



## PRESS RELEASE

### THIRD QUARTER DELIVERS STRONG RECURRING REVENUE AND EBITDA GROWTH

Betzdorf, Luxembourg, 29 October 2007 - SES, the pre-eminent satellite operator worldwide (Euronext Paris and Luxembourg Stock Exchanges: SESG), reports on financial performance for the three months ended 30 September 2007.

#### HIGHLIGHTS

- Recurring<sup>1</sup> revenue of EUR 405 m was up 9.9% on the prior year period
  - Reported revenue was EUR 406.9 m (Q3 2006: EUR 481.8 m)
  - The prior year period included one-time items totalling EUR 83 m (as reported)
- Recurring<sup>1</sup> EBITDA of EUR 290 m was 17.1% ahead of the prior year period
  - Reported EBITDA was EUR 283.2 m (Q3 2006: EUR 323.9 m)
  - The prior year period included one-time items totalling EUR 59 m (as reported)
- Operating profit was EUR 175.9 m (Q3 2006: EUR 199.6 m)
- Net profit was EUR 138.8 m (Q3 2006: EUR 132.0 m)
- 12 month weighted EPS 0.92 (2006 reported EPS EUR 0.82), favourably impacted by the ongoing share buyback programme

Romain Bausch, President and CEO of SES, commented:

*“Despite the introduction of additional satellite capacity via the move of ASTRA 2C to 28.2 degrees East, the group fleet utilisation rate has remained high, at 75%. The growth of our operational business, coupled with some financial developments and our ongoing share buyback activities, translates into a strong earnings per share growth through the year.*

*This positive trend will continue. We have revised upwards our 2007 guidance for both revenues and EBITDA. In our 2008 guidance, we show revenue growth exceeding 6%. Over the period 2008 – 2010 the revenue CAGR will equal or exceed the growth rate foreseen in the guidance for 2008, with an infrastructure EBITDA margin of over 81%.”*

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<sup>1</sup> "Recurring" is a measure designed to represent underlying revenue / EBITDA performance by removing currency exchange effects, eliminating one-time items, considering changes in consolidation scope and excluding revenue / EBITDA from new business initiatives that are still in the start-up phase.

## **BUSINESS REVIEW**

During the third quarter, all group operating companies added new business, demonstrating the favourable market conditions for satellite broadcasting capacity and satellite services. Excluding one-time payments in the prior year period, the year-on-year performance shows consistent improvement at all levels. The prior year period benefited from one-time payments, totalling EUR 83 m, from Connexion by Boeing and Star One.

Revenue in the period was EUR 406.9 m, with a solid recurring growth of 9.9%.

EBITDA was EUR 283.2 m, representing a margin of 69.6%. The infrastructure margin rose to 82.7%, while services activities returned a margin of 10.9%, excluding start-up costs and non-recurring items.

Profit of the group was EUR 138.8 m. The buyback and cancellation of shares in the GE spin-off transaction earlier in the year, coupled with our ongoing share buyback activities, results in an enhanced weighted average earnings per share ("EPS") as we move through the year, delivering EPS of EUR 0.92 for the twelve months to 30 September 2007.

At constant exchange rates, the fully protected Group contract backlog at 30 September 2007 was unchanged at EUR 6.1 billion compared to 30 June 2007.

The SIRIUS-4 satellite launch has been rescheduled for 18 November 2007, and the AMC-14 satellite for February 2008, following the conclusion of the investigation into a Proton launch failure that occurred last September and the return to flight of the launch vehicle. The delay to the onset of revenues from these spacecraft is incorporated in the financial guidance for 2008, which is published today.

SES has recently announced the creation of a new division, SES ENGINEERING, to consolidate satellite, ground, procurement, engineering and operational services for the group. Martin Halliwell, previously Chief Technology Officer of SES ASTRA, has been appointed as President of this new entity, and is a member of the SES Executive Committee. The new division will be staffed by employees from SES' operating companies and is expected to be fully operational as of 1 January 2008.

## **SES ASTRA**

The recently launched ASTRA 1L replacement satellite was brought into service at the prime European DTH orbital position of 19.2 degrees East on 11 July. Consequently, the ASTRA 2C satellite, which had been located at 19.2 degrees East, has been moved to 28.2 degrees East to provide additional capacity for the UK and Irish DTH markets.

In Germany, national public broadcasters ARD and ZDF, as well as Tele5, signed new contracts for additional transponder capacity for digital services. The additional capacity is to be used to enhance the quality of standard definition digital broadcasts by increasing the channel data rates, as well as to support the further development of digital offers.

In France, as part of the CANAL+ framework contract signed earlier in the year, CANAL+ contracted two further transponders for the transmission of the regional programmes of France3 within the CANALSAT and the TENTSAT bouquets.

Dutch satellite TV provider Canal Digitaal signed up two transponders at the third European prime orbital position for DTH services, 23.5 degrees East, for the launch of new digital thematic services this autumn as well as for the launch of an HDTV bouquet early 2008.

SES ASTRA signed an agreement for an additional transponder with the Spanish broadcaster Sogecable, bringing the number of ASTRA transponders used by Sogecable to eleven.

SES ASTRA also signed an agreement with the international content management and delivery enterprise GlobeCast for one additional transponder at 28.2/ 28.5 degrees East.

The satellite broadband service ASTRA2Connect signed new contracts with STARDSL in Germany, Sosat in Austria and with the Irish provider National Broadband Services, providing satellite based internet connectivity in Ireland. These services are delivered via 23.5 degrees East.

The digital satellite platform entavio was officially launched for the German market on 1<sup>st</sup> September at the IFA consumer electronics fair in Berlin. Its anchor customer, Pay TV operator Premiere, was joined on the platform by sportdigital.tv, a German sports channel which has announced that it will be offering its services via entavio.

SES ASTRA's utilisation rate at the period end was 85%, or 240 of 282 commercially available transponders with 16 transponders added to the commercially available capacity as a result of the Astra 2C move. (As reported at 30 June 2007: 87%, or 233 of 266 commercially available transponders).

### **SES AMERICOM**

The AMC-18 satellite, the fifth satellite in SES AMERICOM's HD-Prime neighbourhood, continued HDTV channel expansion. The multi-year contract with Comcast Media Center's HITS Quantum service supports six HDTV channels. This expansion results in a total of two AMC-18 transponders supporting the HITS Quantum service.

AMERICOM Government Services was awarded a five-year contract to build and operate a satellite network in support of the Defense Intelligence Agency. The contract is for a base year plus four one-year options.

IP-PRIME, SES AMERICOM's IPTV service offering, launched commercial service in June 2007. IP-PRIME has completed roll-out of services for three NRTC-affiliated telco customers. Telco operators have reported strong initial subscriber penetration rates confirming customers' positive reception of the service. The IP-PRIME programme line-up now includes 28 HDTV channels with significant HDTV programme expansion expected in the coming months.

Argentinian satellite services company AR-SAT (Empresa Argentina de Soluciones Satelitales, S.A.), entered into a five-year contract to lease five transponders on the AMC-6 satellite at 72 degrees West. The capacity will provide follow-on capacity and service continuity for customers previously served by the Nahuel-1 satellite from that orbital position.

With the AMC-16 satellite now operating at its permanent location at 85 degrees West, EchoStar will discontinue leasing the AMC-2 satellite in February 2008. AMC-2 has provided service to EchoStar since 2003, well beyond its initial mission of serving as an interim satellite. SES AMERICOM is evaluating new commercial opportunities for AMC-2.

SES AMERICOM's utilisation rate at the period end was 74%, or 330 of 447 commercially available transponders (As reported at 30 June 2007: 74%, or 332 of 447 commercially available transponders).

### **SES NEW SKIES**

In the quarter, ImpSat, a subsidiary of Global Crossing, took capacity totalling 2.5 transponders on the NSS-10 satellite to serve customers in Latin America. The capacity is to serve the growing demand for VSAT IP services and SCPC services in the region.

A two-transponder contract was signed with Papua New Guinea operator PNG Telikom for GSM backhaul services, providing essential connectivity in a region where terrestrial links are limited or non-existent.

AfSat, one of Africa's largest VSAT companies took capacity on NSS-7 to deliver IP trunking services in sub-Saharan Africa, in particular West Africa and South Africa.

France24, the French digital TV news channel, became available via NSS-7 in French and in English. Broadcasts cover Europe, the Middle East and all of Africa.

SES NEW SKIES' utilisation rate at the period end was 69%, or 220 of 318 commercially available transponders (As reported at 30 June 2007: 64%, or 205 of 318 commercially available transponders), with utilisation at period end benefiting from capacity ramp-up on previously signed contracts in addition to those new contracts mentioned above.

### **Outlook and guidance for 2007 and 2008**

SES will continue to secure organic growth. This will be supported by the new capacity that is scheduled to be launched into orbit, namely SIRIUS-4 in November 2007, AMC-14 in February 2008, ASTRA 1M and AMC-21 in Q2 2008, and Ciel-2 in Q4 2008. In addition, we continue to assess potential select acquisitions that may complement our assets in key markets. Other initiatives to deliver value are being developed. For example, we have taken a group-wide approach to securing in-orbit insurance that has resulted in a favourable development in the insurance premiums payable.

Revenue and EBITDA guidance for 2007 and 2008 is published today (see the associated presentation materials on our website [www.ses.com](http://www.ses.com)). For 2007, we revise upwards our revenue and EBITDA guidance of 6 August 2007. "For 2008 and as expected, the delayed Proton launch schedule slightly sets back the onset of new revenues from both the SIRIUS-4 and the AMC-14 satellites. Our 2008 guidance also considers the gap in the revenue stream generated by AMC-2 following the end of its temporary lease to EchoStar. Despite these business developments, SES expects to deliver revenue growth in excess of 6% in 2008. Revenue is expected in the range between EUR 1,623 m and EUR 1,663 m, with EBITDA between EUR 1,100 m and EUR 1,140 m. Over the next three years (2008-2010), group revenue will deliver a CAGR exceeding 6%, with an infrastructure EBITDA margin of over 81%.

## SUMMARY FINANCIAL HIGHLIGHTS (in EUR millions)

### 1. CONSOLIDATED INCOME STATEMENT

				YTD	YTD	
	Q3, 2007	Q3, 2006	%	Q3, 2007	Q3, 2006	%
<b>Revenue</b>	<b>406.9</b>	<b>481.8</b>	<b>-15.5%</b>	<b>1,196.0</b>	<b>1,192.3</b>	<b>--</b>
Operating expenses	(123.7)	(157.9)	-21.7%	(364.6)	(368.9)	-1.2%
<b>EBITDA</b>	<b>283.2</b>	<b>323.9</b>	<b>-12.6%</b>	<b>831.4</b>	<b>823.4</b>	<b>+1.0%</b>
Depreciation	(97.4)	(113.4)	-14.1%	(327.3)	(318.7)	+2.7%
Amortisation	(9.9)	(10.9)	-9.2%	(29.4)	(26.6)	+10.5%
<b>Operating profit</b>	<b>175.9</b>	<b>199.6</b>	<b>-11.9%</b>	<b>474.7</b>	<b>478.1</b>	<b>-1.0%</b>
Net financing charges	(7.8)	(26.5)	-70.6%	(57.1)	(40.0)	+42.3%
<b>Profit for the period before tax</b>	<b>168.1</b>	<b>173.1</b>	<b>-2.9%</b>	<b>417.6</b>	<b>438.1</b>	<b>-4.7%</b>
Income tax expense	(27.2)	(45.1)	-39.7%	(71.3)	(92.4)	-22.8%
<b>Profit for the period after tax</b>	<b>140.9</b>	<b>128.0</b>	<b>+10.1%</b>	<b>346.3</b>	<b>345.7</b>	<b>--</b>
Share of associates' profit	(1.1)	4.0	--	1.3	1.9	-31.6%
Minority interests	(1.0)	0.0	--	(0.6)	0.2	--
<b>Net profit of the Group</b>	<b>138.8</b>	<b>132.0</b>	<b>+5.2%</b>	<b>347.0</b>	<b>347.8</b>	<b>--</b>

## SUMMARY FINANCIAL HIGHLIGHTS (in EUR millions) /cont.

### 2. QUARTERLY DEVELOPMENT

<i>Year-to-date, Q3 2007</i>	Q1	Q2	Q3	Q4	YTD
Revenue	399.5	389.6	406.9	--	1,196.0
Operating expenses	(124.3)	(116.6)	(123.7)	--	(364.6)
EBITDA	275.2	273.0	283.2	--	831.4
Depreciation	(127.5)	(102.4)	(97.4)	--	(327.3)
Amortisation	(9.8)	(9.7)	(9.9)	--	(29.4)
Operating profit	137.9	160.9	175.9	--	474.7

### 3. ANALYSIS BY PRIMARY GEOGRAPHIC SEGMENT

<i>Year-to-date, Q3 2007</i>	SES ASTRA	SES AMERICOM	SES NEW SKIES	Other operations/ Elimination	Total
Revenue	713.8	305.0	196.8	(19.6)	1,196.0
Operating expenses	(205.5)	(108.0)	(47.7)	(3.4)	(364.6)
EBITDA	508.3	197.0	149.1	(23.0)	831.4
Depreciation	(132.7)	(114.2)	(80.2)	(0.2)	(327.3)
Amortisation	(27.1)	(2.2)	--	(0.1)	(29.4)
Operating profit	348.5	80.6	68.9	(23.3)	474.7

### 4. ANALYSIS BY SECONDARY BUSINESS SEGMENT

<i>Year-to-date, Q3 2007</i>	Infra- structure	Services	One-time Items*	Other operations/ Elimination	Total
Revenue	1,030.3	224.9	1.4	(60.6)	1,196.0
EBITDA	852.0	24.6	(22.1)	(23.1)	831.4
EBITDA margin	82.7%	10.9%			69.5%

\* Start-up costs and non-recurring items

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#### **PRESS / ANALYST TELECONFERENCES**

A **press** call will be hosted at 11.00 CET today, 29 October 2007. Journalists are invited to call the following numbers five minutes prior to this time.

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France	+33 (0)1 70 99 42 95
Germany	+49 (0)69 5007 1316
Luxembourg	+352 342 080 8656
UK	+44 (0)20 7806 1966

A call for **investors and analysts** will be hosted at 14.00 CET today, 29 October 2007. Participants are invited to call the following numbers five minutes prior to this time.

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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.com](http://www.ses.com)

A replay will be available for one week on our website: [www.ses.com](http://www.ses.com)

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