

Establishing the Next Generation of Video

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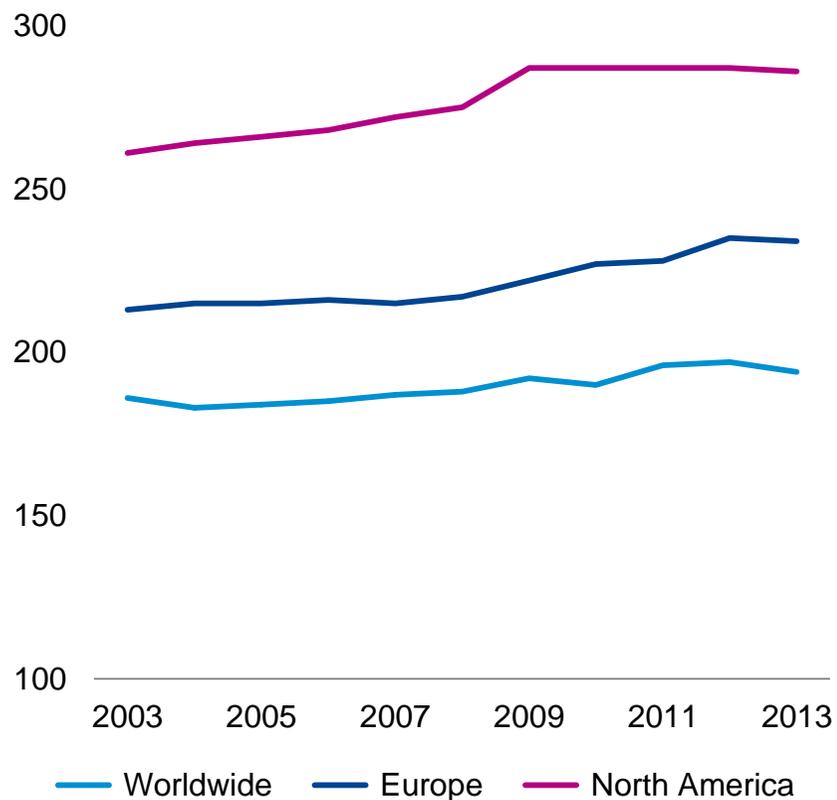
Positive long-term outlook for SES's Video business

- ▲ Video is a significant part of SES's business
- ▲ HD and Ultra HD expansion driving solid growth in developed markets
- ▲ Rapid development of TV households in emerging markets; demanding more choice and quality
- ▲ Value chain evolving to include IP-based/non-linear solutions to complement linear offerings
- ▲ SES is well placed to deliver growth in the Next Generation Video environment

Linear TV remains the principal viewing platform

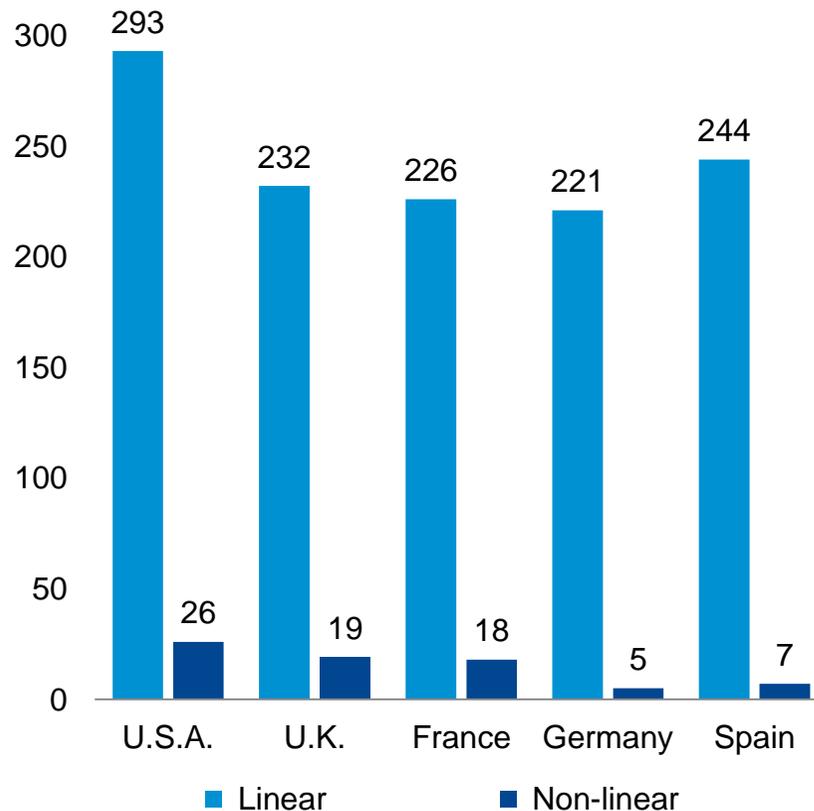
Average daily viewing time per individual⁽¹⁾

Minutes



Linear vs. non-linear consumption 2014⁽²⁾

Minutes



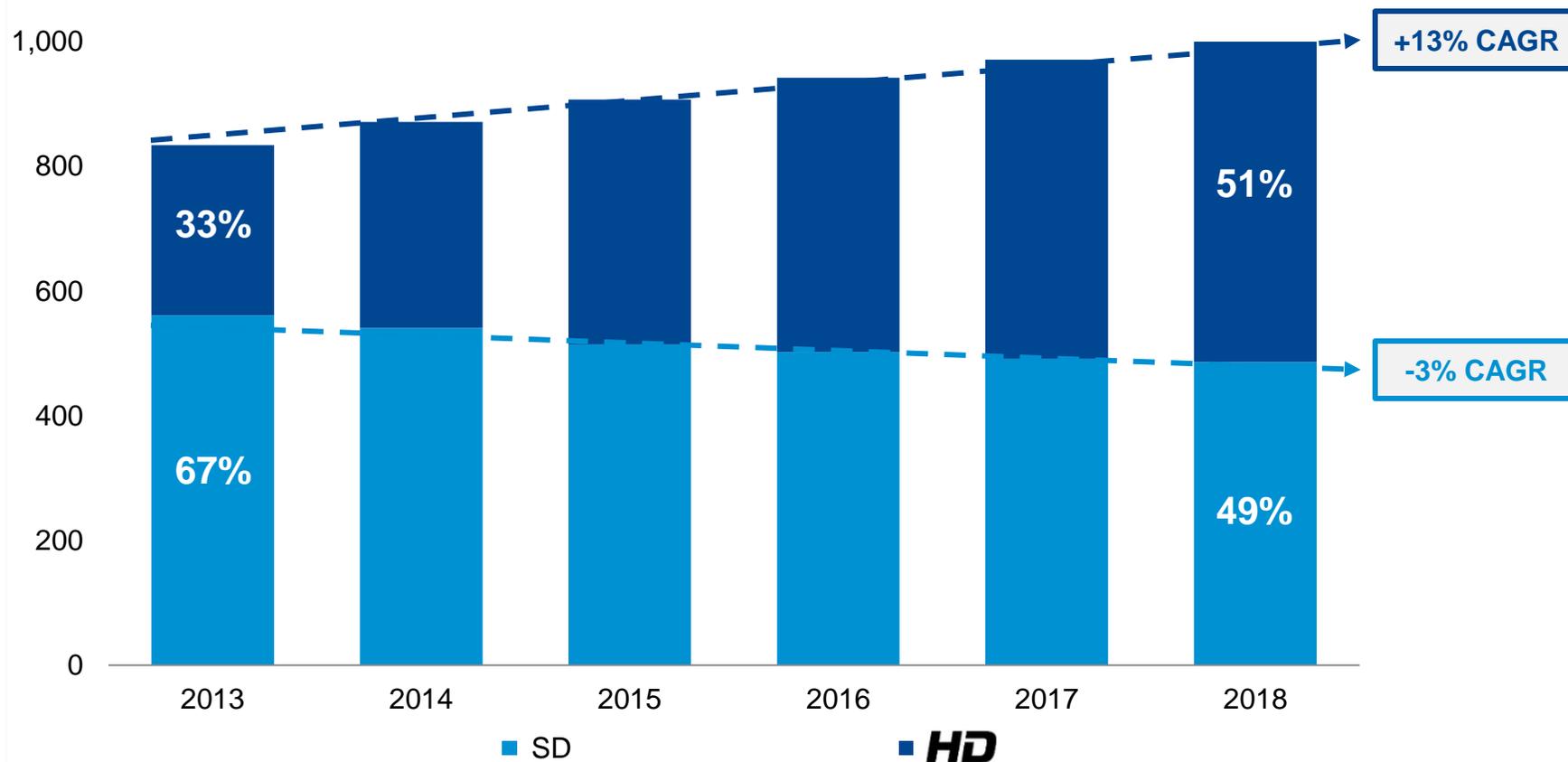
1) Source: Mediametrie/Eurodata TV

2) Source: Eurodata TV, IHS

Consumers demanding higher quality displays

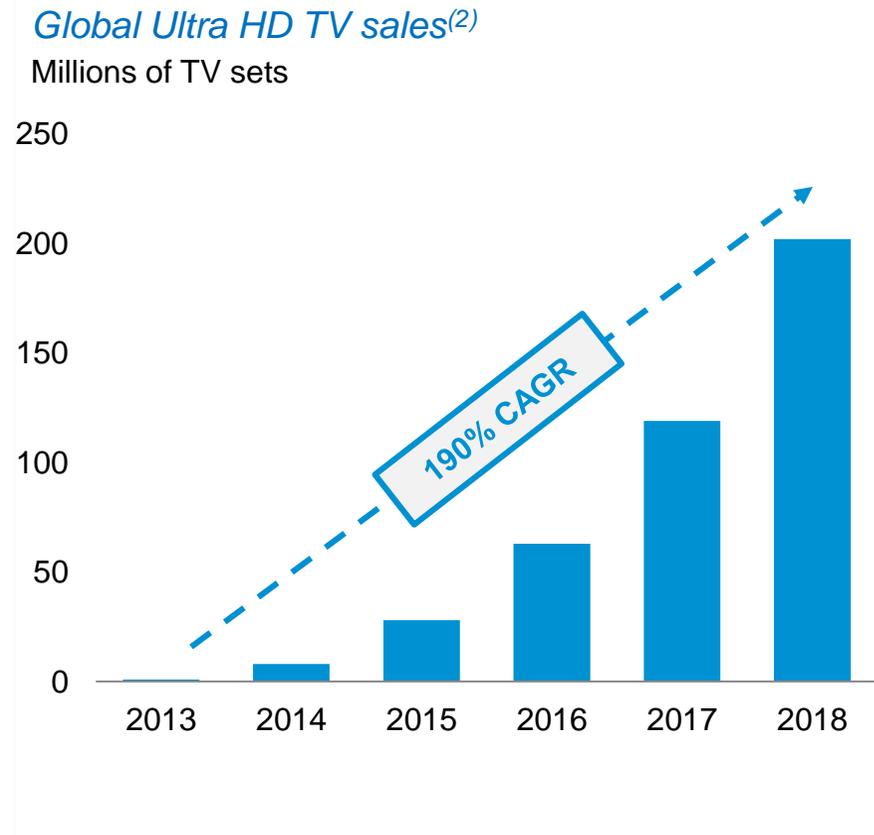
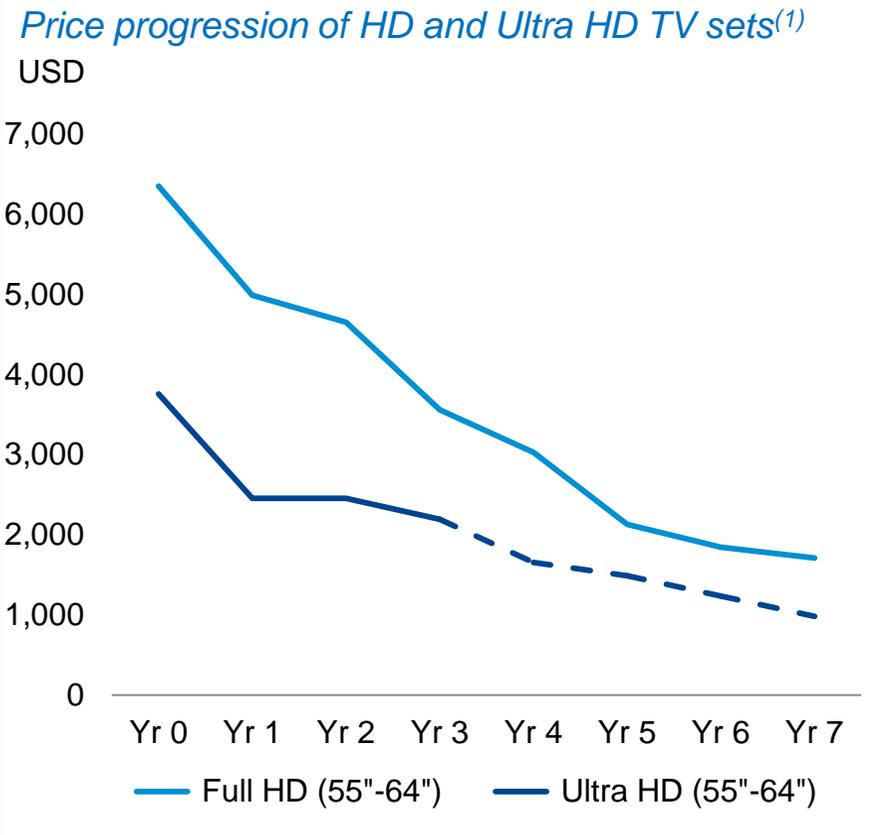
Global Pay TV subscriptions⁽¹⁾

Millions of subscribers



1) Source: IHS Trax

Increasing attraction of Ultra HD to consumers



- ▲ Four times the screen resolution as current HD TV delivering substantially enhanced picture quality
- ▲ More detailed, more immersive, and larger depth of field providing improved viewing experience

1) Source: IHS

2) Source: Euroconsult, Cisco VNI

Content compression enables HD & UHD growth

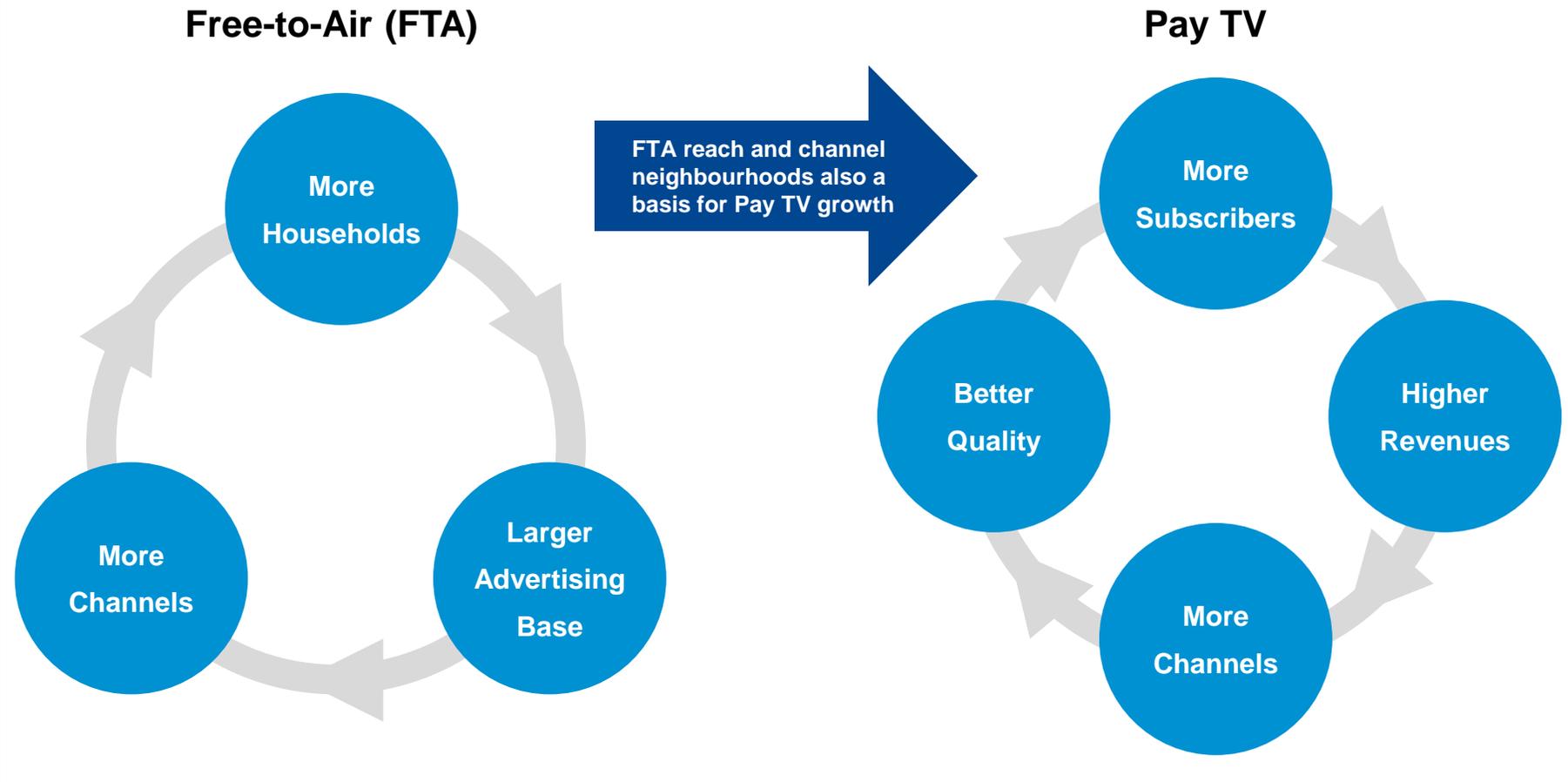
	Resolution pixels	Number of channels per transponder ⁽¹⁾		
		MPEG-2	MPEG-4	HEVC
SD	720 x 576	~10	~20	~40
HD	1920 x 1080	~2	~4	~8
ULTRA HD (4K)	3840 x 2160	n/a	n/a	~2

- ▲ Each new compression format approximately doubles the number of possible channels per transponder
- ▲ Improved affordability for broadcasters to deliver greater quality and choice for the consumer
- ▲ Capacity required for one HD channel equivalent to five SD channels
- ▲ Ultra HD requires around four times the capacity of an HD channel

1) One 36 MHz transponder delivers approximately 40 Mbit/s

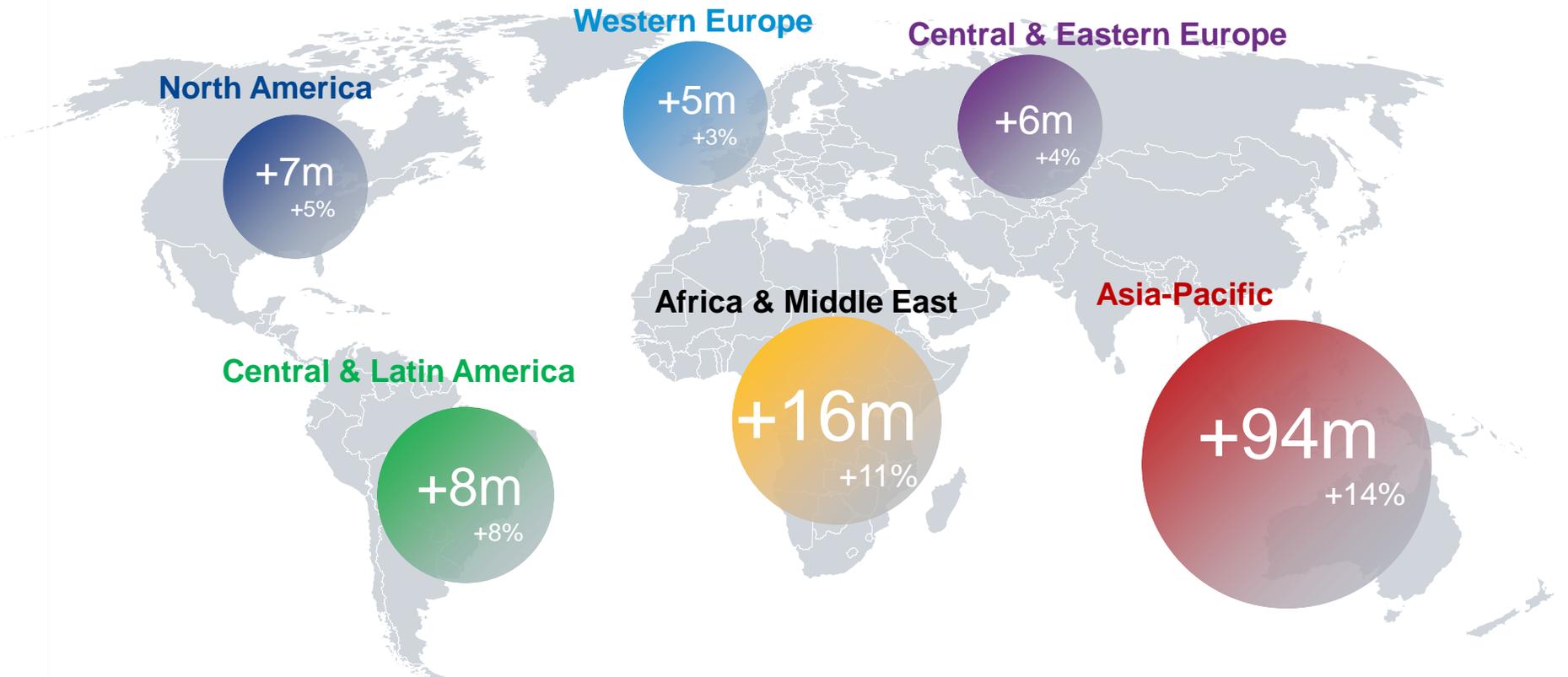
Virtuous circle driving growth in emerging markets

Virtuous circle of video growth



Rapid TV household growth across emerging markets

TV household growth 2013-2018⁽¹⁾

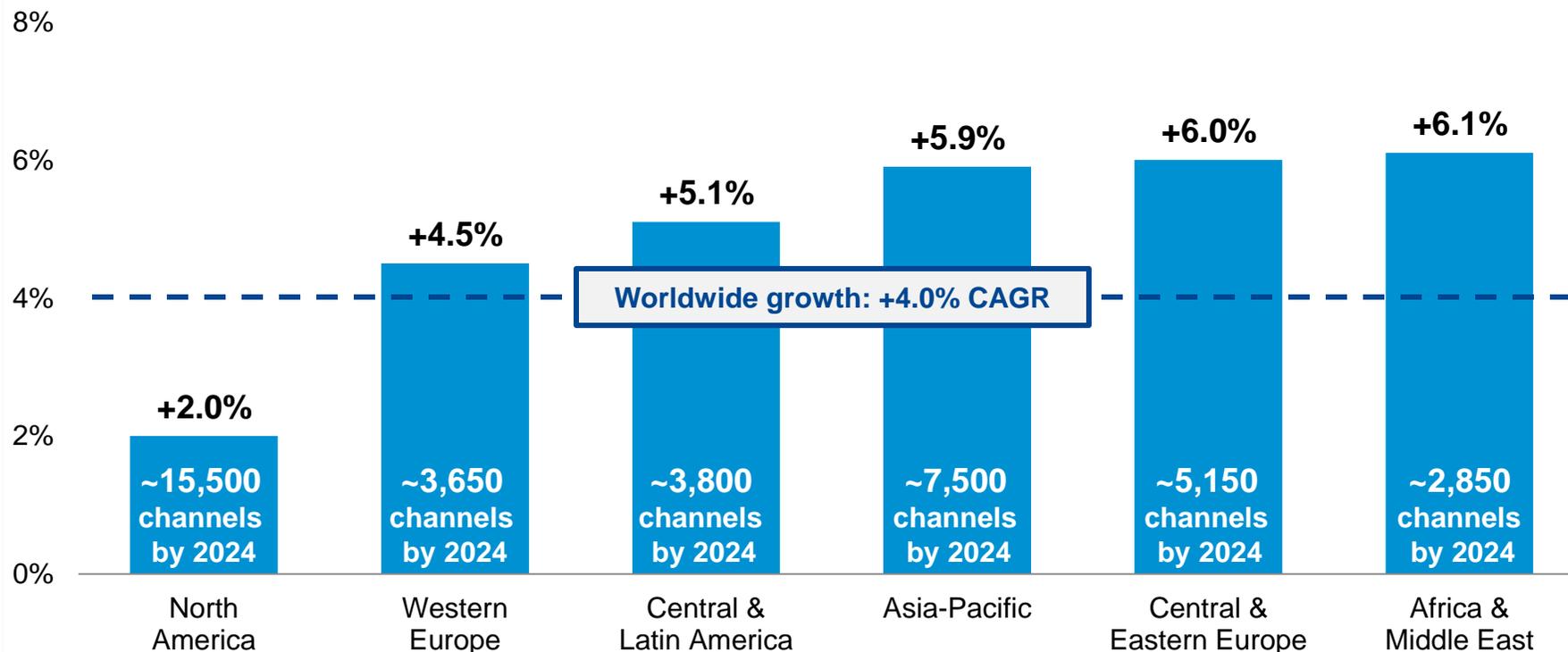


▲ Worldwide TV households expected to grow by 10% to 1.5 billion (2013-2018)

Emerging markets driving global channel growth

Average growth in DTH channels 2014-2024⁽¹⁾

Annual growth in total number of DTH channels



▲ Worldwide DTH channels expected to grow by 47% to ~38,500 channels in 2024

1) Source: NSR

Consumers buying higher quality TV sets

Penetration of HD TV sets⁽¹⁾

% of total

100%

80%

60%

40%

20%

0%

2006

2007

2008

2009

2010

2011

2012

2013

2014

2015

2016

2017

2018

9%

2%

87%

68%

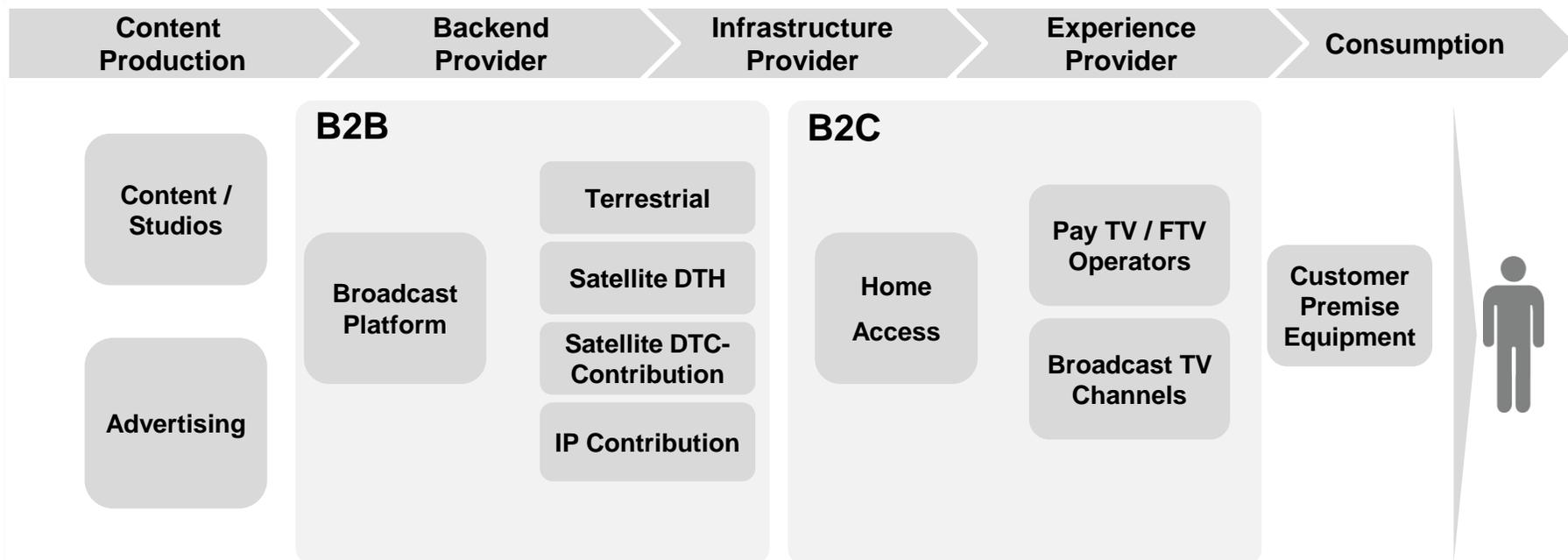
— Developed markets

— Emerging markets

1) Source: IHS Trax

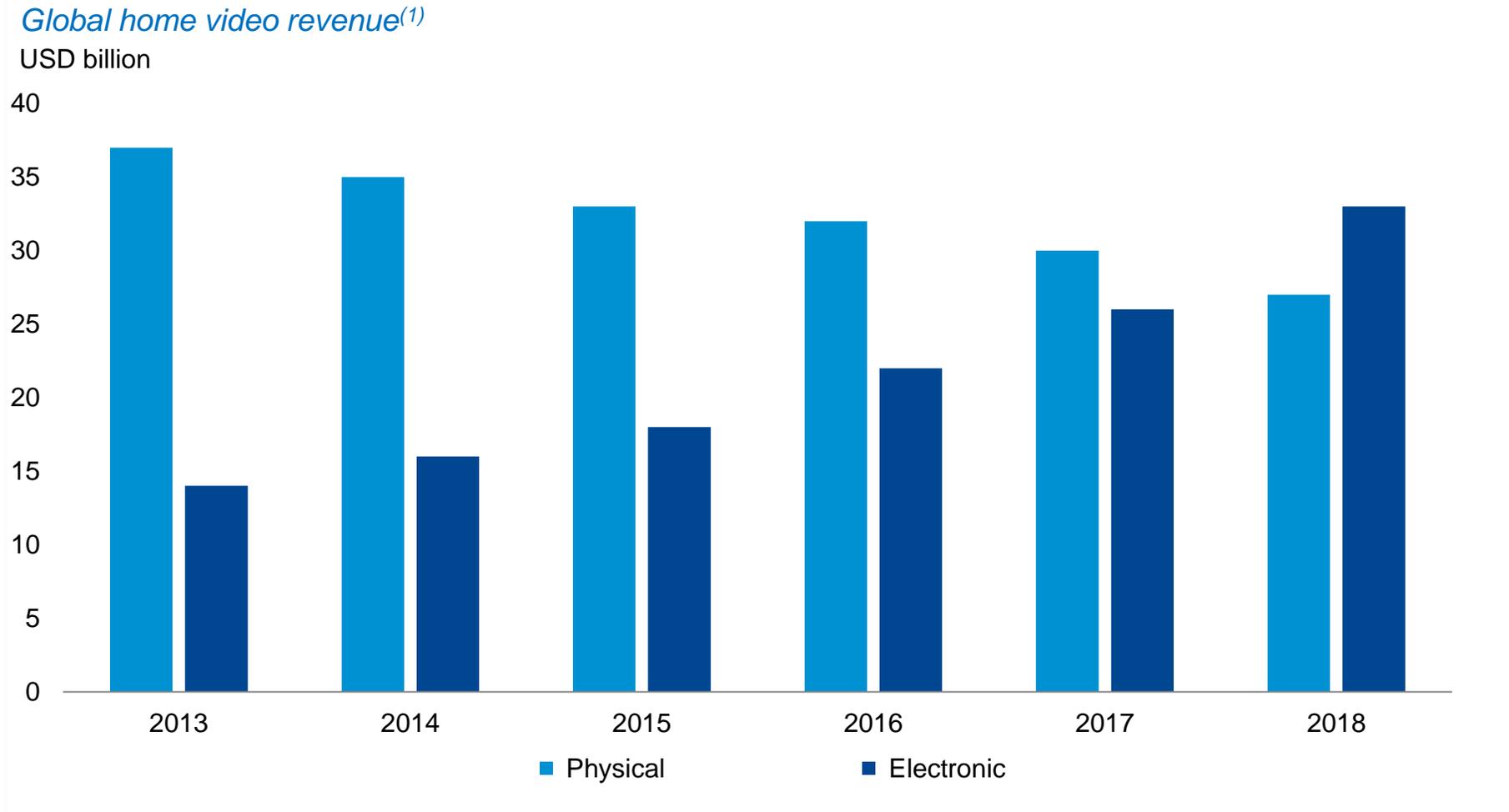
Value chain historically linear in nature

Video value chain in the past



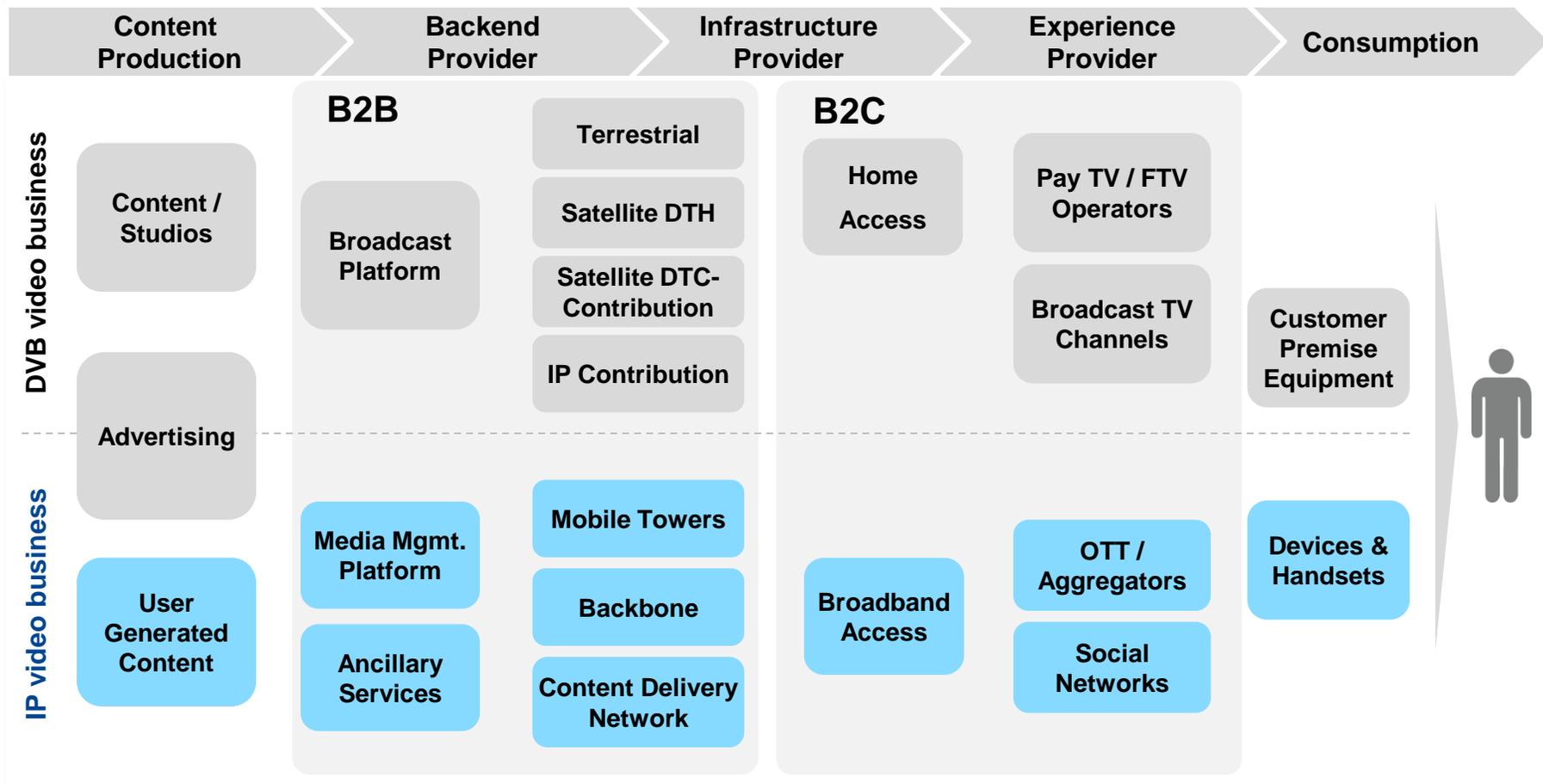
▲ Historically, linear TV viewing experience has been complemented by DVD/Blu-Ray

OTT replaces DVD/Blu-Ray as complement to Linear

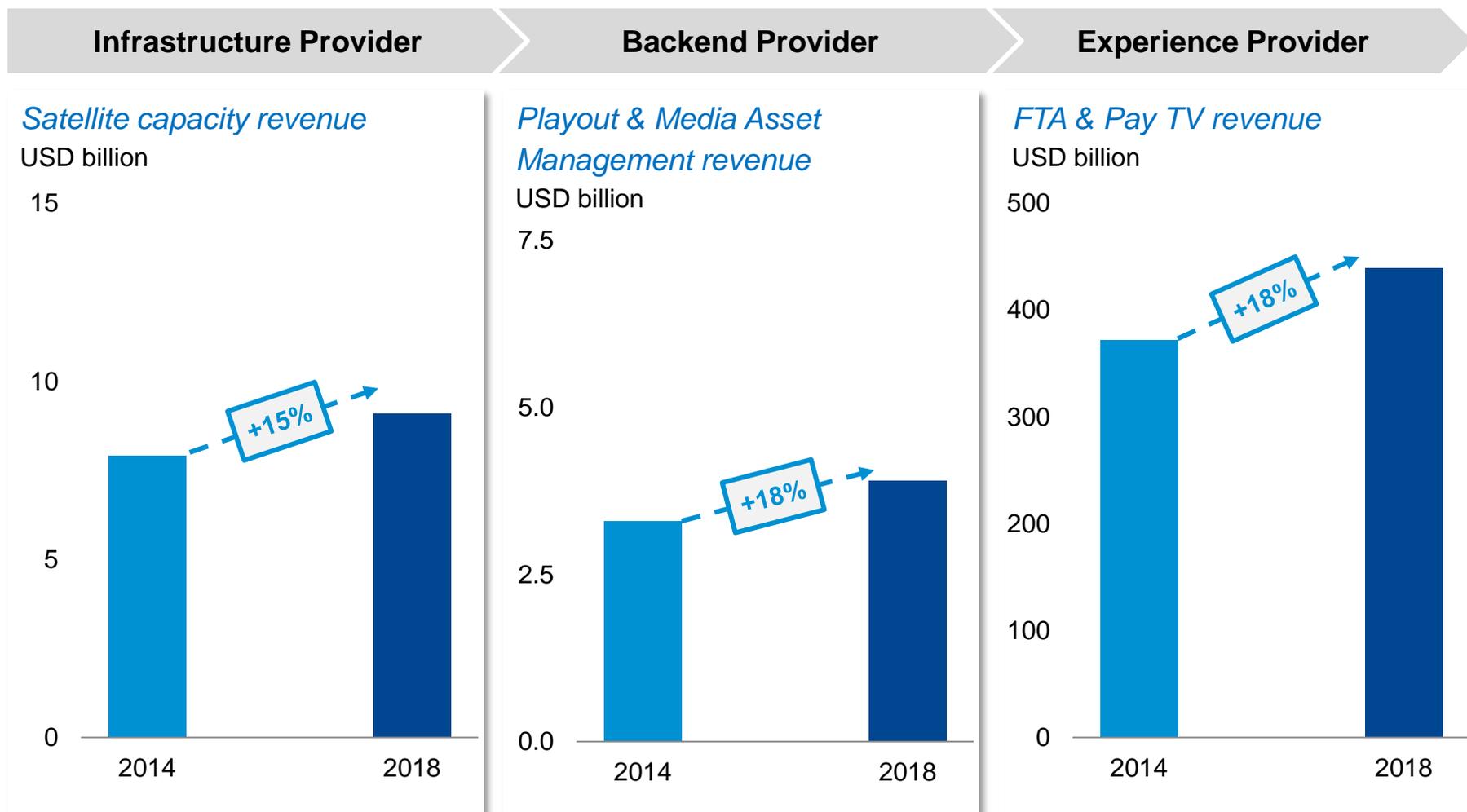


Value chain expansion gives SES new opportunities

Video value chain of today

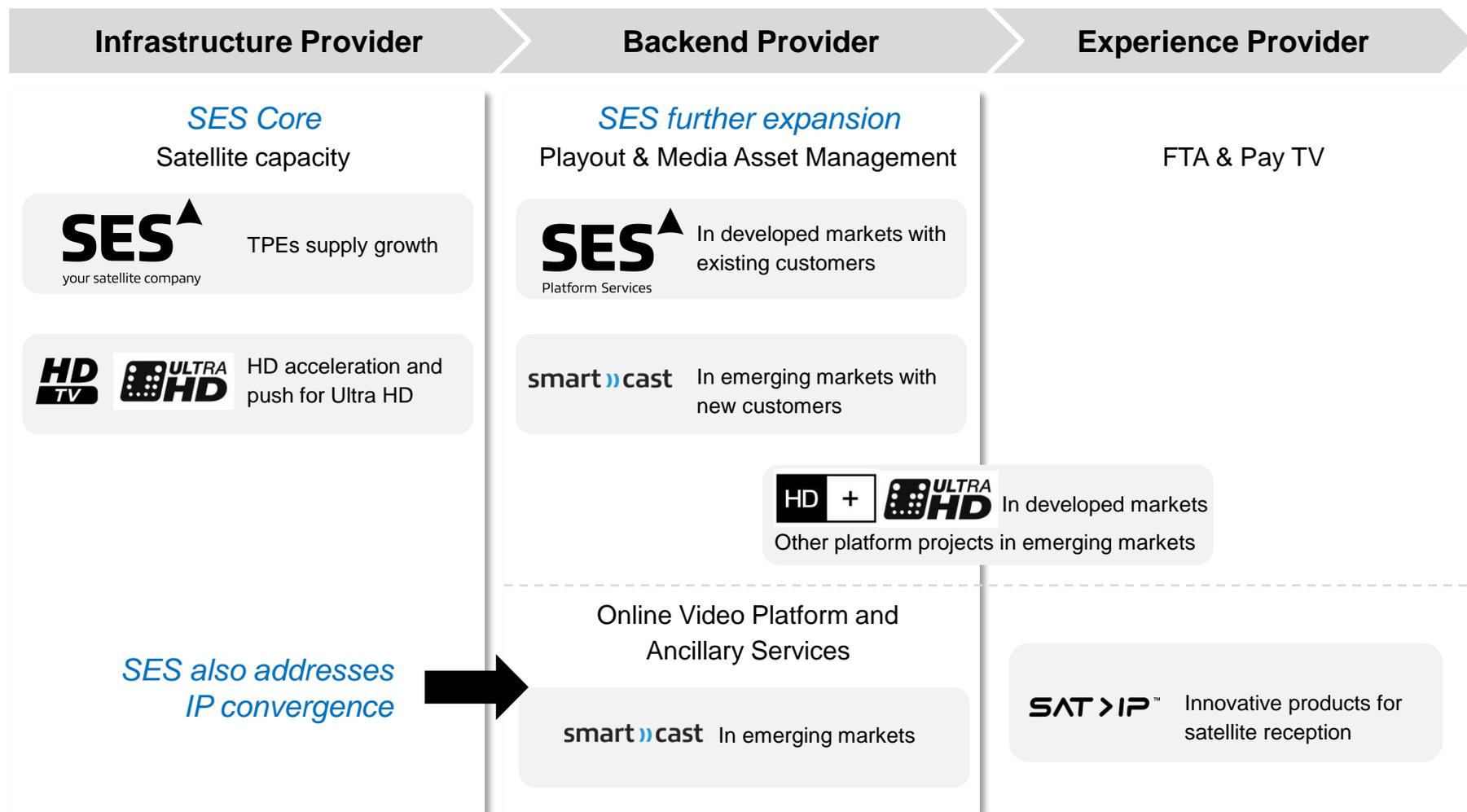


Positive outlook across the media ecosystem

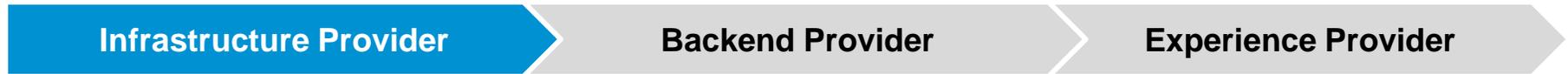


1) Source: IHS

SES addressing the growth potential with media

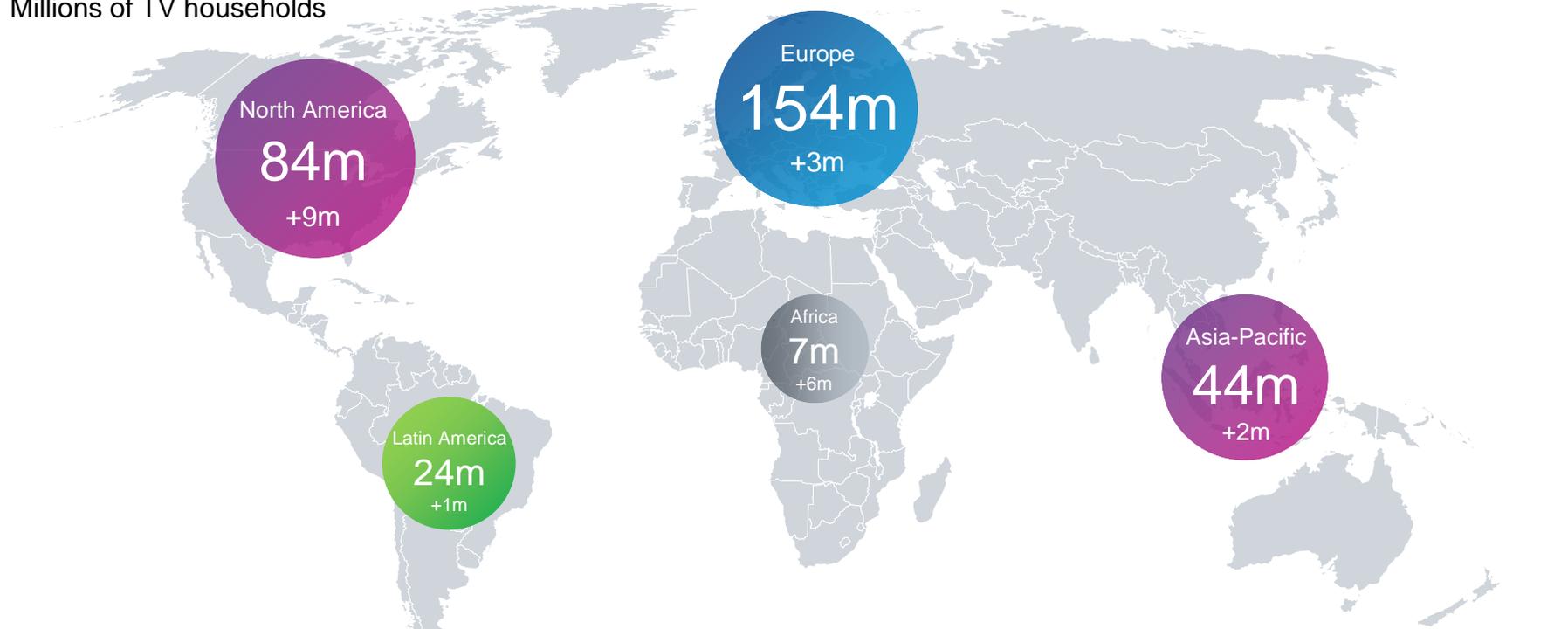


SES significantly improving technical reach



SES's significant and growing technical reach 2014 vs. 2013⁽¹⁾

Millions of TV households



▲ Technical reach increased to 312 million TV households; represents 1.1 billion people

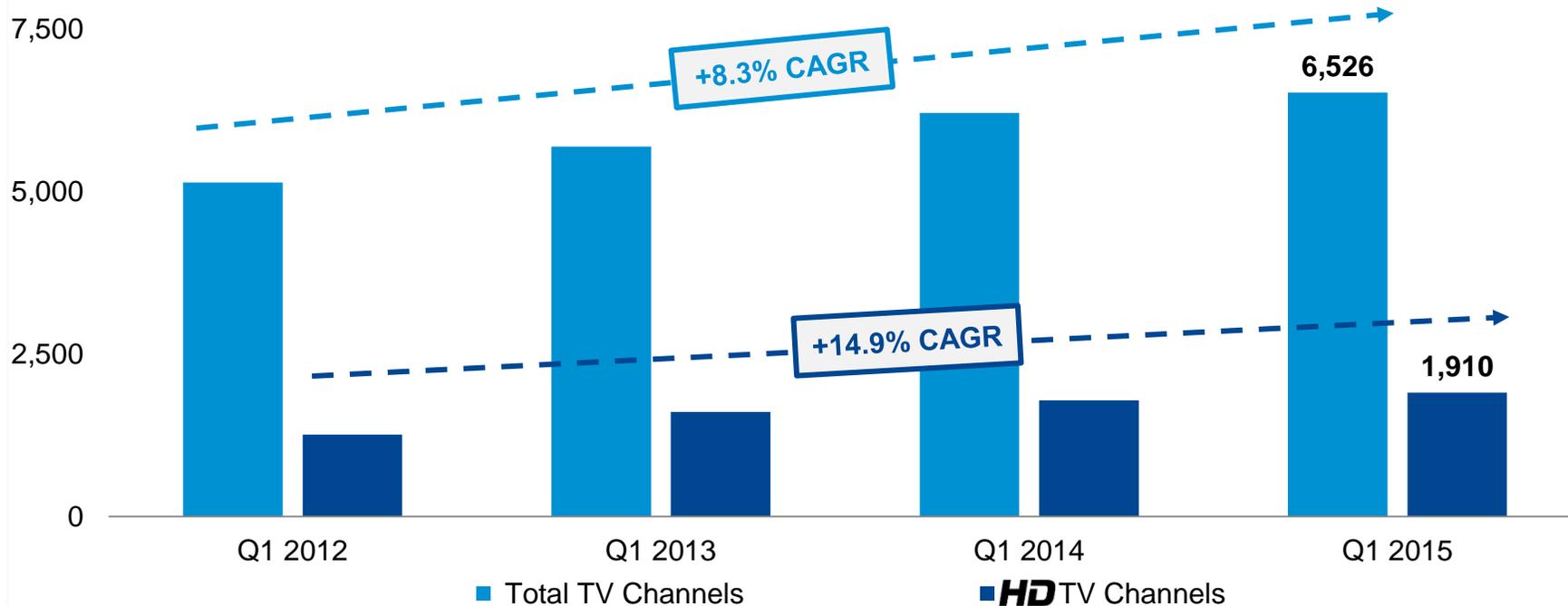
1) Source: SES, Satellite Monitor YE14, B2B surveys among cable head-ends in North and Latin America, PayTV operators' figures. Includes subscribers reached via Ciel-2's spot beams

SES delivering higher quality via HD TV growth



SES's growing channel count⁽¹⁾

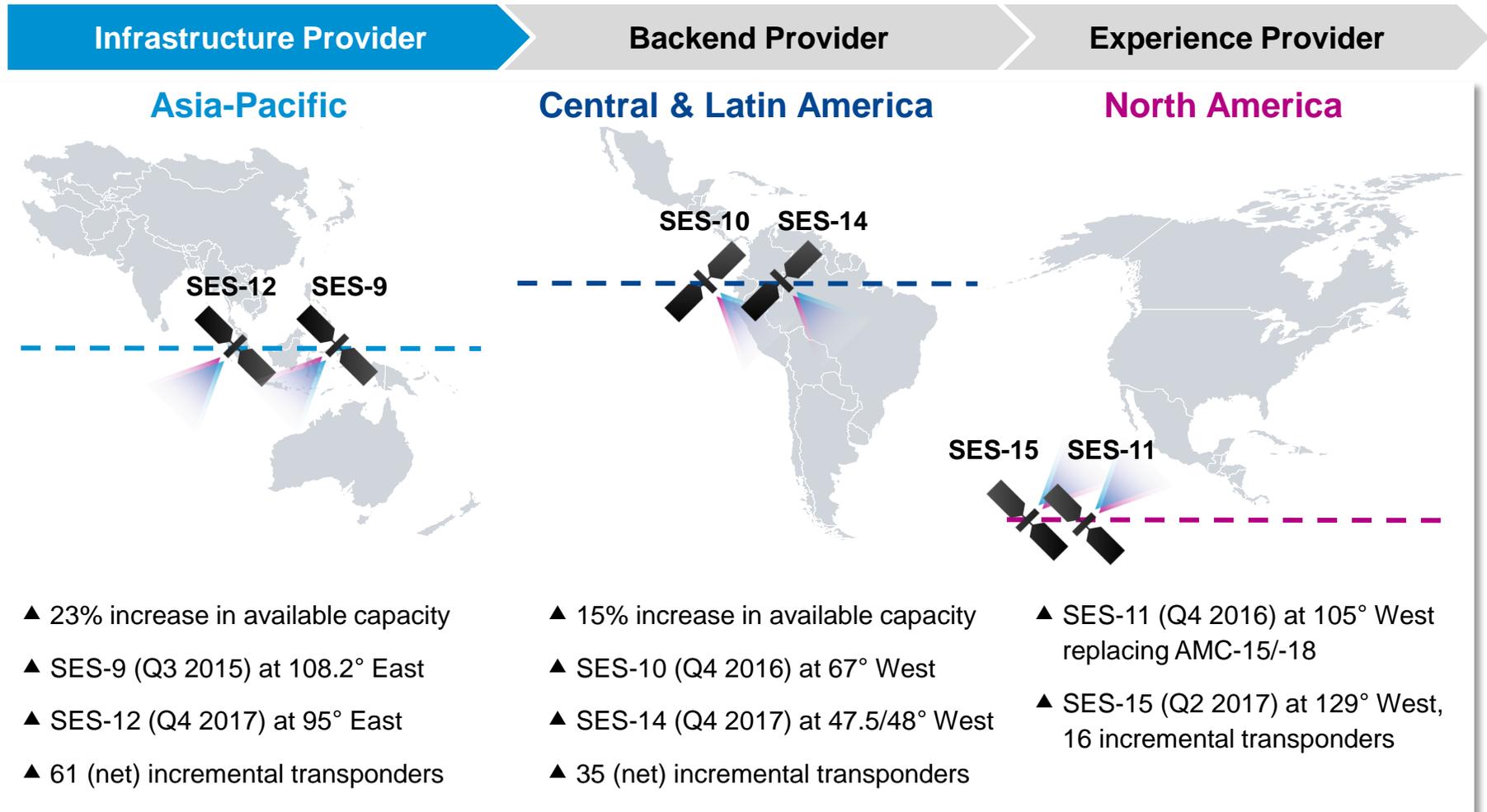
Number of TV channels broadcast over SES's fleet



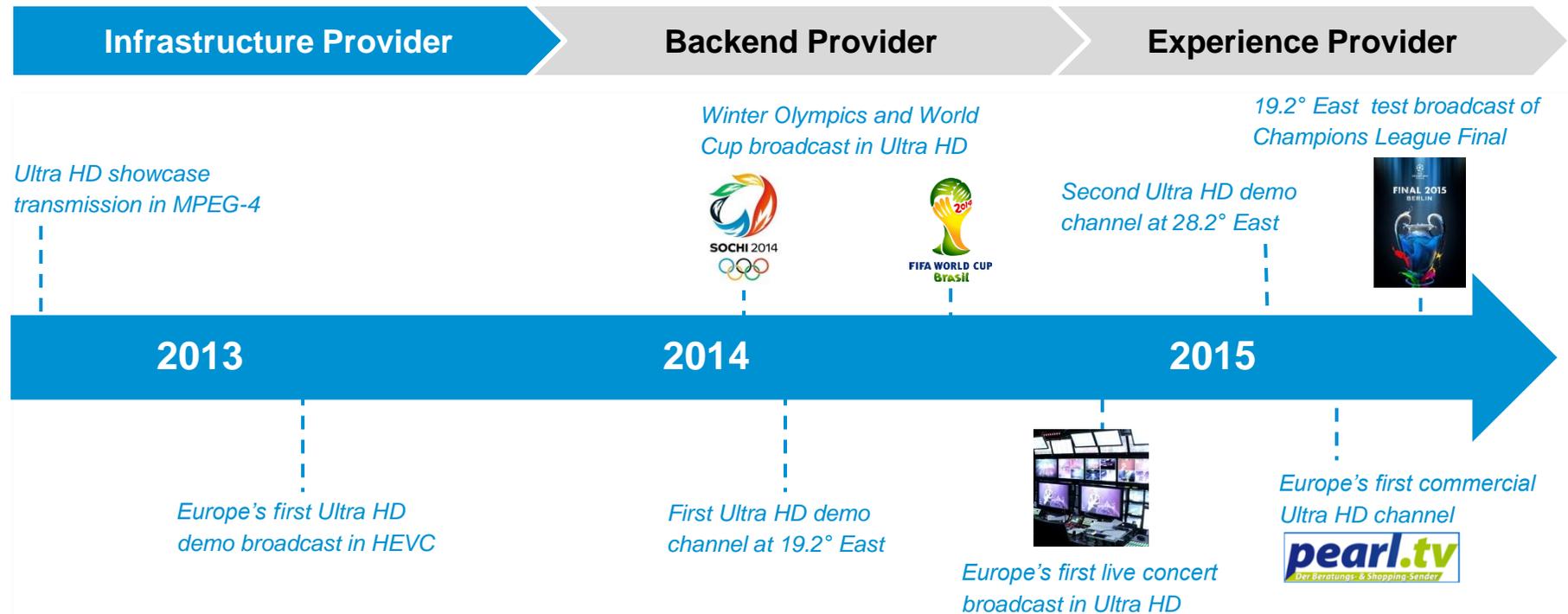
▲ SES satellites broadcast 25% of the world's satellite HD TV channels

1) Source: Lyngsat, SES analysis

SES's new satellites focused on key growth markets



SES a leading facilitator of Ultra HD's introduction



- ▲ Working with customers to test Ultra HD production, encoding and transmission chain
- ▲ Contributing to standardisation of Ultra HD in its various phases:
 - Phase One: more pixels (now available); Phase Two: better pixels (from 2017/18)

SES expanding services to serve emerging markets

Infrastructure Provider

Backend Provider

Experience Provider

smart)) cast *services*



Smart Playout



SmartEdge
Playout



SmartMediaNet

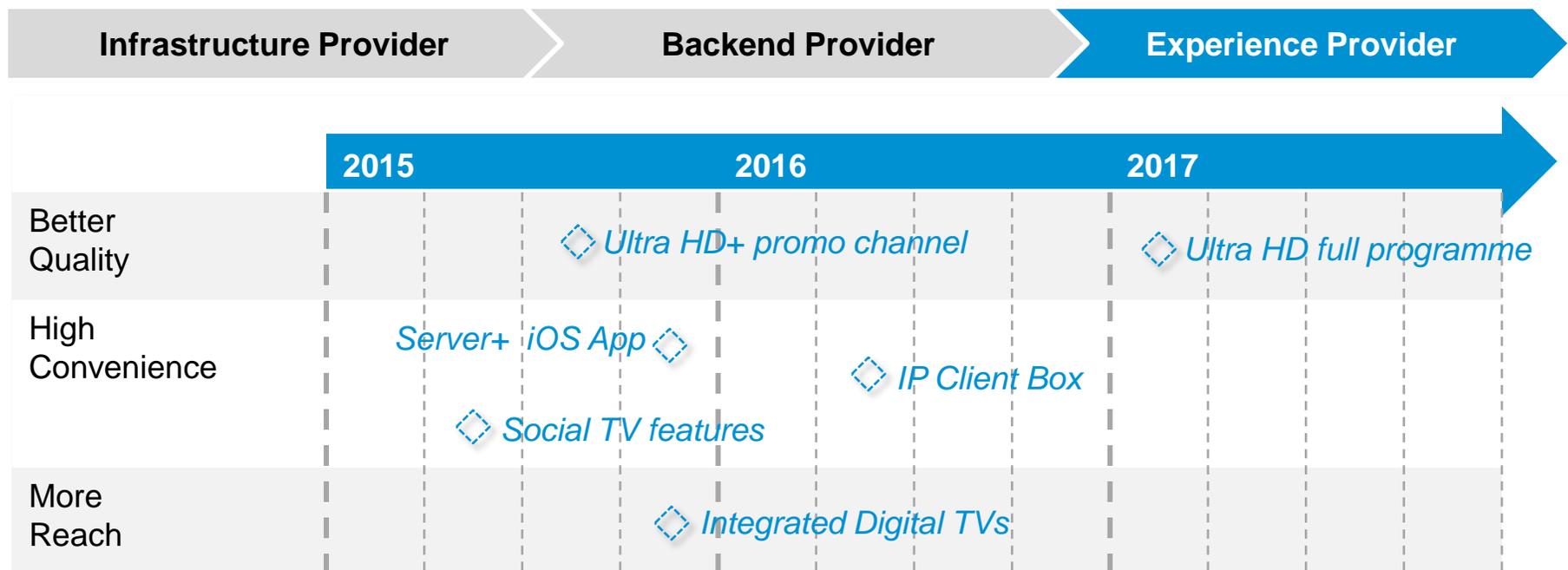


SmartOTT

- ▲ Part of SES Platform Services' existing suite of services
- ▲ Supporting customers in emerging markets seeking cost-efficient backend solutions
- ▲ Decentralised managed TV playout service allows customers to control their services remotely
- ▲ 'In-house' software platform providing flexible solutions by modules and customisation
- ▲ Currently supporting around 120 channels over satellite, cable, IPTV and others



HD+ continuing to improve consumer experience



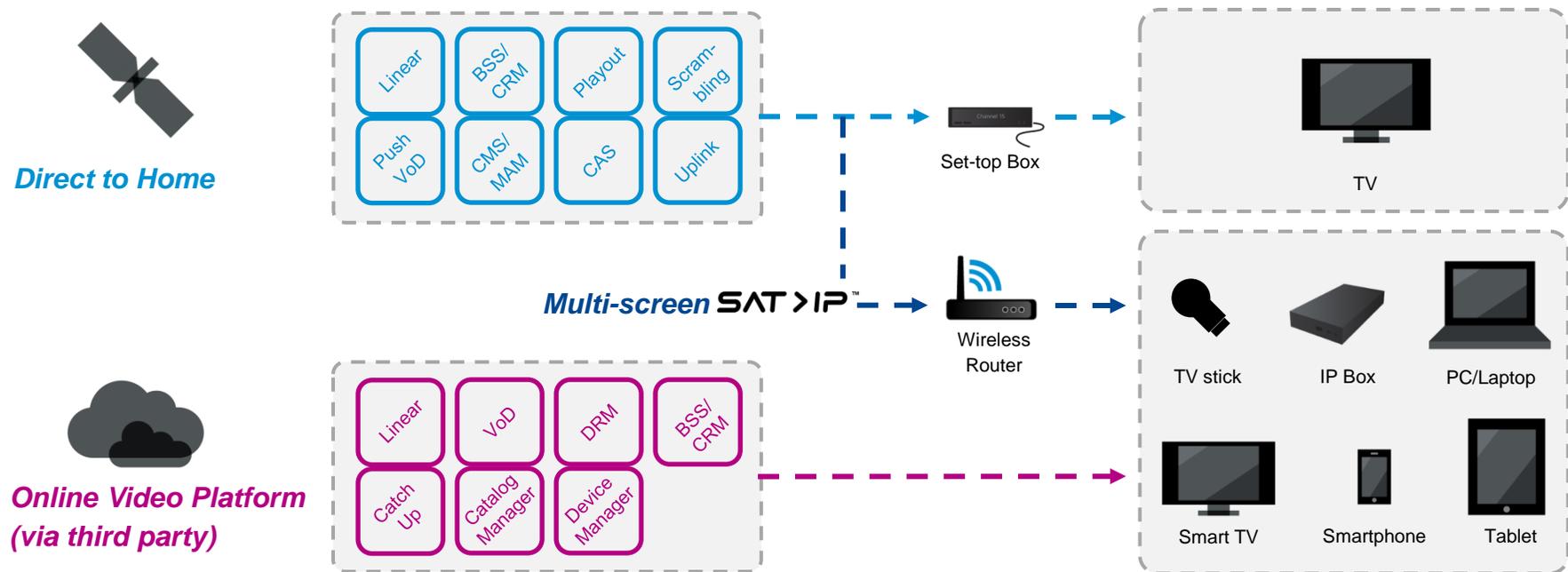
- ▲ Over 3 million total households⁽¹⁾ currently using HD+ in Germany
- ▲ Comprises 50 HD channels, including 20 HD channels as part of the private subscription service
- ▲ Facilitated more private free TV stations in HD in Germany

1) Including 1.4 million users within the six months free introductory period

SES developing cost-effective, end-to-end solution



SES's Media Toolbox solution – a 'one-stop-shop' approach for DTH and OTT distribution



- ▲ Providing all of the technical elements to transmit content end-to-end to the consumer
- ▲ Current deployment with HD+ in Germany; replicating the model in emerging markets

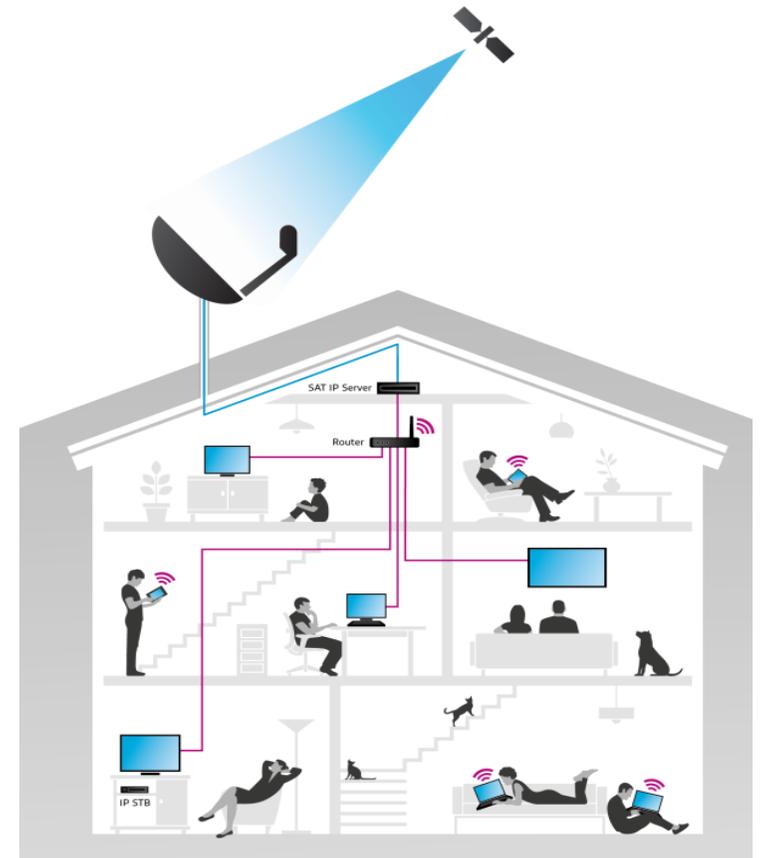
Making satellite services available on more devices

Infrastructure Provider

Backend Provider

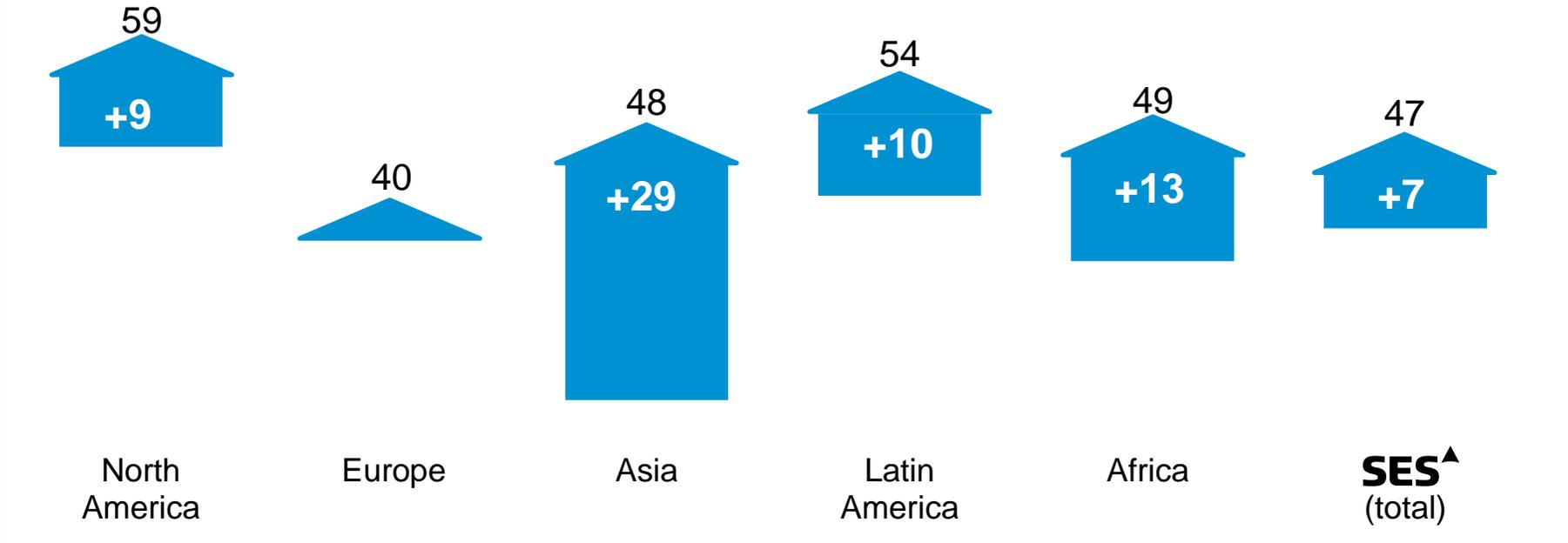
Experience Provider

- ▲ **SAT > IP™** is a communications protocol for satellite reception on devices on IP networks
- ▲ Increasing reach and improving convenience for satellite reception
- ▲ Adopted and supported by over 40 manufacturers
- ▲ Industry alliance framework established with HISPASAT, Panasonic, NAGRA, ALi Corporation and MaxLinear
- ▲ Recently showcased the SelfSat>IP antenna



Achieving significantly high customer satisfaction

Net Promoter Score (NPS) 2012 vs. 2014⁽¹⁾



- ▲ NPS improved by 18% since 2012 to 47; compares to score of 17 for the benchmark⁽²⁾
- ▲ 99% of customers rate delivery of SES’s core service as Excellent/Good
- ▲ 97% of customers rate SES’s collaboration with customers as Excellent/Good
- ▲ 97% of customers agree that SES’s operates as a truly global company

1) Source: Circle Research. NPS based on customer responses to how likely they are to recommend the company as a provider of satellite services

2) Source: Circle Research. B2B industry benchmark across 28 other B2B brands

Conclusion



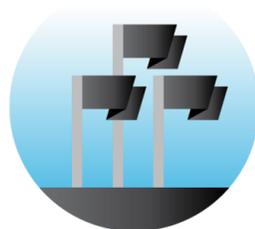
Video



Fixed Data



Mobility



Government

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