



## PRESS RELEASE

### SES First Quarter Net Profit Up 24%

Betzdorf, Luxembourg, 28 April 2008 – SES S.A., the pre-eminent satellite operator worldwide (Euronext Paris and Luxembourg Stock Exchange: SESG), reports on financial performance for the three months ended 31 March 2008.

#### FINANCIAL HIGHLIGHTS

- Recurring<sup>1</sup> revenue of EUR 390 million was up 9.1% on the prior year period
- Reported revenue stable at EUR 390.6 million (Q1 2007: EUR 392.0 million\*)
  - Despite the effect of the weaker U.S. dollar
- Recurring<sup>1</sup> EBITDA of EUR 281 million was 9.2% ahead of the prior year period
- Reported EBITDA rose 2% to EUR 275.3 million (Q1 2007: EUR 269.5 million\*)
  - Representing an EBITDA margin of 70.5% (Q1 2007: 68.8%)
  - Reflecting the industry-leading infrastructure EBITDA margin of 82.2% (2007: 81.5%)
- Operating profit ahead 23% at EUR 165.5 million (Q1 2007: EUR 134.7 million\*)
- Net profit jumped nearly 24% to EUR 120.9 million (Q1 2007: EUR 97.7 million)
- Net Debt:EBITDA stood at 2.90x at the period end
- Last 12 month weighted EPS EUR 1.03, favourably impacted by the ongoing share buyback programme (2007 reported EPS of EUR 0.91)
- Group utilisation rate at 31 March was 77%, or 803 of 1,038 commercially available transponders

Romain Bausch, President and CEO of SES, commented:

*“SES delivered a strong financial performance in the period, driven by solid business development across its operations.*

*Despite the launch failure of AMC-14 and the continued decline of the U.S. dollar against the euro, SES remains on a positive growth track to deliver increased revenue. The way our business is structured means that, although exchange differences might affect our top line, at the bottom line where we deliver value to shareholders, exchange movements have only marginal impact. The revised guidance published today reflects these developments.”*

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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.

\* Restated, see note on page 6

## **BUSINESS REVIEW**

In the quarter, all business units recorded revenue growth (ex-currency). Revenue in the period was EUR 390.6 million against the prior period's EUR 392.0 million, which included revenues from assets subsequently disposed of in the GE transaction, and benefited from a more favourable U.S. dollar exchange rate.

The AMC-14 satellite suffered a launch vehicle anomaly after its launch on 15 March and was left short of its planned geostationary orbit. Extensive assessment of the possibilities to deliver the satellite to its intended orbit resulted in options that carried unacceptable risks, and would not have enabled effective use of the spacecraft. The satellite was declared a total loss. SES's investment is fully insured and the proceeds are expected to be received during the second and third quarters. A net charge of EUR 0.5 million has been taken in Q1 operating expenses representing our preliminary assessment of the net impact of the insurance proceeds, asset write-down, and other charges and income relating to the termination of this programme.

EBITDA, at EUR 275.3 million, was 2% ahead of prior year level and represented an EBITDA margin of 70.5%. This EBITDA growth reflects our ongoing cost control activities including the impact of in-orbit insurance cost reductions. Within overall EBITDA, infrastructure activities recorded EBITDA of EUR 276.3 million, with an infrastructure EBITDA margin of 82.2%. Services activities also recorded growth, delivering an EBITDA margin of 11.5%, excluding EUR 7.9 million of costs associated with start-up activities and non-recurring items.

Net profit of the Group grew 23.7% to EUR 120.9 million, benefiting from lower depreciation charges in the period, while earnings per share grew by 13.2% to EUR 1.03, reflecting the impact of the share buyback and cancellation programme.

The SIRIUS-4 satellite began operations on 24 January 2008 at the orbital position of 5 degrees East. The spacecraft replaces the SIRIUS-2 and SIRIUS-3 spacecraft and provides additional capacity for the Nordic, Central European and Eastern European and African markets. The SIRIUS-2 spacecraft is being prepared for service at a new European orbital position, 31.5 degrees East, where SES has rights to use up to 40 coordinated BSS frequencies. SIRIUS-2 will be renamed ASTRA 5A and deliver 26 transponders for commercial activities from this orbital slot in a first step. The start of a new orbital position allows SES to drive its growth in the Eastern European and Middle East markets and give new flexibility to develop 23.5 and 5 degrees East into strong DTH positions.

Utilisation rates increased from 76.5% on 31 December 2007 to 77.3% on 31 March 2008. The available capacity on 31 March 2008 reduced by 10 transponders from 1,048 to 1,038 transponders mainly as a result of the co-location of AMC-2 with AMC-4 at 101 degrees West, which led to a decrease of 24 transponders in the SES AMERICOM segment. On the other hand, the SES AMERICOM segment brought into use six transponders of extended Ku-band capacity on the AMC-4 and AMC-6 satellites. In addition, the commercial activation of the SIRIUS-4 satellite at 5.0 degrees East added eight transponders in the SES ASTRA segment. The utilised capacity on 31 March 2008 increased by one transponder. Of the additions, 17 are coming from the SES AMERICOM segment (mainly Comcast), six have been added in the SES NEW SKIES segment and two in the SES ASTRA segment.

### **31.03.2008**

<b>Transponder utilisation</b>	<b>Utilised</b>	<b>%</b>	<b>Available</b>
ASTRA segment	244	83.8%	291
AMERICOM segment	332	77.4%	429
NEW SKIES segment	227	71.4%	318
<b>SES Group</b>	<b>803</b>	<b>77.3%</b>	<b>1,038</b>

## **SES ASTRA**

In the period, SES ASTRA increased the number of HD channels on the ASTRA and SIRIUS platforms. In Spain, the first Spanish HD channel was introduced by Digital+ on ASTRA. VIASAT launched four new HD channels for the Nordic markets on SIRIUS in February. The Austrian public broadcaster ORF announced the launch of a new HD channel on ASTRA after the end of the quarter. Furthermore, the Benelux platform CanalDigitaal/ TV Vlaanderen launched 3 new HD channels on 23.5 degrees East in April. Including these new channels, there are now 34 HD channels broadcast on the combined ASTRA and SIRIUS satellite systems.

The exercise of an option in the purchase agreement with Swedish Space Corporation raised SES's interest in SES SIRIUS from 75% to 90%, thereby reducing the minority interest in the consolidated results of the Group.

SES ASTRA will serve as a major hub for content delivery and distribution for the UEFA EURO 2008 football tournament, being hosted in Austria and Switzerland in June. Services will include the provision of satellite capacity for standard and high-definition programming as well as technical support including uplink and downlink services.

In France, the digital terrestrial Free-TV TNTSAT has gained significant reach. As of end of February, 350,000 receivers had already been sold to French households, thus driving the growth of ASTRA's technical reach in this market. TNTSAT is offered by SES ASTRA and CANAL+ to households which cannot receive signals from terrestrial antennas. In a similar concept to develop the digital terrestrial television, SES ASTRA was assigned in Spain to be the satellite partner of choice for the Cantabria region.

The latest updated figures from the Europe-wide Satellite Monitor, a market research project which SES ASTRA conducts every year, revealed a continued increase in the number of digital satellite homes in the target markets. SES ASTRA and SES SIRIUS now reach a total of 117.2 million homes, more than 50 million of which receive directly from satellite. In the important German market, SES ASTRA remained the major driving force of digitalisation; the number of digital ASTRA households increased by 21.5% in 2007, with almost two thirds of all digital households now served by satellite. In the Benelux countries as well as in Central and Eastern Europe, SES ASTRA showed strong growth for its orbital position 23.5 degrees East which is successfully developing into a third prime orbital position besides 19.2 and 28.2 degrees East.

Building on recent developments, *ASTRA2Connect*, the satellite two-way broadband service, continued to make inroads, signing new agreements with service providers in France and Italy as well as in Germany with Deutsche Telekom.

Other service activities in the ASTRA segment continued to grow and perform well, with ND SatCom closing an agreement with Turksat to provide a communications network and internet access to schools. In Germany, APS further increased the number of its customers and services. Furthermore, SES ASTRA continued to review the business model for the digital platform *entavio* which showed modest and lower than expected subscriber development. In light of the current status of the commercial rollout the related expenditures will be significantly lower for the full year 2008, resulting in a lower EBITDA dilution than foreseen in our initial guidance.

SES ASTRA's utilisation rate at the period end was 84%, or 244 of 291 commercially available transponders (As reported at 31 December 2007: 85%, or 242 of 283 commercially available transponders). During the period, the number of commercially available transponders increased by eight following the commercial activation of the SIRIUS 4 satellite. With the opening of a new orbital position at 31.5 degrees East, SES ASTRA will make another 27 transponders commercially available in the next quarter.

## **SES AMERICOM**

A landmark agreement was signed with Comcast for its HITS Quantum service, where Comcast has contracted the remaining capacity on the AMC-18 satellite, the fifth satellite in SES AMERICOM's HD-PRIME neighbourhood. The agreement with Comcast covers new capacity of 17 transponders, of which 11 were previously broadcast by a North American competitor. This agreement means that the entire capacity of AMC-18 is now fully contracted.

The AMC-2 satellite has been co-located with AMC-4 at 101 degrees West, providing in-orbit backup at that orbital position and supports the offering of capacity via the South American beam on that spacecraft.

IP-PRIME, the Internet Protocol-based video broadcast service, introduced a new HD programming service, called HD-4, that allows telephone companies which launched IPTV service in their communities to address their subscribers' increasing requests for HD channels by overlaying the more efficient MPEG-4 service on top of their existing MPEG-2 service. To date, IP-PRIME has signed a total of 27 telcos to its managed, transport and HD-4 services with four already installed and operational and the remainder awaiting system installation and activation over the coming months. With a significant number of additional telcos in the pipeline, we expect to exceed our target of 40 installed telcos by year-end 2008.

SES AMERICOM's utilisation rate at the period end was 77%, or 332 of 429 commercially available transponders (As reported at 31 December 2007: 76%, or 339 of 447 commercially available transponders).

## **SES NEW SKIES**

In the period SES NEW SKIES continued to make good progress and commercialised an additional six transponders' capacity with a variety of different clients, for different applications.

NSS-14, the replacement satellite for NSS-7, was procured from Space Systems / Loral and is scheduled for launch late in 2010. The spacecraft will deliver additional capacity at the 22 degrees West orbital position, over the Atlantic Ocean Region, and permit the repositioning of NSS-7, which will be positioned to deliver substantial additional capacity to feed the high demand in the region.

SES NEW SKIES will be supporting international broadcasters' live coverage of the Beijing Olympics during the summer. This support will be delivered via SES NEW SKIES' optimally positioned satellites.

SES NEW SKIES' utilisation rate at the period end was 71%, or 227 of 318 commercially available transponders (As reported at 31 December 2007: 70%, or 221 of 318 commercially available transponders); the 36 MHz-equivalent utilisation rate at the period end was 72%, or 308 of 425 commercially available 36 MHz-equivalent transponders), with utilisation at the period end benefiting from capacity ramp-up on previously signed contracts in addition to those new contracts mentioned above.

## **Outlook and guidance**

SES's business outlook remains sound, despite the present issues in the credit markets. The company's business is largely unaffected by short-term fluctuations in the overall financial and business environment since it is focused on business-to-business relationships, which are less affected by shorter term financial and business cycles.

The AMC-21 satellite is soon to be launched from Kourou in French Guyana, with a payload of 24 Ku-band transponders carrying new capacity to serve all 50 states of the U.S.

Assuming the present launch schedule, the revenue contribution should be for about three months in 2008.

As a result of the several factors described above we have revised our modelling guidance for revenue and EBITDA in 2008. The impact of the loss of AMC-14 and the continued decline in the exchange rate of the U.S. dollar against the euro is largely offset by new business gained in the period, as well as a substantial reduction of entavio-related startup costs. Assuming an average rate of USD 1.50 / euro, we now foresee revenue in the range of EUR 1,580 - 1,620 million and EBITDA in the range of EUR 1,086 – 1,126 million in the current year.

## SUMMARY FINANCIAL HIGHLIGHTS (in EUR millions)

### 1. CONSOLIDATED INCOME STATEMENT

		Restated	
	Q1, 2008	Q1, 2007 *	%
<b>Revenue</b>	<b>390.6</b>	<b>392.0</b>	<b>--</b>
Operating expenses	(115.3)	(122.5)	-5.9%
<b>EBITDA</b>	<b>275.3</b>	<b>269.5</b>	<b>+2.2%</b>
Depreciation & Amortisation	(109.8)	(134.8)	-18.5%
<b>Operating profit</b>	<b>165.5</b>	<b>134.7</b>	<b>+22.9%</b>
Net financing charges	(18.4)	(18.8)	-2.1%
<b>Profit for the period before tax</b>	<b>147.1</b>	<b>115.9</b>	<b>+26.9%</b>
Income tax expense	(26.1)	(24.2)	+7.9%
<b>Profit for the period after tax</b>	<b>121.0</b>	<b>91.7</b>	<b>+32.0%</b>
Share of associates' results	(0.1)	6.0	--
<b>Net profit of the Group</b>	<b>120.9</b>	<b>97.7</b>	<b>+23.7%</b>

\* Restatement of Q1, 2007 reported results

The Group has elected to consolidate the financial results of joint ventures using the equity method, the alternate method allowed by IAS 31 ("Interests in Joint Ventures") with effect from January 1, 2008. The prior year comparative figures have been revised to be consistent with this new policy.

In practical terms this revision involved withdrawing the line-by-line impact of the Group's 34.1% effective share of AsiaSat's Q1 2007 results and disclosing these as an additional net amount of EUR 3.4 million on the line "Share of associates' result".

Neither net profit of the Group or consolidated shareholders equity are impacted by these changes.

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

### 2. QUARTERLY DEVELOPMENT

<i>Year-to-date, Q1 2008</i>	Q1	Q2	Q3	Q4	YTD
Revenue	390.6	--	--	--	390.6
Operating expenses	(115.3)	--	--	--	(115.3)
EBITDA	275.3	--	--	--	275.3
Depreciation & Amortisation	(109.8)	--	--	--	(109.8)
Operating profit	165.5	--	--	--	165.5

### 3. ANALYSIS BY PRIMARY GEOGRAPHIC SEGMENT

<i>Year-to-date, Q1 2008</i>	SES ASTRA	SES AMERICOM	SES NEW SKIES	Other operations/ Elimination	Total
Revenue	240.9	91.4	62.7	(4.4)	390.6
Operating expenses	(67.9)	(34.5)	(14.6)	1.7	(115.3)
EBITDA	173.0	56.9	48.1	(2.7)	275.3
EBITDA margin	71.8%	62.3%	76.7%	--	70.5%
Depreciation & amortisation	(56.9)	(35.3)	(17.3)	(0.3)	(109.8)
Operating profit	116.1	21.6	30.8	(3.0)	165.5

### 4. ANALYSIS BY SECONDARY BUSINESS SEGMENT

<i>Year-to-date, Q1 2008</i>	Infra- structure	Services	One-time Items*	Other operations/ Elimination	Total
Revenue	336.2	76.2	0.8	(22.6)	390.6
EBITDA	276.3	8.8	(7.1)	(2.7)	275.3
EBITDA margin	82.2%	11.5%	--	--	70.5%

\* Start-up costs and non-recurring items

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A call for **investors and analysts** will be hosted at 14.00 CET today, 28 April 2008. Participants are invited to call the following numbers five minutes prior to this time.

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