



# Q3 results

29 October 2007



Your Satellite Connection to the World

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# Overview

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- ▲ A good quarter, with progress on all fronts
- ▲ Strong operating performance
- ▲ Strong financial performance
- ▲ Backlog remains unchanged at EUR 6.1 billion
- ▲ 2007 guidance raised
- ▲ New guidance for 2008 confirms favourable outlook
  - we foresee 6%-plus revenue CAGR over the period 2008-2010
  - Infrastructure EBITDA margin to exceed 81%

# Highlights

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- ▲ Recurring revenue rose 9.9% to EUR 405 million
- ▲ Recurring EBITDA rose 17.1% to EUR 290 million
- ▲ Operating profit was EUR 175.9 million
- ▲ Net Profit was EUR 138.8 million
- ▲ EPS favourably impacted by the ongoing share buyback programme

# Satellite procurement and incremental capacity

## Successfully launched satellites - starting service in 2007:

ASTRA Satellites	Launch Date	Incremental txp's
AMC-18	8-Dec-06	24
ASTRA 1L	4-May-07	UK / IRL 10 - 16, Africa 8

## Procurement program - starting service in 2008 and beyond:

ASTRA Satellites	Launch Date	Incremental txp's
Sirius-4	Nov-07	Europe 7, Africa 6
ASTRA 1M	Q2 2008	
ASTRA 3B	Q4 2009	Europe 20 <sup>1)</sup> , Middle East 12

AMERICOM Satellites	Launch Date	Incremental txp's
AMC-14	Q1 2008	32
AMC-21	Q2 2008	24
Ciel-2 (@ 70%) <sup>2)</sup>	Q4 2008	32 (@70%: 22)
AMC-5R	Q3 2009	32

NEW SKIES Satellites	Launch Date	Incremental txp's
NSS-9	Q1 2009	
NSS-12 (8 R)	Q2 2009	30

Incremental
  Replacement
  Incremental & Replacement

- Focus on growing market segments supports continued investment programme
- 10 satellites are in the pipeline between 2007 and 2010; one in 2007, four in 2008 and four in 2009, plus the AMC-5R ground spare
- In total 230 incremental transponders <sup>3)</sup>, providing a 22% increase in commercially available capacity, support future growth
- All infrastructure projects exceed IRR hurdle rate of 10-15%

## Change since last publication:

AMC-14 launch date moved from Q4 2007 to Q1 2008

1) Of which 16 transponders are commercially available via prefill on ASTRA 1D

2) Ciel-2 will be launched by Ciel Satellite LP, in which SES AMERICOM holds a 70% economic interest

3) Including satellites already launched, but starting service in 2007 (AMC-18 and ASTRA 1L)

# Summary

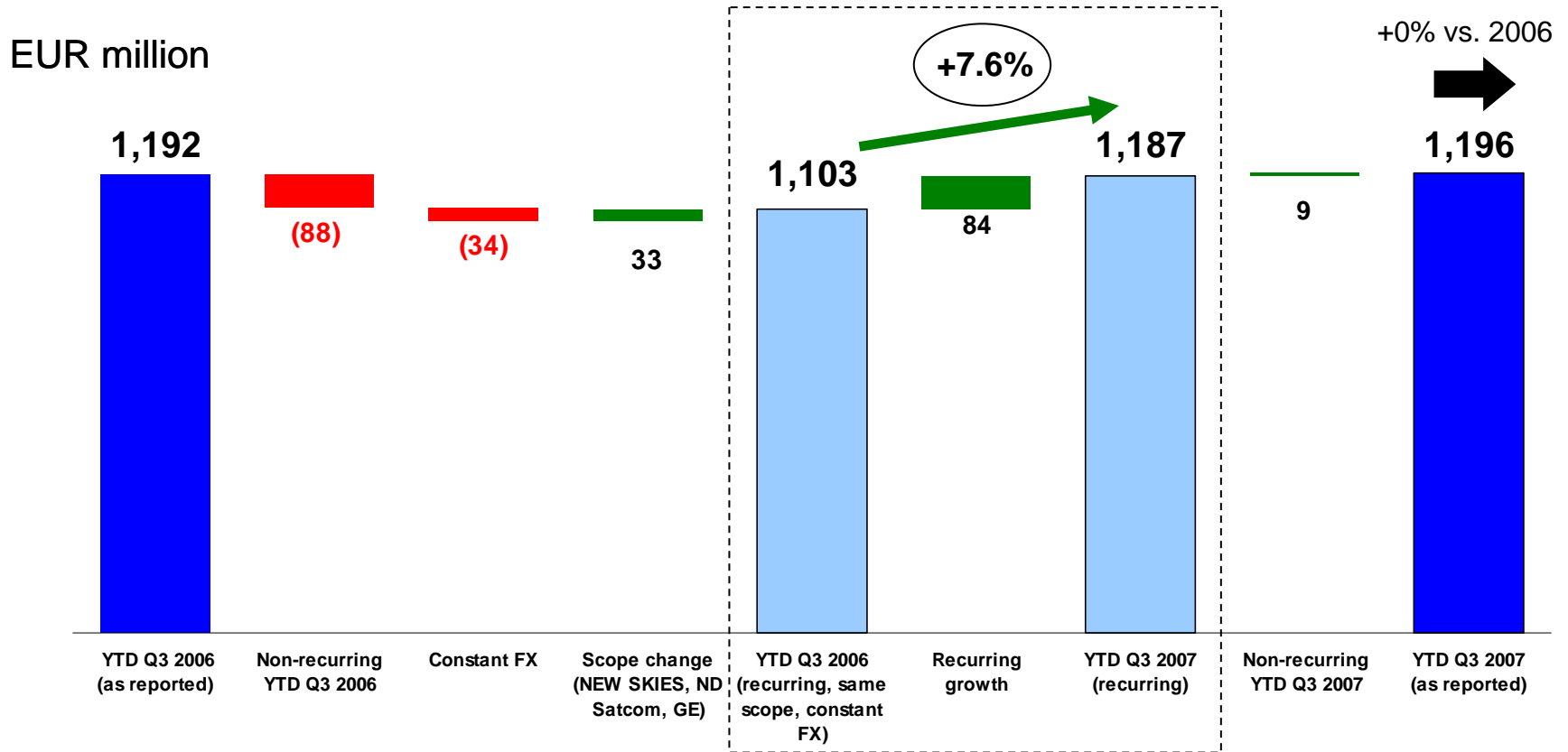
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- ▲ We expect to continue to deliver strong performance
  - tightly focused on delivering shareholder value
- ▲ We are strengthening our core business
- ▲ We are making modest investments in high potential, complementary services activities
- ▲ Our investment programme will develop further
- ▲ Maintained concentration on managing costs throughout the business

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# Financials

# Revenues – ytd Q3 2007

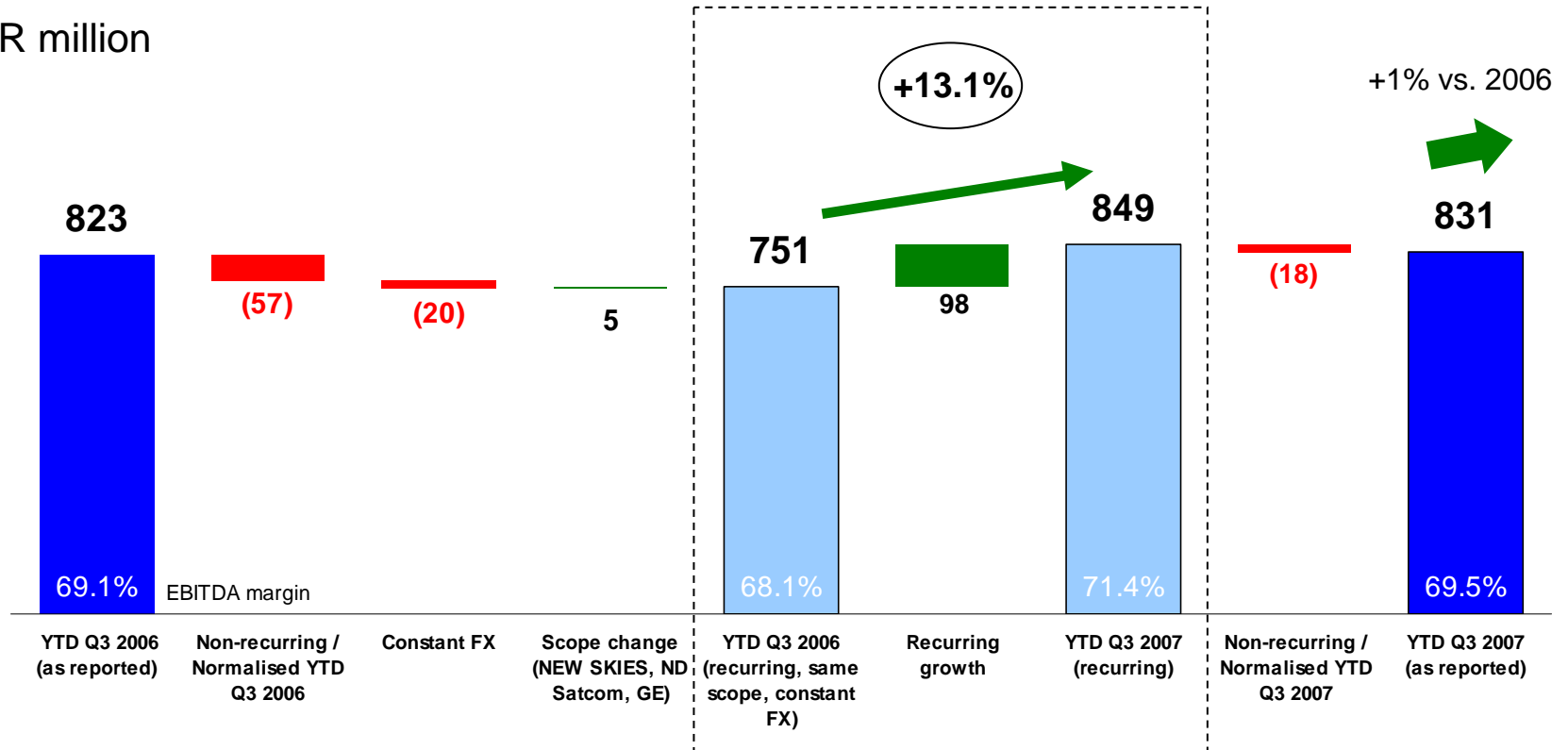


- Recurring revenues were 7.6% ahead of prior period
- This growth basically refers to the infrastructure segment (mainly NEW SKIES segment), augmented by the Satcom BW II project as part of the services business in ASTRA segment



# EBITDA – ytd Q3 2007

EUR million



- Recurring EBITDA was 13.1% ahead of prior year period
- This growth is driven by NEW SKIES (higher fill rates, stabilisation of prices) augmented by cost management in all three segments
- Recurring, same scope EBITDA margin increases to more than 71%

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

# Business segmentation – ytd Q3 2007

YTD Q3 2007	Infrastructure				Total
	ASTRA	AMERICOM	NEW SKIES	OTHER & ELIM <sup>1)</sup>	
Revenues	603.1	256.6	178.8	(8.2)	1,030.3
EBITDA	507.1	201.2	143.7	0.0	852.0
Margin %	84.1%	78.4%	80.4%		82.7%

YTD Q3 2007	Services				Sub-Total	Start-up initiatives	Total
	ASTRA	AMERICOM	NEW SKIES	OTHER & ELIM <sup>1)</sup>			
Revenues	132.4	56.9	35.5	0.0	224.9	1.4	226.3
EBITDA	15.6	3.6	5.4	0.0	24.6	(22.1)	2.4
Margin %	11.8%	6.3%	15.2%		10.9%		1.1%

	Infrastructure	Services	Start-up initiatives	Elimination / Unallocated <sup>1)</sup>	Total
Revenues	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%

## ▲ Infrastructure:

- Industry-leading infrastructure EBITDA margin of 82.7%, up 0.5% points on H1 2007
- EBITDA margin growth of 4.4% points versus prior year period, driven by the expansion of NEW SKIES' business, which realises a margin of more than 80%

## ▲ Services:

- Contribution of SES services activities rises 3% points versus prior year period to 18.8%, with a normalised EBITDA margin of 10.9%<sup>2)</sup>
- If eliminating the cross-charge transponder revenues from the infrastructure segment, the EBITDA margin of the services segment steps up from 11% to 36%

1) Revenue elimination refers to cross-charged capacity and other services; EBITDA elimination to unallocated SES corporate expenses

2) EBITDA has been normalised for the impact of start-up initiatives and one-off costs in the period to better reflect the performance of the on-going operations

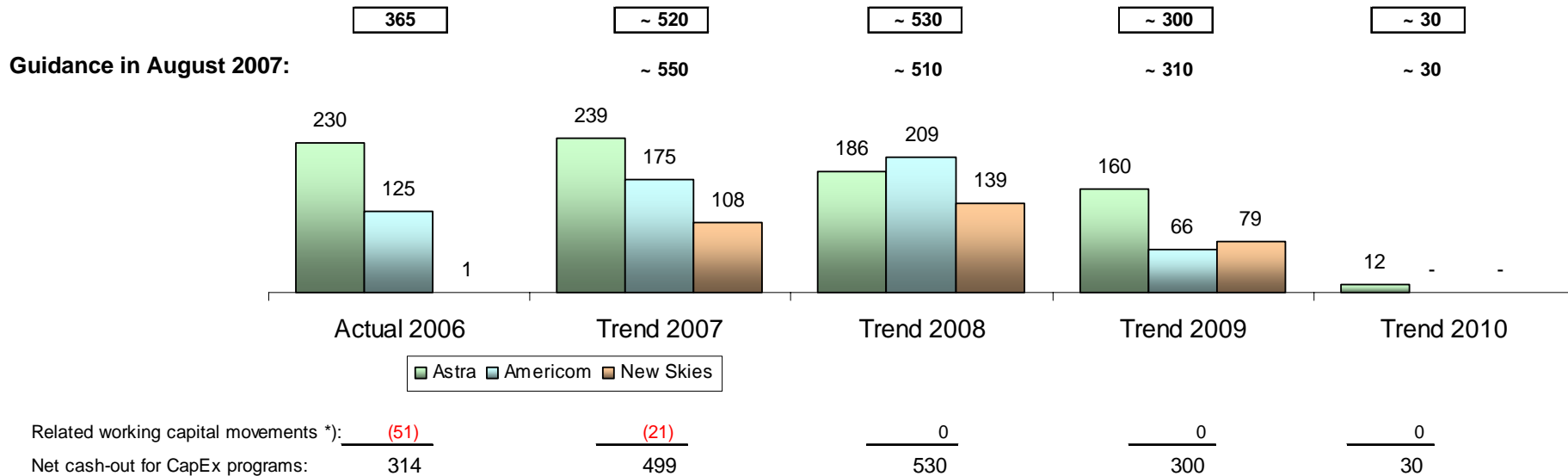
# Other financial lines – ytd Q3 2007

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- ▲ Rise in depreciation of EUR 8.6 million
  - Full nine months impact from SES NEW SKIES fleet integration
  - New satellites entering service (ASTRA 1KR, AMC-18)
  - Accelerated write-down associated with the failed NSS-8 satellite launch in January 2007 (EUR 15.9 million)
  - Continued weakness of the US Dollar has a favourable impact
- ▲ Net finance charges increase by EUR 17.1 million
  - Higher net interest expense (EUR 32.0 million)
  - Absence of income from disposal of SES Ré S.A. in Q1 2006 (EUR 15.4 million)
  - Foreign exchange gains of EUR 21.7 million
  - Increase in capitalised interest of EUR 8.6 million
- ▲ Tax charge decreased to EUR 71.3 million (effective tax rate: 17.1%)
  - Reflecting a slightly lower taxable base and effective tax management

# Capital Expenditure schedule

EUR million



\*) Upfront payment from EchoStar related to Ciel-2

- No major change to the satellite CapEx schedule for committed CapEx since last publication, but updated for USD translation rate and launch shift of AMC-14
- CapEx relating to as yet undisclosed replacement satellites and growth opportunities is not included
- CapEx associated with new replacement cycle begins in 2007 for SES AMERICOM and in 2009 for SES ASTRA
- Maintenance CapEx for ground equipment and services business accounts for approximately 50 MEUR per annum

- ▲ **2007:** Strong performance expected to continue
  - Upwards revision of 2007 revenues and EBITDA
  - Strong growth in EBITDA driven by revenue growth, synergies and cost management
  - Infrastructure EBITDA margin at around 81%, supported by strong market demand and higher transponder fill rates
  - EPS growth versus 2006 driven by operational growth and lower number of shares
- ▲ **2008:** Growth continues associated with profitability improvement
  - Revenue growth in excess of 6% reflects solid base and realisation of growth initiatives offsetting scope change related to GE transaction and one-offs in 2007
  - Infrastructure EBITDA margin is set to step above 81% reflecting improved revenue mix and continued cost management
  - Services business performance will further improve with Entavio and IP-PRIME commercialisation ramping up
  - Achievement of Net debt / EBITDA target of 3.5 times will further contribute to the return to shareholders
  - Higher profitability and lower number of shares will augment EPS
- ▲ **2008-2010:** The revenue CAGR over the next three years 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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# Appendices

# Revenue and EBITDA ranges - 2007

Analyst guidance			
EUR million	2007		
	6 Aug 2007 @ 1 EUR = 1.34 USD	6 Aug 2007 @ 1 EUR = 1.36 USD	29 Oct 2007 @ 1 EUR = 1.36 USD
<b>Total</b>			
- Revenues	1580 - 1610	1570 - 1600	1585 - 1605
- EBITDA	1060 - 1080	1053 - 1073	1077 - 1097
<b>Infrastructure</b>			
- Revenues	1340 - 1370	1332 - 1362	1345 - 1365
- EBITDA	1075 - 1095	1069 - 1089	1087 - 1107
<b>Services</b>			
- Revenues *)	305 - 330	303 - 328	310 - 330
- EBITDA *)	26 - 38	26 - 38	29 - 39
*) Services revenue and EBITDA excludes start-up activities			

- Guidance update to reflect further weakening of the US Dollar
- Revenue and EBITDA targets increased
- Improved EBITDA performance reflects favourable revenue mix and the realisation of synergies, delivering an infrastructure EBITDA margin at around 81%
- Services businesses outlook favourable

# Revenue and EBITDA ranges - 2008

Analyst guidance				
EUR million	2007			2008
	29 Oct 2007 @ 1 EUR = 1.36 USD	Scope change, one-offs & currency	2007 pro forma, restated @ 1.40 USD <sup>1)</sup>	2008 @ 1 EUR = 1.40 USD
<b>Total</b>				
- Revenues	1585 - 1605	(48)	1537 - 1557	1623 - 1663
- EBITDA	1077 - 1097	(31)	1046 - 1066	1100 - 1140
<b>Infrastructure</b>				
- Revenues	1345 - 1365	(31)	1314 - 1334	1355 - 1395
- EBITDA	1087 - 1107	(28)	1059 - 1079	1097 - 1137
<b>Services</b>				
- Revenues <sup>2)</sup>	310 - 330	(17)	294 - 314	345 - 375
- EBITDA <sup>2)</sup>	29 - 39	(2)	27 - 37	43 - 53
1) Pro forma for GE transaction, restated for one-offs and USD translation rate				
2) Services revenue and EBITDA exclude start-up activities				

- SES reiterates its growth path: > 6% growth in revenues
- Infrastructure EBITDA margin above 81%
- Services business continues to grow and to increase its profitability