# PRESS RELEASE

Betzdorf, Luxembourg 19 February 2007

## 2006 ANOTHER EXCELLENT YEAR

## SES ANNOUNCES CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR TO 31 DECEMBER 2006

### FINANCIAL HIGHLIGHTS

- Revenues rose 28.4% to EUR 1,615.2 million (2005: EUR 1,258.0 million)
    - recurring, same scope revenues grew 7.4% to EUR 1,320.0 million
- EBITDA grew 22.6% to EUR 1,080.4 million (2005: EUR 881.1 million)
- Operating Profit improved 27.2% to EUR 605.3 million (2005: EUR 475.8 million)
- Net Profit was 14.1% higher at EUR 435.8 million (2005: EUR 381.9 million)
- Earnings Per Share increased by 22% to EUR 0.82 (2005: EUR 0.67)
- Net operating cash flow increased 47.4% to EUR 1,060.1 million (2005: EUR 719.4 million)
- Dividend of EUR 0.44 (2005: EUR 0.40) per A share proposed
- Buyback and cancellation of 25 million shares for a total consideration of EUR 233 million
- Return on average equity improved to 13.5% (2005: 11.2%)

President & CEO Romain Bausch commented:

“These results again demonstrate SES’s operational and financial strengths, built on our solid industry position. We have once more delivered outstanding shareholder value through the combination of good results, continued investment in our business, increased dividends and our share buyback programme. The acquisition of New Skies has already delivered significant synergies, and the acquisition of ND SatCom was closely followed by the successful bid for the German government contract.”

“More recently, we have announced a transaction with GE to buy back their 19.5% stake in SES for assets and cash. This deal delivers value to shareholders which will be boosted by the cancellation of the bulk of the acquired shares. The resulting restructuring of our asset portfolio streamlines and improves our geographic positioning without changing our overall group strategy of growing and delivering shareholder value.”

“The outlook for 2007 is positive. SES forecasts continued revenue growth which, with the planned share buyback and increased dividend, delivers industry-leading total returns to shareholders.”

## Operations Review

In 2006 the SES group ("the Group") continued to develop and strengthen its position in the industry.

The acquisition and integration of SES NEW SKIES into the Group was achieved in line with plan. This acquisition delivered high quality capacity and coverage of parts of the world where the SES footprint was incomplete or delivered via minority participations. Significant progress was made in delivering synergies from the acquisition, with spacecraft control operations transferred to SES ASTRA's facility at Betzdorf, Luxembourg and payload operations control being transferred to SES AMERICOM's facility at Woodbine, Maryland. The acquisition of ND SatCom, and the subsequent award of a major German government contract, boosted SES ASTRA's presence in this market segment, complementing the activities of AMERICOM Government Services.

Demand for satellite capacity in the European media market remains strong, supported by the continuing growth of existing satellite Direct-to-Home (DTH) markets and the establishment of new markets in Central and Eastern Europe. In North America, growth in the enterprise and consumer broadband sector and DTH broadcasting has created substantial demand for Ku-band satellite capacity, much of which is supplied by SES and its affiliates. The growth of High-Definition TV in Europe and North America, as well as the demand for global solutions from the US government, gathers pace and will be a feature of demand growth in the coming years.

Of total Group revenues, infrastructure activities contributed 83.4% (2005: 85.2%), and services activities 16.6% (2005: 14.8%). The growth in service revenues results from the successful implementation of the Group's strategy of developing its business in this area.

## Infrastructure

Group infrastructure activities delivered revenues of EUR 1,416.7 million in 2006, with an EBITDA margin of 78.8%.

At the end of 2006, the number of commercially utilised transponders across the group was 760, a utilisation rate of 75%. Excluding the new capacity acquired with New Skies, the utilisation rate rose to 76%, or 608 of 804 commercially available transponders.

| SES Group | Utilised | % | Available |
|---|---|---|---|
| ASTRA segment | 251 | 82% | 305 |
| AMERICOM segment | 357 | 71% | 499 |
| NEW SKIES segment | 152 | 71% | 215 |
| **Full scope** | **760** | **75%** | **1,019** |
| **Same scope** | **608** | **76%** | **804** |

### EMEA

SES ASTRA continued to deliver the highest growth in the sector, having benefited from the continued increase in demand for its prime transponder capacity in its major markets at 19.2° East and 28.2° East; maintained growth in DTH broadcasting; concluded further HDTV deals in the French and German markets; and developed and promoted the new orbital position at 23.5° East.

Of the 305 transponders commercially available in the SES ASTRA satellite fleet, 251, or 82%, were contracted at December 31, 2006, a net increase of 30 over the previous year.

**<u>Operations Review (continued)</u>**

Additional capacity was contracted with a range of broadcasters across all markets, including UPC Direct for development of their Central and Eastern European programming packages and TV Polska for their digital bouquet in Poland. New contracts were signed by Canal+, Anixe and National Geographic for their High-Definition broadcasting packages. Important renewals were also secured, with ProSiebenSat.1 at 19.2° East and the BBC at 28.2° East.

In January 2007, SES ASTRA significantly enhanced its position in the important French market with the signing of a new long-term contract with the French Pay-TV operator CANAL+ Group for the transmission of its programme bouquet from SES ASTRA's prime orbital position 19.2° East. SES ASTRA will transmit the full programming line-up of CANAL+ Group from a single orbital position, providing the framework for the future growth requirements of this key long-term customer.

*EMEA satellite fleet developments*

ASTRA 1KR was launched in April and entered commercial service in July 2006. ASTRA 1KR has 32 active transponders and provides distribution of DTH broadcast services for customers across Europe, with an extended reach into Eastern Europe. The new satellite allowed SES ASTRA to replace its satellites ASTRA 1B and ASTRA 1C at the same orbital position.

In order to further optimise the ASTRA fleet, SES ASTRA ordered the procurement of the ASTRA 3B spacecraft from Astrium in November 2006. This will be a state-of-the-art Ku- and Ka-band spacecraft designed for the distribution of both DTH broadcast services and two-way broadband services across Europe and the Middle East. The satellite will have 52 transponders of which 20 are to replace existing in-orbit capacity while 32 represent new capacity. ASTRA 3B, scheduled for launch in Q4 2009, will be positioned at 23.5° East thereby strengthening this third orbital position for European DTH services. The ASTRA 1D satellite is now stationed at 23.5° East, with 16 commercially available frequencies on top of the 20 available on ASTRA 3A, allowing the immediate further development of this position prior to the launch of ASTRA 3B.

Due to tight launch manifests and launch timing issues at our launch providers, the 2007 launches of ASTRA 1L and SIRIUS 4 have been slightly rescheduled. The launch of ASTRA 1L on Ariane V is now scheduled for beginning of May 2007 instead of in Q1 2007. SIRIUS 4 is now scheduled for launch on Proton in July 2007 instead of in Q2 2007. The launches of ASTRA 1M in Q2 2008, and ASTRA 3B in Q4, 2009, are still on schedule. There is no material financial impact arising from the launch reschedules.

**Americas**

During 2006, SES AMERICOM continued to build on its leading position for providing satellite capacity in North America. Public Broadcasting Service (PBS) renewed and expanded its agreement with SES AMERICOM, becoming the anchor customer on AMC-21 in advance of its launch in 2008. Other significant 2006 signings included Turner Broadcasting Service (TBS) and Hughes Network Systems (HNS). 2006 also saw Scripps Networks launch two new HD channels, Home & Garden Television HD (HGTV HD) and Food Network HD, on SES AMERICOM's HD-PRIME neighbourhood.

**Operations Review (continued)**

The SES AMERICOM satellite fleet and the supporting terrestrial networks continued to operate with a high degree of reliability. Of the 499 transponders commercially available in the SES AMERICOM satellite fleet, 357, or 71.4%, were contracted at December 31, 2006, a net increase of 29 over the previous year.

*Americas satellite fleet developments*

AMC-18, carrying 24 C-band transponders for the extended HD-PRIME neighbourhood at 105° West, was launched in December 2006 and entered commercial service at the beginning of February 2007. AMC-18 represents the third satellite in SES AMERICOM's HD-PRIME neighbourhood, and will be used to distribute both standard- and High-Definition programming to cable head-ends throughout the United States.

The AMC-21 satellite was procured to deliver 24 Ku-band transponders with 50-State coverage and is scheduled for launch in Q2 2008. SES AMERICOM's Canadian affiliate company Ciel began the procurement of its Ciel-2 satellite, scheduled for launch in Q4 2008. AMC-14, remains on schedule for launch in Q4 2007 onboard a Proton rocket.

**SES NEW SKIES**

2006 marked the arrival of New Skies Satellites ('New Skies') into the SES Group of companies. The acquisition of New Skies was completed on March 30, 2006 and the results of SES NEW SKIES are consolidated from that date.

SES NEW SKIES had an exceptional year in 2006, delivering its highest ever revenues of USD 258.5 million, an increase of 7% compared to USD 240.5 million in 2005, and contributing over USD 198 million to the SES Group's revenue. The increase in revenue was driven by improved market conditions and, in particular, enterprise service delivery into Africa, the Middle East, and Central Asia.

At the year end SES NEW SKIES operated five satellites: NSS-806 at 319.5° East, NSS-7 at 338°East, NSS-703 at 57° East, NSS-6 at 95° East and NSS-5 at 183° East. Together these satellites provide global coverage. Transponder utilization on the fleet grew from 65% at the end of 2005 to 71% at the end of 2006, on a total of 215 available transponders.

At the end of 2006 SES NEW SKIES carried 508 television channels, a growth of 9% compared to 466 channels at the end of 2005. In total it is estimated that these channels are received by some 44 million cable and satellite households: 25 million in India, 3.5 million in Africa and 15 million in Latin America.

Major new deals and renewals in 2006 include the renewal of the contract with the Department of Space of the Indian Government and Antrix Corporation of India for the continued roll-out of DTH services in India. At the end of 2006 approximately 5 million households in India received DTH channels broadcast from the NSS-6 satellite.

SES NEW SKIES continued to serve the United States government by renewing or expanding the provision of satellite capacity, particularly in the Middle East. In 2006 there was strong growth in government services outside the United States, in particular with the Australian and Dutch governments for long-term support of their overseas operations.

**Operations Review (continued)**

*SES NEW SKIES satellite fleet developments*

In 2007 SES NEW SKIES intends to further expand its capacity through the transfer into the SES NEW SKIES fleet of AMC-12/ASTRA 4A at 322.5° East, AAP-1 at 108.2°East and the West Africa beam on ASTRA 2B at 28.2° East. The transferred satellites will boost fleet capacity by 47%, from 215 to 315 transponders.

SES NEW SKIES will further enhance its orbital resources through the addition of NSS-9 in 2009. The NSS-9 satellite, which has been ordered in 2006, will be positioned at the orbital location of 183° East, allowing NSS-5 to replace the NSS-703 satellite as it nears the end of its life. SES will choose a launch service provider for the NSS-9 satellite in the near future.

In January 2007, the launch of NSS-8 failed as a result of a launch malfunction. SES NEW SKIES is reviewing several options to capture the growth that the satellite was to have delivered through the additional capacity that would have been added to the fleet.

**Services**

Services activities across the Group developed satisfactorily and according to plan. Group services activities generated revenues of EUR 271.7 million in 2006. Strong focus on cost control and other management initiatives supported the improvement in returns from the managed services activities with a resulting improvement in services EBITDA margin to 10.5% (before project start-up costs) at the year end.

**SES ASTRA** executed a range of initiatives, in particular increasing its ownership in ND SatCom from 25.1% to 100%. The transaction significantly enhances SES ASTRA's government services offering and creates opportunities for the core infrastructure business.

SES ASTRA started implementing its low-cost satellite-based interactive broadband internet access ASTRA2*Connect*, which was announced during Q3 2006. SES ASTRA also launched its interactive, Bluetooth-based *blucom* service for international customers while closing further major contracts with customers in the German market (ProSiebenSat.1, N24, and the Mobile Unit of RTL).

ASTRA Platform Services delivered strong double-digit growth during the period as it expanded its product offering and increased the number of channels to which it provide services. It also took an important step for future growth with the commercial rollout of the *blucom* service and the signature of the first customer contracts for the service.

In December 2006 in Germany, the Federal Cartel Office closed its investigation of the planned introduction of the entavio platform in the German market, following ProSiebenSat.1's decision not to proceed with the encryption of its Free-To-Air programming lineup. Accordingly, the development of the open and neutral entavio platform will be refocused on Pay-TV offerings.

**Operations Review (continued)**

*AMERICOM Government Services*

AMERICOM Government Services (AGS) has appointed a new leader, General (Ret.) Robert Tipton (Tip) Osterthaler, to lead the group in continuing to build on its strong position in the provision of satellite-based network solutions to various agencies and departments of the US government which continue to rapidly expand their reliance on, and use of, commercially-based satellite bandwidth and services around the world.

Main developments in 2006 included a ground Command and Control on-the-Move (C2oTM) service that blends antenna and modem technology with AGS's satellite, teleport, and terrestrial infrastructure offering two-way broadband connectivity for vehicles.

**Buy-back of GE's 19.5% stake in exchange for assets and cash**

On 14 February 2007, SES announced that it had agreed with GE a EUR 1.2 billion split-off transaction in which SES will contribute certain assets and cash to a new company and exchange shares of that new company for GE's entire holding of 103,149,900 shares in SES, subject to satisfaction of certain closing conditions.

GE will exchange its shareholding in SES for shares in a new company, SES International Holdings, Inc. comprising assets and EUR 588 million in cash, subject to certain closing adjustments. SES has agreed to pay an equivalent of EUR 12 for each exchanged share, resulting in a total transaction value of EUR 1,238 million. The cash amount and the transaction value will be increased by an additional amount of up to EUR 45 million provided that closing occurs prior to April 21st, 2007.

**Outlook and Modelling guidance**

Following the announcement of the transaction with GE last week, updated modelling guidance was published incorporating the impact of that transaction as well as of the major CANAL+ contract, entavio pre-commercial costs and the NSS-8 launch failure. This guidance remains unchanged. Based on an initial review of the impact of the NSS-8 launch failure completed last week we are certain that we will be taking a one-time depreciation charge of USD 21 million in Q1 to write off capitalized programme costs. Initial indications however suggest that no further value adjustments affecting earnings will arise in 2007 as a result of this event.

SES guidance is for a 2007 revenue range of EUR 1,568 - 1,608 million and EBITDA range of EUR 1,041 - 1,081 million. The guidance table can be found in the Appendix to this document.

In modelling the underlying growth of revenue and EBITDA between the years 2006 and 2007 it should be assumed that 95% of the respective impacts of the GE transaction reflected in the Appendix (being EUR 76 million for revenue and EUR 36 million for EBITDA) should be applied to the 2006 reported results.

The focus of 2007 will be to build on the acquisitions and other achievements of last year. The foreseen growth will come from the continued development of TV broadcasting in our core markets. Additional capacity will become available for European DTH following the launch of ASTRA 1L and the relocation of ASTRA 2C, as well as with the launch of SIRIUS 4. The AMC-18 satellite will provide further growth opportunities in the North American market.

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**PRESS / ANALYST TELECONFERENCES**

A **press** call in **French** will be hosted at 10.00 CET today, 19 February 2007. Journalists are invited to call the following numbers five minutes prior to this time.

| | | | |
|---|---|---|---|
| France | +33 (0)1 70 99 42 66 | Luxembourg | +352 342 080 8570 |
| Belgium | +32 (0)2 400 3463 | | |

A **press** call in **English** will be hosted at 11.00 CET today, 19 February 2007. Journalists are invited to call the following numbers five minutes prior to this time.

| | | | |
|---|---|---|---|
| UK | +44 (0)20 7365 1832 | France | +33 (0)1 70 99 42 78 |
| Germany | +49 (0)69 9897 2630 | Belgium | +32 (0)2 400 3463 |
| Luxembourg | +352 342 080 8570 | | |

A call for **investors and analysts** will be hosted at 14.00 CET today, 19 February 2007. Participants are invited to call the following numbers five minutes prior to this time.

| | |
|---|---|
| +33 (0)1 70 99 42 78 | France |
| +49 (0)69 9897 2630 | Germany |
| +32 (0)2 400 3463 | Belgium |
| +352 342 080 8570 | Luxembourg |
| +44 (0)20 7365 1832 | UK |
| +1 718 354 1157 | USA |

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 will be available until February 26th on our website: www.ses-global.com

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## FINANCIAL REVIEW BY MANAGEMENT
## In Euro millions unless otherwise stated

### Summary Financial Information

| | 2006 | 2005 | Variance | Variance % |
|---|---|---|---|---|
| | | | | |
| Revenues | 1,615.2 | 1,258.0 | +357.2 | +28.4% |
| Operating expenses | (534.8) | (376.9) | +157.9 | +41.9% |
| EBITDA | 1,080.4 | 881.1 | +199.3 | +22.6% |
| Depreciation | (438.6) | (363.0) | +75.6 | +20.8% |
| Amortisation | (36.5) | (42.3) | -5.8 | -13.7% |
| Operating profit | 605.3 | 475.8 | +129.5 | +27.2% |
| Net financing charges | (80.8) | (4.7) | +76.1 | -- |
| Profit before tax | 524.5 | 471.1 | +53.4 | +11.3% |
| Income tax expense | (99.4) | (99.3) | +0.1 | -- |
| Share of associates' result | 10.5 | 9.0 | +1.5 | +16.7% |
| Minority interests | 0.2 | 1.1 | -0.9 | -81.8% |
| Net profit for the period | 435.8 | 381.9 | +53.9 | +14.1% |
| | | | | |
| Earnings per A-share (euro) | 0.82 | 0.67 | +0.15 | +22.4% |
| | | | | |
| EBITDA margin | 66.9% | 70.0% | -3.1 % points | -- |
| Net income margin | 27.0% | 30.4% | -3.4 % points | -- |
| | | | | |
| Net operating cash flow | 1,060.1 | 719.4 | +340.7 | +47.4% |
| Free cash flow | (17.5) | 433.1 | -450.6 | -- |
| | | | | |
| Net debt | 2,903.2 | 2,107.1 | +796.1 | +37.8% |
| Net debt / EBITDA | 2.68 | 2.39 | +0.29 | +12.1% |
| Net debt / Total equity | 95.3% | 60.5% | +34.8 % points | -- |

### Operating profit development ( with percentage change to previous quarter )

| | Q1 | % | Q2 | % | Q3 | % | Q4 | % |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |
| Revenue | 329.3 | - 2.0% | 381.2 | +15.7% | 481.8 | +26.4% | 422.9 | -12.2% |
| Operating expenses | (102.1) | - 6.6% | (108.9) | +6.6% | (157.9) | +45.0% | (165.9) | +5.1% |
| EBITDA | 227.2 | +0.3% | 272.3 | +19.9% | 323.9 | +18.9% | 257.0 | -20.7% |
| Depreciation | (92.9) | - 5.5% | (112.4) | +21.0% | (113.4) | +0.9% | (119.9) | +5.7% |
| Amortisation | (7.9) | - 37.8% | (7.8) | -1.3% | (10.9) | +39.7% | (9.9) | -9.2% |
| Operating profit | 126.4 | + 9.4% | 152.1 | +20.3% | 199.6 | +31.2% | 127.2 | -36.3% |

**FINANCIAL REVIEW BY MANAGEMENT (continued)**
**In Euro millions unless otherwise stated**

## Revenue

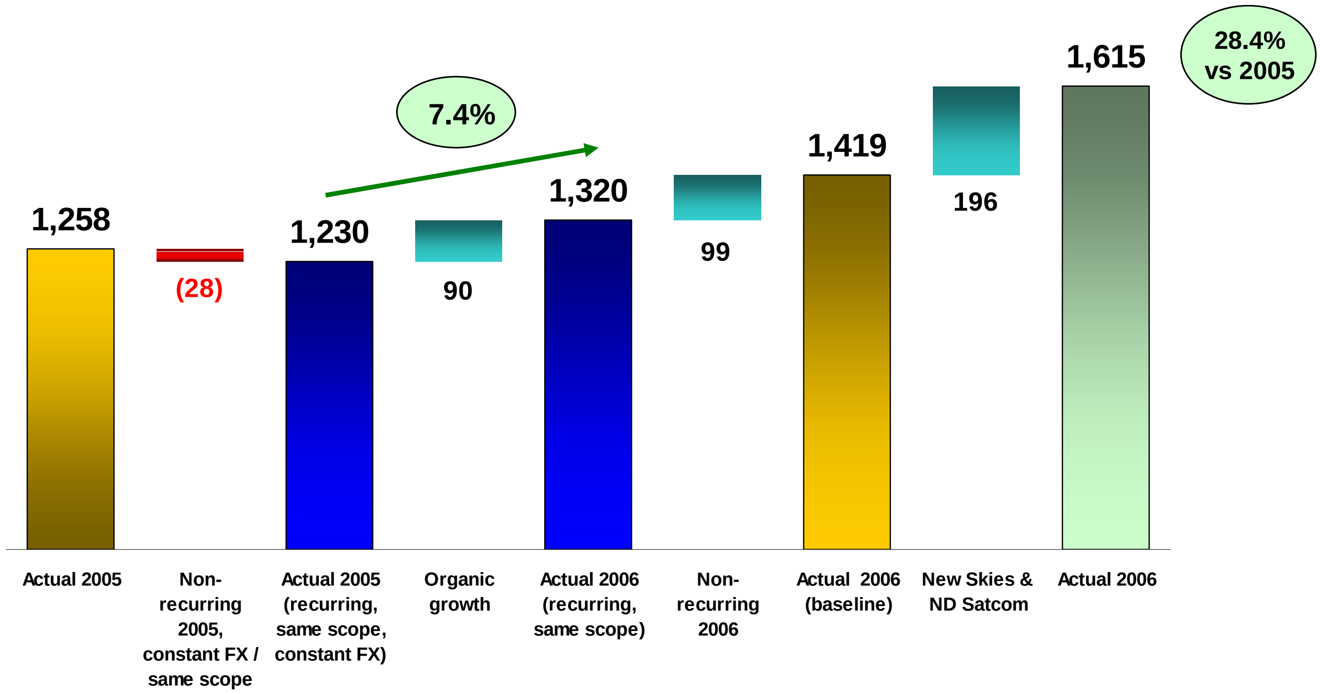
| | 2006 | 2005 | | Variance | % |
|---|---|---|---|---|---|
| **Revenue** | **1,615.2** | **1,258.0** | | **+357.2** | **+28.4%** |

The revenue growth in 2006 compared to 2005 reflects primarily the impact of the acquisition of SES NEW SKIES on March 30, 2006 and the purchase of the outstanding shareholding in, and assumption of full control over, ND SatCom on June 29, 2006. Together these new Group operations generated over half of the additional revenues in the year.

Beyond this impact the Group experienced further high single-digit growth in its existing businesses reflecting continuing strong developments in SES ASTRA's UK, German and Eastern Europe markets as well as geographical expansion into the African market.

Finally one-off revenue items, mainly termination fees resulting from the cessation of activities of Connexion by Boeing and transponder sales by SES AMERICOM to Star One, made an additional contribution to the positive development.

The development of the Group's revenues year-on-year is presented below:



**FINANCIAL REVIEW BY MANAGEMENT (continued)**
**In Euro millions unless otherwise stated**

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

| | 2006 | 2005 | | Variance | % |
|---|---|---|---|---|---|
| **Operating expenses** | 534.8 | 376.9 | | +157.9 | +41.9% |
| **EBITDA** | 1,080.4 | 881.1 | | +199.3 | +22.6% |
| **EBITDA margin** | 66.9% | 70.0% | | -3.1 % pts | -- |

EBITDA rose strongly in 2006 reflecting the three factors set out above in the revenue section. The reported EBITDA is after taking a charge of EUR 28.5 million for restructuring costs of teleports in the US and the remaining charge for the integration of SES NEW SKIES.

Excluding the non-recurring restructuring charge, the Group's EBITDA margin was 68.7%, reflecting the increased proportion of services in the revenue mix this year. Services revenues increased 45.4% to EUR 271.7 million, being 16.6% (2005: 14.8%) of the total, with organic growth representing about half of this gain and the balance mainly attributable to the acquisition of ND SatCom.

The margin in the Group's infrastructure business remained robust at 78.8% (2005: 80.2%) when the restructuring charge is excluded. On the same basis, the reported services margin rose from 4.0% in 2005 to 5.6% in 2006. Normalised for start-up costs, services delivered an EBITDA margin of 10.5%.

## Operating profit

| | 2006 | 2005 | | Variance | % |
|---|---|---|---|---|---|
| **Depreciation** | 438.6 | 363.0 | | +75.6 | +20.8% |
| **Amortisation** | 36.5 | 42.3 | | -5.8 | -13.7% |
| **Operating profit** | 605.3 | 475.8 | | +129.5 | +27.2% |

Depreciation in 2006 was EUR 75.6 million higher than in 2005 reflecting the first-time consolidation of the five satellite fleet of SES NEW SKIES for the nine months beginning in April. This added EUR 55.2 million to the Group's depreciation expense. Also the satellites ASTRA 1KR, launched in April 2006, and AMC-23 (launched in December 2005) contributed to the increase in depreciation over the prior year.

## Net financing charges

The charges can be analysed as follows:

| | 2006 | 2005 | | Variance | % |
|---|---|---|---|---|---|
| **Net interest expense** | (129.9) | (74.3) | | +55.6 | +74.8% |
| **Capitalised interest** | 22.7 | 17.2 | | +5.5 | +32.0% |
| **Net foreign exchange gains** | 14.7 | 48.4 | | -33.7 | -69.6% |
| **Dividend income** | 1.5 | -- | | +1.5 | -- |
| **Gain on disposal of subsidiary** | 15.0 | -- | | +15.0 | -- |
| **Value adjustments** | (4.8) | 4.0 | | -- | -- |
| **Net finance (charges) / income** | (80.8) | (4.7) | | +76.1 | -- |

**In Euro millions unless otherwise stated**

## Net financing charges (continued)

The net interest expense rose sharply with the higher debt levels implemented in 2006 and the contribution of the two high yield bonds taken over with the purchase of New Skies. These were refinanced in August at terms better reflecting the Group's normal terms.

Net foreign exchange gains were realized on financial derivatives and on the holding of US dollar denominated liabilities during the year as the dollar weakened against the Euro from Euro 1 : USD 1.1875 at the start of the year to Euro 1 : USD 1.3170 at the close.

Finally a book gain of EUR 15.0 million was made in February 2006 on the disposal of the Group's 100% interest in SES Re S.A., a captive insurance company in Luxembourg.

## Income tax expense

| | 2006 | 2005 | | Variance | % |
|---|---|---|---|---|---|
| **Income tax expense** | **99.4** | **99.3** | | **+0.1** | **--** |
| **Reported tax rate** | **19.0%** | **21.1%** | | **-2.1 % pts** | **--** |

The tax charge for the year remained flat despite an increase in 11.3% of profit before taxes, reducing the Group's reported tax rate from 21.1% in 2005 to 19.0% in 2006.

## Net profit and earnings per share

| | 2006 | 2005 | | Variance | % |
|---|---|---|---|---|---|
| **Net profit of the Group** | **435.8** | **381.9** | | **+53.9** | **+14.1%** |

The net profit attributable to equity holders of the parent rose 14.1% in 2006 compared to the prior year. Earnings per share, based on the weighted number of shares in issue, rose even more strongly reflecting the impact of the share buyback programme.

**FINANCIAL REVIEW BY MANAGEMENT (continued)**
**In Euro millions unless otherwise stated**

## Cash flow

| | 2006 | 2005 | | Variance | % |
|---|---|---|---|---|---|
| **Operating cash flow** | **1,060.1** | **719.4** | | **+340.7** | **47.4%** |
| **Free cash flow** | **(17.5)** | **433.1** | | **-450.6** | **--** |

Operating cash flow rose strongly compared to 2005 reflecting largely the additional EUR 199.3 million of EBITDA generated by the expanded Group and a drop of EUR 141.4 million in the Group's investment in working capital - the latter arising mainly due to significant revenue upfront payments received.

The acquisition of SES NEW SKIES and ND SatCom, and the disposal of SES Re, with a combined cash impact of EUR 635.6 million in the year significantly affect the free cash flow in 2006 when compared to 2005. All the above transactions were in the first half of 2006 – the free cash flow recorded for the second half of the year of EUR 224.8 million was up over 88% compared to the corresponding level in 2005.

## Net debt

| | 2006 | 2005 | | Variance | % |
|---|---|---|---|---|---|
| **Cash and cash equivalents** | **(393.4)** | **(196.8)** | | **+196.6** | **+99.9%** |
| **Loans and borrowings** | **3,296.6** | **2,303.9** | | **+992.7** | **+43.1%** |
| **Net debt** | **2,903.2** | **2,107.1** | | **+796.1** | **+37.8%** |
| | | | | | |
| **Net debt / Total equity** | **95.3%** | **60.5%** | | **+34.8 % pts** | **--** |
| **Net debt / EBITDA** | **2.68** | **2.39** | | **+0.29** | **+12.1%** |

During the year the Group issued three new bonds to a total value of EUR 1,450.0 million within the framework of the European Medium Term Note programme. These were partially used to reduce other borrowings, but more substantially for the acquisition of SES NEW SKIES and ND SatCom in a combined amount, net of cash acquired, of EUR 620.0 million, to refinance existing SES NEW SKIES borrowings of USD 445.0 million. A further EUR 233.1 million was applied to the acquisition of shares and FDRs as part of the Group's share buyback programme.

## Contract backlog

| | 2006 | 2005 | | Variance | % |
|---|---|---|---|---|---|
| **Contract backlog – fully protected *** | **6,497.3** | **6,489.9** | | **+7.4** | **+0.1%** |
| **Contract backlog – gross** | **7,108.1** | **7,073.7** | | **+34.4** | **+0.5%** |

* "fully protected" backlog is the backlog amount calculated from the minimum amounts due on contracts, taking into account any 'step-out' or early termination clauses.

Fully protected backlog stood at EUR 6,497.3 million on December 31, 2006 and thus remained flat to the previous year, but is up by EUR 260 million or 4.2% on a constant exchange rate basis. The contribution from the acquisitions of New Skies and ND SatCom overcompensated for the loss of the Connexion by Boeing contract and backlog run-off. Gross backlog mirrored this development. Fully protected backlog equals more than 4 times 2006 recurring revenues (gross: 4.5 times).

**SES, S.A.**
**CONSOLIDATED INCOME STATEMENT**
**For the year ended December 31**
**(in EURO millions)**

| | | 2006 | 2005 |
|---|---|---|---|
| | | | |
| **Revenue** | | **1,615.2** | **1,258.0** |
| | | | |
| **Cost of sales** | | **(159.2)** | **(110.0)** |
| **Staff costs** | | **(181.7)** | **(119.8)** |
| **Other operating expenses** | | **(193.0)** | **(147.1)** |
| | | | |
| **Depreciation** | | **(438.6)** | **(363.0)** |
| **Amortisation** | | **(36.5)** | **(42.3)** |
| **Operating profit** | | **605.3** | **475.8** |
| | | | |
| **Finance revenue** | | **92.0** | **73.2** |
| **Finance costs** | | **(172.8)** | **(77.9)** |
| **Profit for the period before tax** | | **524.5** | **471.1** |
| | | | |
| **Income tax expense** | | **(99.4)** | **(99.3)** |
| **Profit for the period after tax** | | **425.1** | **371.8** |
| | | | |
| **Share of associates' result** | | **10.5** | **9.0** |
| **Profit for the year** | | **435.6** | **380.8** |
| | | | |
| **Attributable to** | | | |
| **Equity holders of parent** | | **435.8** | **381.9** |
| **Minority interest** | | **(0.2)** | **(1.1)** |
| **Net profit of the Group** | | **435.6** | **380.8** |

**SES, S.A.**
**CONSOLIDATED BALANCE SHEET**
**As at December 31**
**(in EURO millions)**

| | | 2006 | 2005 |
|---|---|---|---|
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | | 3,067.7 | 2,820.4 |
| Assets in the course of construction | | 695.0 | 694.3 |
| Total property, plant and equipment | | 3,762.7 | 3,514.7 |
| | | | |
| Intangible assets | | 3,382.6 | 3,019.1 |
| Investments in associates | | 88.6 | 100.7 |
| Other financial assets | | 19.7 | 21.7 |
| Deferred income tax assets | | 37.6 | 5.1 |
| Total non-current assets | | 7,291.2 | 6,661.3 |
| | | | |
| CURRENT ASSETS | | | |
| Inventories | | 23.3 | 4.6 |
| Trade and other receivables | | 288.5 | 191.8 |
| Prepayments | | 42.3 | 54.5 |
| Valuation of financial instruments | | 2.6 | 54.0 |
| Short-term investments | | 24.8 | -- |
| Cash and cash equivalents | | 393.4 | 196.8 |
| Total current assets | | 774.9 | 501.7 |
| | | | |
| TOTAL ASSETS | | 8,066.1 | 7,163.0 |
| | | | |
| EQUITY | | | |
| Attributable to equity holders of the parent | | 3,012.2 | 3,449.0 |
| Minority interest | | 32.9 | 34.5 |
| Total equity | | 3,045.1 | 3,483.5 |
| | | | |
| NON-CURRENT LIABILITIES | | | |
| Interest-bearing loans and borrowings | | 2,947.3 | 2,145.1 |
| Provisions and deferred income | | 210.4 | 140.2 |
| Deferred tax liabilities | | 806.0 | 737.2 |
| Total non-current liabilities | | 3,963.7 | 3,022.5 |
| | | | |
| CURRENT LIABILITIES | | | |
| Interest-bearing loans and borrowings | | 349.3 | 158.8 |
| Trade and other payables | | 310.1 | 207.9 |
| Valuation of financial instruments | | 22.1 | 9.5 |
| Income tax payable | | 144.1 | 117.2 |
| Deferred income | | 231.7 | 163.6 |
| Total current liabilities | | 1,057.3 | 657.0 |
| | | | |
| TOTAL LIABILITIES | | 5,021.0 | 3,679.5 |
| TOTAL LIABILITIES AND EQUITY | | 8,066.1 | 7,163.0 |

**SES, S.A.**
**CONSOLIDATED STATEMENT OF CASH FLOW**
**For the year ended December 31**
**(in EURO millions)**

| | 2006 | 2005 |
|---|---|---|
| Profit before taxes | 524.5 | 471.1 |
| | | |
| Taxes paid during the year | (69.8) | (169.0) |
| Net financing charges paid on non-operating activities | 43.4 | 22.7 |
| Depreciation and amortisation | 475.2 | 405.3 |
| Amortisation of client upfront payments | (65.1) | (33.3) |
| Other non-cash items in consolidated income statement | 10.5 | 27.7 |
| Consolidated operating profit before working capital changes | 918.7 | 724.5 |
| | | |
| Changes in operating assets and liabilities | | |
| (Increase) / Decrease in inventories | (1.7) | (1.4) |
| (Increase) / Decrease in trade debtors | (28.7) | (21.3) |
| (Increase) / Decrease in other debtors | 9.5 | (7.2) |
| (Increase) / Decrease in prepayments and deferred charges | (7.6) | 8.4 |
| Increase / (Decrease) in trade creditors | 6.4 | (16.1) |
| Increase / (Decrease) in other creditors | (3.0) | (7.7) |
| Increase / (Decrease) in payments received on account | (7.4) | 13.6 |
| Increase / (Decrease) in upfront payments | 129.2 | 10.6 |
| Increase / (Decrease) in other deferred income | 44.7 | 16.0 |
| Net cash (absorbed) / generated by operations | 141.4 | (5.1) |
| | | |
| Net operating cash flow | 1,060.1 | 719.4 |
| | | |
| Cash flow from investing activities | | |
| Purchase of intangible assets | (7.0) | (18.2) |
| Purchase of tangible assets | (456.5) | (474.8) |
| Disposal of tangible assets | 29.7 | -- |
| Acquisition of New Skies Satellites (net of cash acquired) | (579.2) | -- |
| Acquisition of ND SatCom shareholdings (net of cash acquired) | (40.8) | -- |
| Disposal SES Re | (15.6) | -- |
| Acquisition of ASTRA Platform Services (net of cash acquired) | -- | (0.1) |
| Acquisition of shareholding in SATLYNX (net of cash acquired) | -- | (1.0) |
| Realised proceeds on settlement of swap transactions | (2.1) | 142.2 |
| Investment in non-consolidated financial assets | (6.0) | -- |
| Proceeds on disposal of non-consolidated financial assets | -- | 65.6 |
| Net cash (absorbed) / generated by investing activities | (1,077.5) | (286.3) |
| | | |
| Cash flow from financing activities | | |
| New borrowings | 1,450.0 | 93.2 |
| Repayment of borrowings | (715.0) | (0.7) |
| Dividends paid on ordinary shares | (215.3) | (176.3) |
| Dividends paid to minority shareholders | -- | (4.9) |
| Net financing paid on non-operating activities | (43.4) | (21.9) |
| Acquisition of own shares | (266.1) | (517.4) |
| Exercise of share options by employees | (1.5) | (0.3) |
| Dividends from equity investments | 17.4 | 11.6 |
| Loans granted to associate | -- | (4.7) |
| Net cash absorbed by financing activities | 226.1 | (621.3) |
| | | |
| Net foreign exchange movements | (12.1) | 3.1 |
| Net (decrease) / increase in cash | 196.6 | (185.1) |
| Net cash at beginning of the year | 196.8 | 381.9 |
| | | |
| Net cash at end of the year | 393.4 | 196.8 |

**SES, S.A.**
**SEGMENTAL INFORMATION**
**For the year ended December 31, 2006**
**(in EURO millions)**

## *PRIMARY GEOGRAPHICAL SEGMENTS*

### For the year ended December 31, 2006

| | EMEA | AMERICAS | NSS | OTHER SEGMENTS/ ELIMINATION | Total |
|---|---|---|---|---|---|
| | | | | | |
| Revenues | | | | | |
| External | 886.7 | 544.9 | 150.0 | 33.6 | 1,615.2 |
| Inter-segment | 8.9 | 1.5 | 5.9 | (16.3) | -- |
| Total | 895.6 | 546.4 | 155.9 | 17.3 | 1,615.2 |
| Operating expenses | (234.6) | (223.5) | (58.1) | (18.6) | (534.8) |
| EBITDA | 661.0 | 322.9 | 97.8 | (1.3) | 1,080.4 |
| Depreciation | (188.1) | (178.9) | (55.2) | (16.4) | (438.6) |
| Amortisation | (33.3) | (3.2) | -- | -- | (36.5) |
| Operating profit | 439.6 | 140.8 | 42.6 | (17.7) | 605.3 |

### For the year ended December 31, 2005

| | EMEA | AMERICAS | NSS | OTHER SEGMENTS/ ELIMINATION | Total |
|---|---|---|---|---|---|
| | | | | | |
| Revenues | | | | | |
| External | 761.5 | 458.8 | -- | 37.7 | 1,258.0 |
| Inter-segment | 3.2 | 0.4 | -- | (3.6) | -- |
| Total | 764.7 | 459.2 | -- | 34.1 | 1,258.0 |
| Operating expenses | (160.5) | (179.0) | -- | (37.4) | (376.9) |
| EBITDA | 604.2 | 280.2 | -- | (3.3) | 881.1 |
| Depreciation | (181.5) | (155.0) | -- | (26.5) | (363.0) |
| Amortisation | (30.3) | (5.6) | -- | (6.4) | (42.3) |
| Operating profit | 392.4 | 119.6 | -- | (36.2) | 475.8 |

## *SECONDARY BUSINESS SEGMENTS*

| | Infrastructure | Services | Elimination | Total |
|---|---|---|---|---|
| Revenue 2006 | 1,416.7 | 271.7 | (73.2) | 1,615.2 |
| Percentage of total | 87.7% | 16.8% | (4.5)% | 100.0% |
| Net of elimination | 83.4% | 16.6% | -- | 100.0% |
| | | | | |
| Revenue 2005 | 1,124.8 | 186.8 | (53.6) | 1,258.0 |
| Percentage of total | 89.4% | 14.8% | (4.2)% | 100.0% |
| Net of elimination | 85.2% | 14.8% | -- | 100.0% |
| | | | | |
| Revenue growth compared to prior year | +26.0% | +45.4% | -- | +28.4% |

**APPENDIX**

**Guidance Table**
**for Modelling Purposes**

# Financial Impact – Guidance Update

| 2007 | Analyst guidance | | | |
|---|---|---|---|---|
| EUR million | 6 November 2006 | | 14 February 2007 | |
| | 1 EUR = 1.27 USD | 1 EUR = 1.30 USD | Update for recent events 1) | 2007 |
| **Total** | | | | |
| - Revenues | 1660 - 1700 | 1644 - 1684 | (76) | 1568 - 1608 |
| - EBITDA | 1100 - 1140 | 1089 - 1129 | (48) | 1041 - 1081 |
| **Infrastructure** | | | | |
| - Revenues | 1384 - 1421 | 1371 - 1408 | (39) | 1332 - 1369 |
| - EBITDA | 1098 - 1129 | 1088 - 1119 | (30) | 1058 - 1089 |
| **Services** | | | | |
| - Revenues | 349 - 374 | 346 - 371 | (37) | 309 - 334 |
| - EBITDA 2) | 34 - 46 | 33 - 45 | (6) | 27 - 39 |

1) Includes: GE transaction (assumes effective date 1. April), entavio pre-commercial costs, NSS-8 failure impact and Canal+ new contract
2) Services EBITDA normalised for entavio and other pre-commercial costs

- GE transaction reduces revenues and EBITDA, but has a favourable impact on the SES Group EBITDA margin due to the change in the business mix (+1.0% point)
- entavio impact on EBITDA assumes EUR 1 million per month for pre-commercial costs (-0.7% points)
- Other 2007 financial revisions included such as NSS-8 launch failure and new CANAL+ contract

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