



## PRESS RELEASE

### SES Reports Continued Strong Results

Betzdorf, Luxembourg, 27<sup>th</sup> October 2008 – SES S.A., the pre-eminent satellite operator worldwide (Euronext Paris and Luxembourg Stock Exchange: SESG), reports on financial performance for the nine months ended 30<sup>th</sup> September 2008.

#### FINANCIAL HIGHLIGHTS

- Recurring<sup>1</sup> revenue of EUR 1,186 million was up 7.1% against the prior year period
- Reported revenue stable at EUR 1,194.9 million (2007: EUR 1,196.0 million)
- Recurring<sup>1</sup> EBITDA of EUR 846 million was 5.6% ahead of the prior year period
- Reported EBITDA was EUR 832.9 million (2007: EUR 831.4 million)
  - Representing an EBITDA margin of 69.7% (2007: 69.5%)
  - Industry-leading infrastructure EBITDA margin of 82.5% (2007: 82.7%)
- Operating profit 7% ahead at EUR 507.8 million (2007: EUR 474.7 million)
- Net profit of EUR 338.8 million (2007: EUR 347.0 million)
- Net Debt:EBITDA stood at 3.37x at the period end
- 12 month weighted Earnings Per Share of EUR 0.99 (2007: EUR 0.92)
- At 30 September, 821 of the 1,058 commercially available transponders were contracted, representing a utilisation rate of 77.6%

Romain Bausch, President and CEO of SES, commented:

*“These solid figures underline the strength and visibility of SES’s business model. We have continued our development with the successful launch and entry into commercial service of the AMC-21 satellite over North and Central America, which will support our continued growth, given the continued healthy demand for satellite capacity. Our pipeline of ten new and replacement satellites will deliver organic growth, while we continue to seek other opportunities to add to our global coverage. In the challenging credit market environment, we are well funded, with resources available to meet our requirements during the next twelve months”*

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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**

Over the nine month period ended 30<sup>th</sup> September 2008, all business units recorded solid revenue growth over the same period of 2007, driving a 7.1% growth in group recurring revenues from EUR 1,107 million to EUR 1,186 million. Reported revenues of EUR 1,194.9 million were in line with the prior period figure.

The group's reported EBITDA, at EUR 832.9 million, has also developed favourably with an enhanced EBITDA margin of 69.7%. This stronger EBITDA margin improvement reflects not only the maintenance of the group's infrastructure margin at above 82%, but also an improved performance in service businesses, where the margin rose from the 10.9% reported for the first 9 months of 2007 to 14.2% for the same period in 2008. Reported operating profit rose 7% from EUR 474.7 million to EUR 507.8 million.

Net profit of EUR 338.8 million was maintained at a level close to the prior year (2007: EUR 347.0 million), with the impact of higher financing charges – due primarily to non-recurring foreign exchange gains recorded in the prior year period – being largely offset by the strong operating profit of the period and lower taxation charges. Earnings per share was 7.6% ahead of the prior year period, reflecting the positive impact of the share buyback and cancellation programme.

Total utilised capacity increased from 820 at 30<sup>th</sup> June 2008 to 821 transponders at 30<sup>th</sup> September 2008. Utilisation rate of the fleet increased to 77.6%.

In August 2008, we disclosed the existence of a solar array circuit anomaly on certain Lockheed Martin A2100 satellites, resulting in a reduction of commercially available capacity on two satellites. Since that time, further circuit failures have occurred leading to a reduction of six transponders on the AMC-6 satellite. This reduction has no revenue impact as it relates to unutilised capacity. We continue to monitor the situation closely.

## **SES ASTRA**

High Definition (HD) programming has continued to grow significantly. With 55 HD channels broadcast from its main orbital positions (up from 42 at the end of June), SES ASTRA carries the strongest line-up of HD channels in most of the major European markets. Today 1.2 million households already receive HDTV via the ASTRA satellite system. Furthermore, High Definition TV coverage of the Olympic Games this summer was facilitated by ASTRA, whose expertise and transmission capacity supported 12 free- and pay-TV channels.

The 23.5 degrees East orbital position is benefiting from the strong demand and a dynamic development of the Central and Eastern European markets. Slovakian telecommunications and television company Towercom, has doubled its capacity on ASTRA and contracted one additional transponder at 23.5 degrees East to successfully develop its SKYlink platform. 23.5 degrees East is therefore becoming an increasingly popular orbital position for Direct-to-Home services in Central and Eastern Europe.

At 28.2/28.5 degrees East, the service to the UK and Ireland has been complemented by the commercialisation of ASTRA's twelfth and last transponder available at 28.5 degrees East, effective 1<sup>st</sup> October 2008.

The first customer for the African service from 5 degrees East was signed in September. ETV, a South African broadcaster, contracted a transponder on ASTRA 4A (a payload carried on the SIRIUS 4 satellite bus) for its 24 hour news services. SES ASTRA is in advanced negotiations with other parties to contract the remaining capacity on ASTRA 4A.

ASTRA's new orbital position at 31.5 degrees East started operations and signed its first customers, with contracts for six transponders (of the 26 commercially available) being agreed, to start service in the fourth quarter 2008 and first quarter 2009. Of these, two transponders were contracted for optimised broadcasting to German cable operators. Four

more transponders were taken by Lithuanian satellite services provider, SatGate, for delivery of broadband services and internet connectivity in Central and Eastern Europe.

A new satellite, Sirius 5, is being procured from the satellite manufacturer, Space Systems / Loral. The new spacecraft will further strengthen the SES fleet with an additional 56 transponders at 5 degrees East. The satellite is scheduled for launch in the second half of 2011. Sirius 5 will have 12 Ku-band transponders serving Northern Europe and the Baltic region and 24 Ku-band transponders serving African markets with Direct-to-Home (DTH) services, which will be commercialised by SES ASTRA.

The replacement programme at the 19.2 degrees East orbital position continued with the procurement of the ASTRA 1N satellite from Astrium. The satellite is scheduled for launch in 2011. The satellite will carry 55 Ku-band transponders with a pan-European footprint, and will principally serve the German, French and Spanish markets. With ASTRA 1N, SES ASTRA will have completed its comprehensive replacement programme at this prime orbital position.

The ASTRA 1M satellite is scheduled for launch in early November on a Proton launcher from the Baikonur Cosmodrome. ASTRA 1M carries replacement capacity for the 19.2 degrees East orbital position.

On 7<sup>th</sup> October 2008 Solaris Mobile, the SES ASTRA/Eutelsat joint venture, submitted its comprehensive application for provision of a range of innovative mobile services via satellite throughout the European Union. These services will be delivered via a state-of-the-art S-band payload to be launched in 2009.

The service companies, NDSatCom, ASTRA Platform Services (APS) and TechCom continued to show strong development and remained growth drivers for SES ASTRA. APS distributes about 250 analogue and digital TV and radio channels, interactive services and data services. APS recently announced a creation of a digital archive service with integrated digital asset management system.

The roll-out of ASTRA2Connect, a two-way high-speed internet service launched in April 2007, continued successfully. ASTRA2Connect is now marketed in 10 European countries; the latest contract was signed with the Spanish cable operator, TeleCable.

## **SES AMERICOM**

The successful launch of the AMC-21 satellite on 14<sup>th</sup> August 2008 added new, high quality incremental capacity to the AMERICOM fleet. AMC-21 is a high power, 24 transponder, all Ku-band satellite with 50-state U.S. coverage, plus Mexico, southern Canada, Central America and the Caribbean. In-orbit testing was completed during the six weeks after launch and the satellite was brought into commercial use in early October at the 125 degrees West orbital position. The anchor customer, PBS (Public Broadcasting System), has contracted seven transponders for its Next Generation Information System (NGIS) infrastructure distribution platform.

The Ciel-2 satellite, under construction for our Canadian affiliate, Ciel (SES AMERICOM economic interest of 70%), remains on track for a scheduled launch from the Baikonur Cosmodrome on a Proton Breeze M launch vehicle in early December. The spacecraft is wholly contracted by DISH Network Corporation to broadcast DBS services over North America. In addition, Ciel has secured Approval-In-Principle from the Canadian regulatory authorities for the development of six spectrum awards. Ciel is actively engaged in commercial development efforts for these spectrum awards.

AMERICOM Government Services (AGS) signed an agreement with the U.S. Air Force to host an experimental remote sensing payload on an SES AMERICOM satellite scheduled to be launched in 2010. In addition, AGS signed a contract for the acquisition of AOS Inc., a Dallas-based supplier of satellite communication technologies and solutions. The integration of AOS will enable AGS to serve new segments within the U.S. government market. The AOS acquisition is expected to close before the end of this year.

IP PRIME has now signed over 60 telcos for its satellite-delivered IPTV service, of which 32 are installed and 22 are commercially operational. IP PRIME continued to expand its High Definition (HD) programming to 34 channels, with six more expected to be added by the end of the year . The completion of the first year of commercial activities has provided the basis for a review of the IP PRIME services portfolio and its market adoption/takeup. The company is examining opportunities to rationalise and prioritise SES's involvement in the value chain, with the objective of enhancing our returns.

### **SES NEW SKIES**

SES NEW SKIES built on the successful record of the year to date, with a number of new contracts, in particular for DTH television services, important capacity renewals and extensions, as well as pre-commitments for capacity on the NSS-12 satellite. The tight capacity in the Indian Ocean region has supported pre-bookings on NSS-12, due to be launched in 2009 to replace NSS-703 and to deliver additional capacity in the region. The satellite internet service provider, Talia, has contracted 90 MHz of capacity in a multi-year deal, to serve its target customer base in the Middle East and Africa. CeTel, another satellite services provider, has contracted a 36 MHz transponder to serve its VSAT and corporate network customers in the region.

Early in the quarter, Essel group signed a contract for up to six 36 MHz-equivalent transponders on the NSS-703 satellite for the HITS digital TV service, delivering content into Indian cable networks.

Globecast renewed its capacity agreement for services to the Americas and Europe, the contract for two transponders on the NSS-806 satellite is for a five year period.

A multi-year, multi-transponder contract was agreed with the Philippines broadcaster, Mediascape, for the launch of its DTH service on NSS-11.

The NSS-9 satellite has completed ground testing and will be launched in February 2009 on an Ariane launcher from the European Spaceport in French Guiana. The satellite carries replacement capacity for the NSS-5 satellite serving the Pacific Ocean region.

The SIRIUS 5 satellite, which has been procured for services at the 5 degrees East orbital position, will carry a C-band payload of 20 transponders with an African hemispheric beam, which will be commercialised by SES NEW SKIES.

### **Outlook and guidance**

Despite the current challenging economic environment, the outlook for the satellite market remains positive. SES foresees growth in line with the expectations discussed at the half year. The group remains a very strong cash generator with a solid contract backlog. Financing and financial liquidity are secured through the next twelve months and additional sources of finance are being pursued to provide financing security thereafter.

The guidance published with the half year results in August in respect of 2008 full year revenue and EBITDA, which includes the elements referred to above, is maintained. In light of the recent strengthening of the U.S. dollar, we have revised upwards the revenue and EBITDA guidance for 2008 using an average of USD 1.50 for the year (USD 1.55 had previously been assumed).

We also provide the first guidance for the main key financials for the fiscal year 2009. SES will continue its growth path:

- Recurring revenue growth of 4-5%
- Infrastructure EBITDA margin at around 82%
- Services business profitability maintained
- Effective tax rate in the range of 17% to 22% (normalised for one-offs)
- Leverage to be managed in line with objective to maintain credit rating at its current level (BBB/Baa2)

## SUMMARY HIGHLIGHTS

### 1. CONSOLIDATED INCOME STATEMENT (in EUR millions)

				YTD	YTD	
	Q3, 2008	Q3, 2007	%	Q3, 2008	Q3, 2007	%
Revenue	406.4	406.9	--	1,194.9	1,196.0	--
Operating expenses	(123.7)	(123.7)	--	(362.0)	(364.6)	-0.8%
EBITDA	282.7	283.2	--	832.9	831.4	--
Depreciation	(94.5)	(97.4)	-3.0%	(289.4)	(327.3)	-11.6%
Amortisation	(9.9)	(9.9)	--	(35.7)	(29.4)	+21.4%
Operating profit	178.3	175.9	+1.4%	507.8	474.7	+7.0%
Net financing charges	(54.7)	(7.8)	n.m.	(114.1)	(57.1)	+99.8%
Profit for the period before tax	123.6	168.1	-26.5%	393.7	417.6	-5.7%
Income tax expense	(20.1)	(27.2)	-26.1%	(53.9)	(71.3)	-24.3%
Profit for the period after tax	103.5	140.9	-26.5%	339.8	346.3	-1.9%
Share of associates' profit	(0.1)	(1.1)	-90.9%	(0.6)	1.3	n.m.
Minority interests	(0.4)	(0.3)	+33.3%	(0.4)	(0.6)	-33.2%
Net profit of the group	103.0	139.5	-26.2%	338.8	347.0	-2.4%

### 2. QUARTERLY DEVELOPMENT (in EUR millions)

<i>Year-to-date, Q3 2008</i>	Q1	Q2	Q3	Q4	YTD
Revenue	390.9	397.6	406.4	--	1,194.9
Operating expenses	(115.7)	(122.6)	(123.7)	--	(362.0)
EBITDA	275.2	275.0	282.7	--	832.9
Depreciation	(99.7)	(95.2)	(94.5)	--	(289.4)
Amortisation	(10.1)	(15.7)	(9.9)	--	(35.7)
Operating profit	165.4	164.1	178.3	--	507.8

## SUMMARY HIGHLIGHTS

### 3. ANALYSIS BY PRIMARY GEOGRAPHIC SEGMENT (in EUR millions)

<i>Year-to-date, Q3 2008</i>	SES ASTRA	SES AMERICOM	SES NEW SKIES	Other operations/ Elimination	Total
Revenue	755.4	261.7	189.4	(11.6)	1,194.9
Operating expenses	(213.3)	(94.7)	(47.1)	(6.9)	(362.0)
EBITDA	542.1	167.0	142.3	(18.5)	832.9
EBITDA margin	71.8%	63.8%	75.1%	--	69.7%
Depreciation & amortisation	(169.2)	(103.8)	(51.3)	(0.8)	(325.1)
Operating profit	372.9	63.2	91.0	(19.3)	507.8

### 4. ANALYSIS BY SECONDARY BUSINESS SEGMENT (in EUR millions)

<i>Year-to-date, Q3 2008</i>	Infra- structure	Services	One-time Items*	Other operations/ Elimination	Total
Revenue	1,006.9	257.9	2.9	(72.8)	1,194.9
EBITDA	830.3	36.8	(14.6)	(19.6)	832.9
EBITDA margin	82.5%	14.3%	--	--	69.7%

\* Start-up costs and non-recurring items in service business segment

### 5. TRANSPONDER UTILISATION AT END OF PERIOD

<i>Transponder numbers (physical)</i>	Q1	Q2	Q3	Q4
ASTRA Utilised	244	252	254	--
ASTRA Available	291	317	317	--
ASTRA%	83.8%	79.5%	80.1%	--
AMERICOM Utilised	332	334	329	--
AMERICOM Available	429	429	423	--
AMERICOM %	77.4%	77.9%	77.7%	--
NEW SKIES Utilised **	227	234	238	--
NEW SKIES Available **	318	318	318	--
NEW SKIES % **	71.4%	73.6%	74.8%	--
GROUP Utilised	803	820	821	--
GROUP Available	1,038	1,064	1,058	--
GROUP %	77.3%	77.1%	77.6%	--

\*\* the 36 MHz-equivalent utilisation rate at the period end was 76.2%, or 324 of 425 commercially available 36 MHz-equivalent transponders)

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Luxembourg +352 342 080 8656  
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Confirmation Code: 1348027

A call for **investors and analysts** will be hosted at 14.00 CET today, 27 October 2008. Participants are invited to call the following numbers five minutes prior to this time.

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France +33 (0)1 70 99 42 70  
Germany +49 (0)30 2215 1089  
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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)

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