6 million at June 30 and December 31, 2004 respectively.

Restatement of the prior year cash flow statement to IFRS

The cash flows of the period are not significantly affected by the restatement to IFRS – net operating cash flow falls by a little under 4% reflecting the lower consolidated share of AsiaSat's net operating cash flow. The "Cash and cash equivalents" balances fall by EUR 44.5 million and EUR 60.3 million respectively, representing the minority shareholder's 65.9% share of AsiaSat's cash balance at the relevant dates of EUR 67.5 million and EUR 91.5 million.

NOTE 6 – Significant events in the period

(i) Purchase of Astra Platform Services (formerly Digital Playout Center "DPC")
On January 1, 2005, the Group acquired a 100% shareholding in Astra Platform Services, "APS". From this date APS is fully consolidated within the EMEA segment.

(ii) On April 7, 2005, the Group increased its shareholding in SATLYNX S.A. from 41.6% to 77.0%. From this date SATLYNX is fully consolidated within the EMEA segment.

(iii) On May 9, 2005, the Group announced the commencement of a share buyback programme authorizing Management to acquire up to 65 million shares and FDRs. The corresponding number of FDRs (approximately 21 million) will be bought in the open market. In order to reduce the impact of the buyout programme on the free float and trading liquidity, A, B and C shares will be bought back pro-rata from the respective shareholders who have agreed to participate in the programme.