SES GLOBAL

Your Satellite Connection to the World

Annual Report 2003

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Your satellite connection to the world

SES GLOBAL is the world's premier provider of satellite-delivered services. As a strategic management company, SES GLOBAL operates through a unique network of leading satellite operators around the world. This network comprises the fully-owned SES ASTRA in Europe and SES AMERICOM in the US, as well as participations in regional satellite operators.

Contents

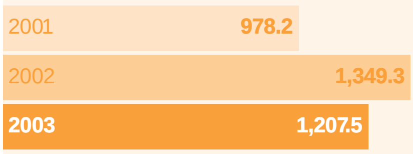
Financial summary	2003 EUR million	2002 EUR million
Total revenues	**1,207.5**	1,349.3
EBITDA	**942.8**	1,107.1
Operating profit	**371.7**	529.1
Profit of the Group	**205.4**	204.5
Net operating cash flow	**873.8**	1,051.8
Free cash flow	**940.3**	306.4
Capital expenditure	**317.0**	683.8
Net debt	**1,699.1**	2,661.1
Shareholders' equity	**3,247.8**	3,575.1
Earnings per A-share (in EUR)	**0.34**	0.34
Dividend per A-share (in EUR)	**0.22***	0.20
Contract backlog	**6,435**	5,980
Employees	**789**	808
Key performance ratios in %		
EBITDA margin	**78.1**	82.1
Net income margin	**17.0**	15.2
Return on average equity	**6.0**	5.5
Net debt to equity	**52.3**	74.4

* Recommended by Directors and subject to shareholder approval

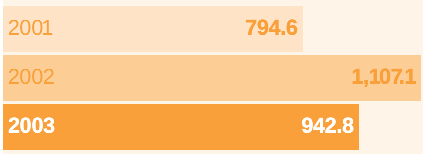
Key 2003 highlights

- Revenues of EUR 1.2 billion
- EBITDA of EUR 943 million, delivering an EBITDA margin of 78.1%
- Profit of the Group of EUR 205 million
- Net operating cash flow of EUR 874 million
- Successful completion of refinancing programme
- Net debt reduced by EUR 1 billion to EUR 1.7 billion
- First success for AMERICOM2Home®: EchoStar contract signed for the capacity of the AMC-15 satellite
- Major long-term contract renewals at SES ASTRA
- Backlog increase to over EUR 6.4 billion at year-end
- Rationalisation of regional assets
  - AMERICOM ASIA-PACIFIC taken into full ownership
  - NSAB interest increased to 75% (effective February 2004)

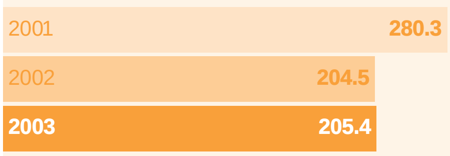
Revenues (EUR million)



EBITDA (EUR million)



Profit of the Group (EUR million)



Recent developments

Following the closure of the business year, the following developments occurred, which have a material impact on the Company's business and results.

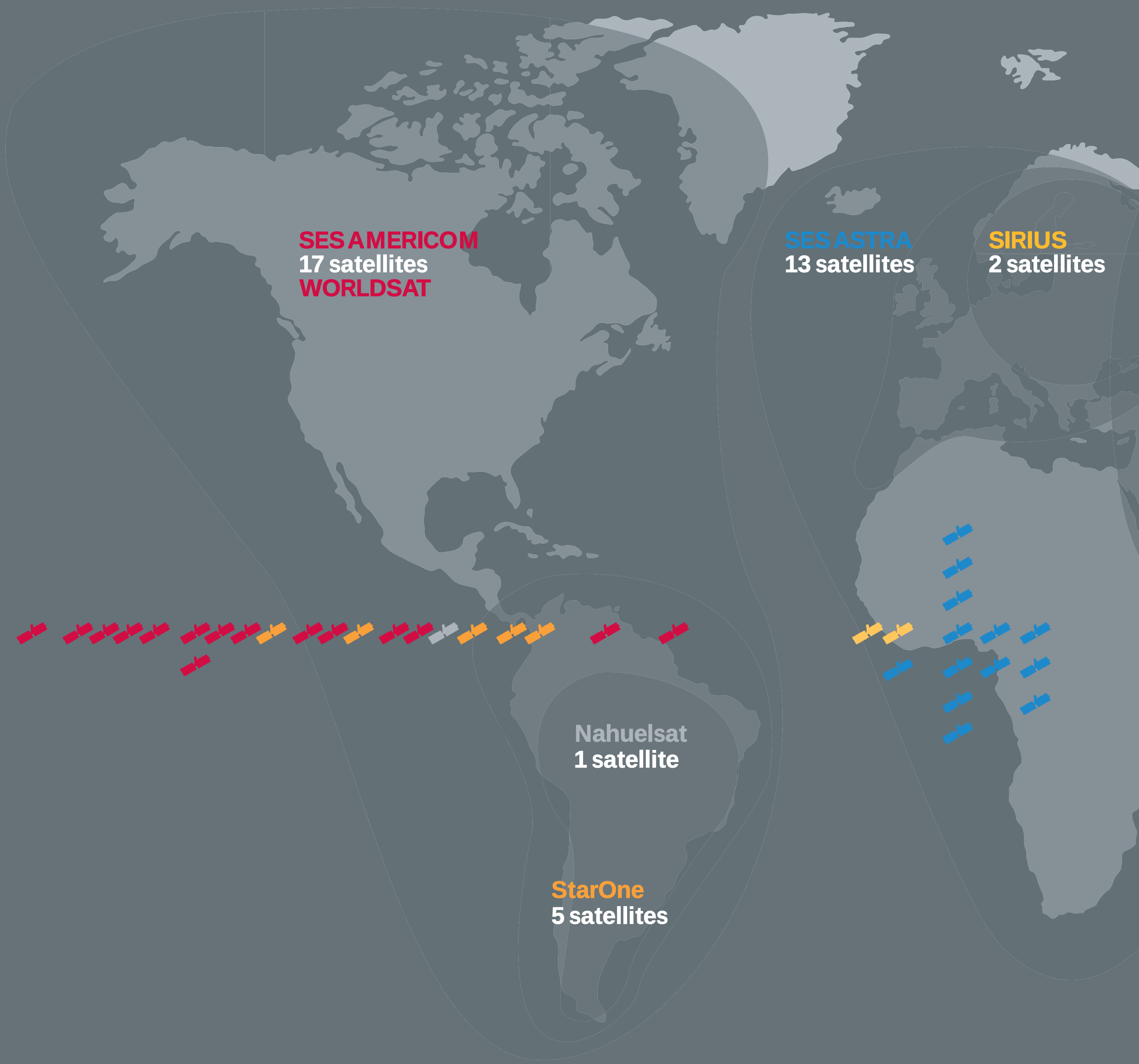
- In addition to a contract for the capacity of the AMC-15 satellite and for interim capacity on the AMC-2 spacecraft, which was announced in March 2003, EchoStar Communications and SES AMERICOM entered into long-term service agreements for the entire capacity on two additional satellites, AMC-14 and AMC-16.

  These agreements relative to the use of the AMERICOM2Home® platform have initial 10-year terms and renewal provisions.

  Both additional spacecraft, AMC-14 and AMC-16, are currently under construction with Lockheed Martin.

- On February 24, 2004, SES GLOBAL announced that it had acquired an ownership stake in ORBCOMM Inc., a US-based provider of global satellite data services to industrial, military and commercial customers, using a Low-Earth-Orbit constellation of spacecraft. As of March 2004, that ownership stake was 10.54%.

- On April 2, 2004, SES AMERICOM announced that it received approval from a US Bankruptcy Court to acquire the assets of Verestar Inc., for a total cash consideration of US $18.5 million. Verestar focuses on managed solutions for satellite communications in government, broadcast, enterprise, and international services markets with strategically located teleport facilities in the US and abroad. The transaction will be closed upon the receipt of appropriate US government authorisations, including the approval by the Federal Communications Commission to transfer Verestar's communications licences.



SES GLOBAL companies and partners provide access to a fleet of 41 satellites around the globe. These satellites cover an area which is home to 95% of the world's population.

Satellite fleet

Name	Position
ASTRA	
ASTRA 1A	5.2° East
ASTRA 1B	19.2° East
ASTRA 1C	19.2° East
ASTRA 1D	23.5° East
ASTRA 1E	19.2° East
ASTRA 1F	19.2° East
ASTRA 1G	19.2° East
ASTRA 1H	19.2° East
ASTRA 2A	28.2° East
ASTRA 2B	28.2° East
ASTRA 2C	19.2° East
ASTRA 2D	28.2° East
ASTRA 3A	23.5° East
AMERICOM	
AMC-1	103° West
AMC-2	105° West
AMC-3	87° West
AMC-4	101° West
AMC-5	79° West
AMC-6	72° West
AMC-7	137° West
AMC-8	139° West
AMC-9	85° West
Gstar 4	105° West
Satcom C3	131° West
Satcom C4	135° West
WORLDSAT	
Satcom C1	37.5° West
TDRS-5	174.3° West
TDRS-6	47° West
Spacenet 4	172° East
WORLDSAT-1	108.2° East
ASIASAT	
AsiaSat 2	100.5° East
AsiaSat 3S	105.5° East
AsiaSat 4	122° East
NORDIC SATELLITE AB	
SIRIUS 2	4.8° East
SIRIUS 3	5° East
STAR ONE	
Brasilsat A2	63° West
Brasilsat B1	70° West
Brasilsat B2	65° West
Brasilsat B3	84° West
Brasilsat B4	92° West
NAHUELSAT	
Nahuel-1	71.8° West

Satellite fleet as at December 31, 2003

Chairman's statement

Challenges and successes
It is my pleasure to report consolidated financial results for the SES GLOBAL Group, which confirm the Group's position as the world's leading provider of fixed satellite services.

These are good results. However, they break with tradition. Ever since 1989, the financial performances of SES, our predecessor company, and later of SES GLOBAL have shown steady and impressive progression rates across the board.

Our 2003 performance must be viewed against the backdrop of the very challenging market environment which prevailed during the year in many areas of the world. They have impacted most of the market segments for satellite applications in which we are active.

Despite these adverse conditions, SES GLOBAL achieved the highest revenues in the industry, maintained the highest EBITDA margin, delivered a net profit at the same level as the prior year, maintained a high net operating cash flow and accomplished an impressive debt reduction programme.

Yet, with 40% of its revenues generated in the US dollar and Hong Kong dollar zones, SES GLOBAL's revenues were impacted by the deteriorating exchange rate of the Dollar against the Euro.

Total revenues of SES GLOBAL reached EUR 1.2 billion in 2003, a decline of 10.5% at current exchange rates, but only of 3% at constant exchange rates. Our business continues to be stable, solid and strong: the recurring revenues (defined as based on long-term contracts, and net of one-time transactions) decreased only marginally by 2.6% at constant exchange rates.

Earnings before interest, taxes, depreciation and amortisation (EBITDA), widely used as a reference by investors, was strong at EUR 943 million, representing an EBITDA margin in excess of 78%. EBITDA ratios in the core business areas remained high with 83.2% at SES ASTRA and 79.7% at SES AMERICOM. As expected, we felt the dilutive effect of our investments in lower-margin satellite services ventures.

On the cost side, currency fluctuations led to lower charges arising on the dollar-denominated goodwill amortisation, depreciation and financing charges. This counterbalanced the negative foreign exchange rate impact at the revenue level, and enabled us to deliver a stable profit of the Group at EUR 205.4 million.

During the year, SES GLOBAL generated a strong net operating cash flow of EUR 874 million, which contributed to the significant reduction of the net debt by EUR 1 billion to EUR 1,699 million.

We also completed a substantial refinancing plan, replacing syndicated loan facilities, which we contracted in 2001, by more attractive instruments. SES GLOBAL completed a USD 1 billion private debt placement with a group of US and international investors. During the fourth quarter of 2003, we also issued a EUR 500 million benchmark Eurobond and a EUR 300 million Eurobond. These new financial instruments have improved the terms and the maturity profile of the Company's debt. They have also created the headroom for the Company to finance additional investments in new growth opportunities, as they arise.

During the year, we scored impressive commercial successes: the validation of the AMERICOM2Home® concept, and the conclusion of long-term contract renewals and of new contracts by SES ASTRA, have enabled us to secure the highest backlog in the fixed satellite services industry, standing at EUR 6.4 billion at the end of the year, a 7.6% increase over the twelve-month period.

'SES GLOBAL's performance must be viewed against the backdrop of the challenging market environment in 2003. We scored impressive commercial successes, and our outlook is increasingly favourable.'

Outlook

With this in mind, the outlook is increasingly favourable for SES GLOBAL. We have a substantial, profitable and world-leading business, which is delivering solid revenues and enjoys the perspectives of strong growth opportunities in Europe and in America.

We expect Group recurring revenues to remain flat in 2004, and to show double-digit percentage increases in 2005 and 2006 as new satellite capacity makes its contribution. Our focus on customer service, coupled with our prime orbital positions, enables us to withstand the worst effects of the current aggressive pricing environment.

Although costs will be tightly managed, they are expected to increase in 2004. In combination with the dilutive effect of our investments in service companies, they are expected to result in a reduction of our EBITDA margin percentage in 2004.

We will steadfastly continue to abide by our tradition of excellence. The hallmark of the SES GLOBAL Group is a strong customer base in every market, loyal to the services we provide. We also rely on a strong base of strategic shareholders, with a long-term interest in our industry. We benefit from a high backlog that will continue to deliver strong revenue flows. And we will continue to take advantage of growth opportunities as they develop.

Let me close with a word of special thanks to the management and staff of SES GLOBAL and its operating companies. Their commitment, their creativeness and innovative spirit, their dedication to industry leadership and the integrity of their service to our customers provided the groundwork for the performance of the Group in 2003 and enhanced our platform for future growth.

René Steichen
Chairman of the Board of Directors

The SES GLOBAL Group*

SES GLOBAL is based on a unique network of satellite operators in the different regions of the world.

SES GLOBAL S.A. is a strategic management company which oversees the operating companies (SES ASTRA and SES AMERICOM) and holds strategic participations in leading regional satellite operators.

This structure provides the Group with synergy potential which is successfully leveraged through a unique model of interdependence of the different members of the SES GLOBAL family.

SES ASTRA and SES AMERICOM operate with P&L authority in their respective markets, enabling them to maximise their positions.

The operating companies are also bound by the common strategic road map defined at the SES GLOBAL level. The CEOs of both SES ASTRA and SES AMERICOM are members of the Executive Committee of SES GLOBAL. This model ensures that the strategic priorities of each operating company are being taken into account properly, while supporting an efficient and coordinated Group strategy.

* Status as of March 2004

President and CEO's statement

Beyond the figures
In his introduction statement, Chairman René Steichen referred to SES GLOBAL's leadership position in the industry. Featuring the highest revenues, the highest EBITDA, the highest profit and the strongest backlog is undoubtedly a source of justified pride in the current environment. However, I would also urge everyone to look beyond the bare figures.

What makes SES GLOBAL tick is not the aim to be big, or the wish to be the leader in terms of size. Size is only one aspect in a multidimensional game – albeit not an unimportant one, since a number of advantages and synergies which are generated by pure size are supporting our results in 2003.

What is SES GLOBAL all about? It is about creating the future of satellite communications – as we stated back in 2001, when this Group was created. And it is about creating value for our shareholders and stakeholders.

It should be worth noting that much has been achieved in that respect in 2003. In line with our strategy, we have achieved many milestones, which are critical to the progress of the Group in 2004 and beyond.

On the operational side, we have confirmed and consolidated our leadership position in each of the markets that we serve through our wholly-owned operating companies – SES ASTRA and SES AMERICOM – and through our partner companies. And we have defined and embarked upon new avenues of growth which will yield results in the years to come.

The important contracts for capacity on three new satellites concluded by SES AMERICOM with EchoStar Communications firmly establish AMERICOM2Home® in the US – and confirm the concept that a wholesale capacity platform for DBS services, inspired by the European model, can be successfully introduced into the US market. We believe that this market will be further developed in the future – both in the field of television broadcasting and in the field of residential broadband applications.

Our subsidiary WORLDSAT (which was formed in 2003 to hold the international satellites of SES AMERICOM), and our partner company AsiaSat have entered a new market segment, providing satellite capacity to Connexion by Boeing for delivering mobile broadband satellite services to aircraft and ships in the Asia-Pacific region and in Asia. Newest technology enables our customers to harness the ubiquitous broadband connectivity provided by satellite and to push the boundaries of Internet and broadband beyond fixed terrestrial connectivity.

And in a post-closing development, we have taken a stake in ORBCOMM Inc., the operator of a Low-Earth-orbit spacecraft constellation for mobile messaging services. This positions us well to support our customers in the development of mobile services.

'In the future, satellite services will become an increasingly important fixture in everyday life. We see significant growth potential.'

In the area of broadband satellite services, and despite the slow growth in market demand, SES ASTRA has expanded its services offering and its market presence. The company now serves broadband service providers in each of the major markets in Europe.

In addition, SES ASTRA has extended its theatre of operations to include the Western regions of Africa. With limited terrestrial communications infrastructures and tremendous demand for connectivity, Africa is expected to be one of the quadrants of growth on our corporate radar screen in the years to come.

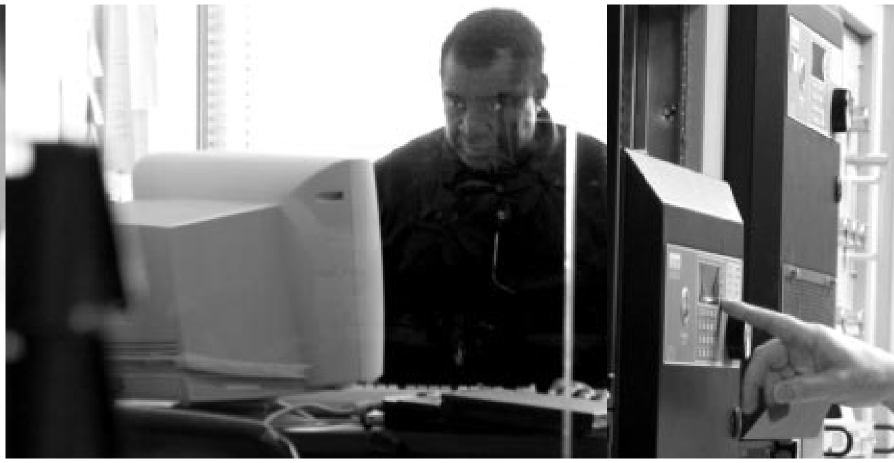
We also continued to deliver on our strategy to implement synergies and tap further rationalisation potential, which is inherent in the SES GLOBAL Group structure. With SES AMERICOM taking full ownership of AMERICOM ASIA-PACIFIC, and SES GLOBAL increasing its stake in Nordic Satellite AB, we have enhanced the coordination of available spacecraft capacity, enabling us to provide more efficient service to our customers.

First-class satellites are a requirement for serving our customers. Therefore, we took the decision in 2003 to pursue our investment programme in new spacecraft. Nine satellites are currently under construction for the SES GLOBAL operating companies, four of which are expected to be launched in 2004, enabling us to further improve our track-proven and outstanding customer service and to enhance our ability to provide custom-made solutions.

As technology develops and changes the way in which people consume entertainment and news content, we are convinced that satellite will play an increasingly important role in the content distribution chain, in particular as new receiving and storage devices are introduced, and as alternative video or broadband distribution channels are developed. In the future, satellite services will become an ever more important everyday fixture in all of our lives, and we see significant growth potential and returns on investment on the provision of satellite infrastructure which supports the evolution of video distribution and broadband connectivity.

Our objective is to consolidate our position as the premier satellite operator in every region of the world, based on our network of operating companies, each of which is a market leader in its respective region. We will continue to strive for the highest levels of reliability in the technical and transmission services that we provide through our satellite fleet. And we will continue to develop and implement an even more stringent customer focus, providing the best service to ensure the success of our customers' business. We will also co-develop new services together with our customers, allowing them to remain at the leading edge of the industry.

Romain Bausch
President and CEO



Operations review

Market developments in 2003

During 2003, the global market for satellite-delivered services was characterised by diverging developments in the major market sectors.

In the area of video broadcasting, the largest market segment which generates more than 60% of the combined revenues of satellite operators worldwide, further growth was registered. The number of TV channels distributed via satellite increased by approximately 12% during 2003, translating into higher demand in a regionally diverse pattern.

Channel growth has been particularly strong in North America and in Europe, specifically in the UK, in Germany and in the countries of Central and Eastern Europe. 2003 saw the launch of High Definition Television (HDTV), mainly in North America, and to a much lesser degree in Europe. At year-end 2003, a number of broadcasters provided approximately 30 High Definition TV channels in the US where the number of television households with HDTV-compatible TV sets had reached more than six million.

In Europe, HDTV has barely left the starting blocks, with currently one commercial HDTV broadcaster trailblazing the new market segment. Channel growth in Europe was driven by a further increase in digital channels in the UK, Germany, Italy and Spain.

In Latin America, the prevailing level of economic growth did not yet translate into new TV channel growth during 2003. In the Asian market, the development of demand remained behind expectations. The outbreak of Severe Acute Respiratory Syndrome (SARS) in the spring of 2003 is one of the main reasons for a lower than expected economic growth rate.

The broadband access markets remained subdued. In the US, the market continued to await the launch of several broadband platforms, such as WildBlue, StarBand and AMERICOM2Home®, planned for 2004. In Western Europe, DSL-type broadband services via satellite were rolled out in several countries, using satellite as a complementary infrastructure to provide broadband connectivity to customers without access to terrestrial DSL solutions. Also, satellite broadband services in Europe have now gathered political support from the European Commission which considers space-based broadband networks to be a contribution to reduce the digital divide in Europe.

The enterprise VSAT (Very Small Aperture Terminal) market continued to experience sustained growth in line with the previous year, as more applications, coupled with lower terminal equipment costs, had a positive effect. Digital platform development is further supporting the development of the VSAT sector as data throughput improves. Moderate growth was seen in the small to medium enterprise networks, with an increased level of interest in Voice over IP.

Satellite communications services to government users proved to be a fast-growing market segment in 2003. Following the launch of military operations in Iraq, demand for transmission capacity for government and military use on commercial spacecraft increased markedly. This trend is expected to continue over the next few years, as the communications requirements arising from the US Homeland Security policy and from the increasingly remote coordination of military activities are further developed.

2003 also saw the take-up of capacity demand for mobile Internet and broadband connectivity to commercial airplanes and ships on long-haul journeys, especially in Asia, the Asia-Pacific region and in the Atlantic Ocean region.

SES GLOBAL

Your Satellite Connection to the World



Satellite operators also continued to experience pricing pressure due to an oversupply of satellite transmission capacity in select frequency bands and on select regional and segmental markets. Capacity pricing on premier satellite neighbourhoods in the orbital arc over Europe and North America, which are used for direct-to-home broadcasting or for serving cable networks, was hurt less by price erosion, as additional capacity demand surfaced in these market segments. However, the continuing abundance of available Ku-band transponders in Asia and Latin America continued to deflate price levels. Strong pricing pressure was also felt in the transoceanic market segment.

A winning strategy
SES GLOBAL's strategy remains based on the four pillars that have guided its development to date:

- **Strengthen our existing core businesses**
  We are aggressively pursuing new opportunities to develop our video broadcasting business in Europe and the United States. High Definition Television is a cornerstone of these developments and will continue to support demand in these core markets.
- **Expand existing products and services into new markets**
  We will build on the progress made in the United States with the successful initiation of the AMERICOM2Home® platform. In Europe, we are developing Direct-To-Cable offerings and DTH broadcasting into new markets in Central and Eastern Europe.
- **Expand demand through the development and introduction of new services**
  New products and services include mobile broadband connectivity applications such as those offered through Connexion by Boeing for commercial aircraft and ARINC for corporate aircraft; SATMODE, which uses a narrowband return channel to the satellite for interactive applications; and the ASTRA-NET platform for one-way broadband connectivity via satellite.
- **Develop our regional presence by strengthening our partnerships with key regional players**
  We are continuing to examine opportunities to extend our presence in key markets such as South America, Asia, Africa and India.

During 2003, SES GLOBAL relentlessly pursued this strategy, which provides a winning edge in the market. In addition to the operational successes scored by the operating companies, which are described in more detail on the following pages, SES GLOBAL's major strategic developments in 2003 included:

- the pursuit of synergies within our global network of companies: SES AMERICOM took full ownership of AMERICOM ASIA-PACIFIC; SES GLOBAL also increased its stake in NSAB to 75% (effective February 2004), enabling a better marketing coordination of the SIRIUS and ASTRA satellite fleets in Europe;
- the creation of WORLDSAT, as a link between leading continental satellite fleets, enabling SES GLOBAL to make inroads into new market areas, such as the provision of mobile broadband services to commercial aircraft; and
- in a development occurring after the year-end closing, SES GLOBAL acquired an ownership stake in ORBCOMM Inc., a US-based provider of global satellite data services to industrial, military and commercial customers. As of March 2004, that ownership stake was 10.54%.

LIVE
Hong Kong - Festival of Sports

One satellite network, infinite connections.

Operations review

Highlights
- ASTRA audience increased to 94 million
- Channel choice grew to 1,194
- Transponder utilisation rate of 82%
- System reliability of 99.992%
- Reach of services extended into Eastern Europe and Africa
- Pioneering role in HDTV transmissions

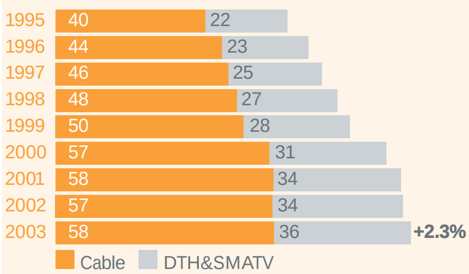
SES ASTRA in the European market
Faced with a continuing challenging market environment in 2003, SES ASTRA

- consolidated and enhanced its position as the leading provider of direct-to-home satellite broadcast capacity in Europe;
- strengthened its position as the leading provider of satellite broadband services in Europe, by progressing in the area of DSL-type one-way broadband services as well as by expanding the use of interactive broadband services via satellite; and
- extended the geographic reach of the ASTRA Satellite System into new territories in Eastern Europe and Northern Africa for broadband applications.

SES ASTRA also developed a range of initiatives during 2003 in order to spur future growth in the medium term:

- together with the Industrial Development Corporation of South Africa and with Africa Venture Partners, SES ASTRA invested in IP Direct, a South Africa-based provider of broadband two-way services. These services will initially be deployed in West Africa, and in a second phase across the entire African continent. The service, under the brand name Accelon, entered into a pilot phase using transponder capacity on ASTRA 2B's steerable beam;
- to further strengthen its presence and market ASTRA satellite capacity and services in Central and Eastern Europe, SES ASTRA opened a marketing office in Vienna;
- SES ASTRA established a portfolio of turn-key solutions for broadcasters, through a new reseller network which was built up in Europe;
- pioneering the distribution of High Definition TV in Europe, SES ASTRA entered into a cooperation agreement with Alfacam, the Belgium-based TV facilities provider, to distribute Euro 1080, Europe's first High Definition TV channel;
- in cooperation with the European Space Agency and industrial partners, SES ASTRA launched the development of a narrow-band return channel for direct-to-home set-top boxes. The product, named SATMODE, is expected to enhance future interactive TV applications; and
- SES ASTRA also developed a new portfolio of services in the field of government applications, occasional use and technical consultancy services.

ASTRA coverage in Europe[1] in million homes



In 2003, the ASTRA Satellite System increased its reach by 2.3% to 94 million homes in Europe. TV channels transmitted via ASTRA were received direct-to-home (DTH) in more than 36 million homes, confirming ASTRA's position as the leading DTH satellite services provider in Europe. ASTRA's audience growth was almost exclusively driven by DTH and communal (SMATV) reception, whereas the reception of ASTRA-delivered channels re-transmitted via cable networks increased only marginally.

Source: SES ASTRA, Satellite Monitors

SES ASTRA
An SES GLOBAL Company

A tradition of excellence

Satellite fleet developments

At year-end 2003, SES ASTRA operated 13 spacecraft in the orbital arc over Europe: the ASTRA Satellite System at 19.2° East and at 28.2° East, plus the ASTRA spacecraft at 23.5/24.2° East and at 5.2° East.

In June 2003, SES ASTRA commissioned Lockheed Martin to design and manufacture two high-powered communications satellites. The primary mission of ASTRA 1KR, an all Ku-band spacecraft with a 32-transponder payload, will be to replace ASTRA 1B and ASTRA 1C. The second satellite will be a ground spare for ASTRA 1KR and will replace that spacecraft in case of a launch failure. In case of launch success of ASTRA 1KR, the second satellite will be reconfigured to include a Ka-band payload in addition to its 29 Ku-band transponders. Named ASTRA 1L, it will replace ASTRA 1E and reinforce ASTRA's unique intersatellite protection and back-up system by providing capacity in the Ku-band (both in FSS and in BSS) and in the Ka-band.

In relation to this spacecraft procurement, SES ASTRA signed a contract with Arianespace covering the launch of ASTRA 1KR in the third quarter of 2005 on an Ariane 5 rocket.

Satellite fleet operations

During the year, the ASTRA spacecraft operated without disruptions. The combined fleet featured an availability rate on the space segment of 99.992%.

Of the 196 transponders which are commercially available on the ASTRA satellites at 19.2°, 28.2° and 23.5/24.2° East, 161 (82%) were contracted as at December 31, 2003. In addition, ASTRA also provided capacity on ASTRA 1A, currently in inclined orbit at 5.2° East, and via a steerable beam on ASTRA 2B for use outside Europe, and at 28.5° East, on contracted third-party capacity.

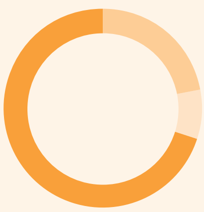
Broadcast services

During 2003, the total number of broadcast services transmitted via the ASTRA satellites at the 19.2°, 28.2°, 23.5/24.2° East orbital locations increased from 1,174 to 1,194. The increase mainly reflects the development of broadcast services at the 19.2° East orbital position.

The main developments affecting broadcast capacity at 19.2° East in 2003 included:

- Sogecable signed an agreement with SES ASTRA for the continued distribution of the Spanish merged DTH platform's programmes via ASTRA until 2017;
- the German public broadcasters ARD and ZDF renewed long-term contracts for the distribution of virtually all of Germany's public TV and radio programmes in digital until at least 2018, and in analogue until 2010;
- CanalSatellite renewed its capacity agreement for the transmission of the French digital TV channel bouquet;
- Regio Communications contracted for capacity for the continued distribution of BTV 4U in both analogue and digital;
- Poland's Lux Veritatis Foundation launched digital free-to-air transmissions of the TV TRWAM channel;
- MTV2 Pop renewed a long-term contract for the continued free-to-air distribution in both analogue and digital;
- the travel channel Sonnenklar TV contracted for additional capacity to broadcast in analogue, in addition to the existing digital feed;
- Kinderkanal renewed its capacity agreement for the distribution of the children's channel and signed up for additional transponder capacity to extend the broadcasting hours; and
- RAZE.TV contracted for capacity for the distribution of the horseracing and betting channel in digital and free-to-air.

Digital TV market in Europe[1] Year-end 2003



Digital satellite TV 70%
Digital cable 21%
Digital terrestrial TV 9%

Base: 32 million digital TV households.

Digital reception continued its dynamic growth during 2003, increasing by seven million to 32 million homes. Satellite is the preferred distribution channel in the digital marketplace. 23 million homes, representing 70% of the entire digital market in Europe, received digital channels direct-to-home via satellite at year-end 2003.

Source: SES ASTRA, Satellite Monitors

[1] 30 countries within the footprint of the ASTRA Satellite System: Austria, Belarus, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Ukraine, UK.



Operations review

Broadcast services continued
Main developments with effect on broadcasting capacity at 28.2° East included:

– the BBC contracted two additional transponders on ASTRA, raising the total number of contracted transponders to six;

– BT Broadcast Services signed up for a full transponder to provide free-to-air and pay-TV services in the UK; and

– Ideal Shopping Direct PLC. contracted for digital satellite capacity for the launch of the Goldshield Vitality channel, as well as for the Create and Craft shopping channel.

Sustained audience growth
ASTRA continued to experience sustained audience growth within its footprint in 30 European countries[1]. At year-end 2003, the number of homes receiving audiovisual broadcast and broadband services via the ASTRA Satellite System at 19.2º and 28.2º East reached 94 million, an increase of 2 million over the prior year.

ASTRA maintained its position as the leading European satellite system for direct-to-home reception (DTH). At year-end 2003, more than 36 million homes in Europe received ASTRA services directly via satellite, up from 34.4 million in 2002.

ASTRA's audience growth is driven by the ongoing increase of digital DTH reception in Europe. At year-end 2003, more than 17 million homes received digital services via ASTRA at 19.2° or 28.2° East, up from 15 million at year-end 2002.

ASTRA consolidated its strong position in the digital marketplace. More than three out of four digital satellite homes in Europe received services transmitted via ASTRA. Digital reception now accounts for 49% of ASTRA's total DTH reception, up from 44% in 2002.

Exclusively analogue reception of ASTRA remained high at 19 million satellite homes. 70% of these, or more than 13 million, were located in the German-speaking European countries, which retain a strong analogue channel line-up.

Broadband services
SES ASTRA continued to build its portfolio of one-way satellite-delivered broadband services and contracted new capacity for broadband applications. SES ASTRA now serves broadband service providers in each important European market.

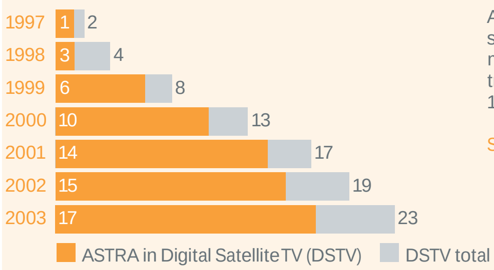
Main developments with effect on the contracted capacity were:

– Netsystem entered into a long-term agreement for the use of a second additional transponder on the ASTRA Satellite System at 19.2° East;

– in Germany, France and the UK, SES ASTRA contracted new capacity to providers of one-way broadband Internet access services BBV Computerdienst, Filiago and Internetagentur Schott (Germany), NetbySky (France) as well as AVC Broadband (UK);

– SES ASTRA concluded agreements for the provision of satellite one-way broadband capacity for Internet access services targeting new markets, notably Ireland (with Media Satellite Ireland), Poland (with Onet), the Czech Republic and Algeria;

ASTRA coverage in digital satellite homes in Europe[1] in million homes



At year-end 2003, ASTRA had a strong 78% market share in digital direct-to-home reception in Europe. more than 17 million homes received digital channels transmitted via ASTRA at 19.2° and 28.2° East, up from 15.2 million a year earlier.

Source: SES ASTRA, Satellite Monitors

SES ASTRA
An SES GLOBAL Company

– furthermore SES ASTRA signed multiple new IP streaming services contracts in Europe; and

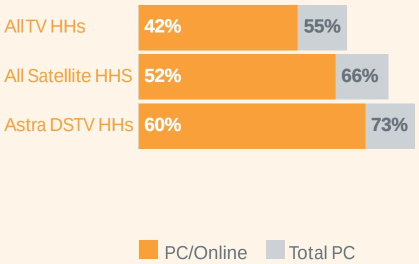
– following its strategic decision to focus on the enterprise market, SATLYNX – a joint venture between SES GLOBAL, Gilat Satellite Networks and Alcatel Space providing interactive satellite broadband services to customers in Europe – reverted two transponders on contracted third-party capacity to SES ASTRA. These transponders have been re-assigned in the meantime to broadcast customers in the UK.

Other services

SES ASTRA continued its foray into the Occasional Use and Satellite News Gathering (SNG) markets. VRT, the Flemish public broadcaster, contracted for full-time transponder capacity on ASTRA 1A for European satellite news gathering and contribution feeds. News Equipe, a Dutch-German provider of news gathering services, teamed up with SES ASTRA to develop the occasional use market in the Benelux and German-speaking countries.

SES ASTRA also signed a contract with Hellas Sat to provide Tracking, Telemetry and Control services during a period of 12 months for the Hellas Sat spacecraft launched in May 2003. In addition, SES ASTRA has been commissioned to provide, install, and integrate two ground control stations for Hellas Sat in Greece and in Cyprus.

ASTRA reaches deep into the broadband universe



Internet users in Europe[1] increasingly rely on broadband connections. At year-end 2003, approximately 22 million on-line homes within 30 European countries were connected to a broadband infrastructure, up from 12 million a year earlier.

ASTRA homes are an attractive target for the successful roll-out of broadband DSL via satellite services all over Europe. The proportion of ASTRA digital satellite homes owning a PC (73%) and using an online connection (60%) increased further during 2003 and is significantly higher than in average TV homes (PC: 55%; online: 42%)

Source: SES ASTRA, Satellite Monitors

unravelling the mysteries of genetic science

One satellite network, global coverage.



Operations review

Highlights

- Upgrade of satellite fleet through successful launch and operation of AMC-9
- Transponder utilisation rate of 71%
- System reliability of 99.997%
- Conclusion of a contract for the capacity of the AMC-15 satellite with EchoStar Communications
- Double-digit revenue growth achieved by AMERICOM Government Services
- Creation of WORLDSAT to commercialise SES AMERICOM's international satellite fleet

Satellite fleet developments

At year-end 2003, SES AMERICOM operated a satellite fleet consisting of 17 spacecraft operating at 17 orbital positions.

During the year, SES AMERICOM added one new spacecraft to its fleet. AMC-9, a hybrid C/Ku-band satellite, became operational on June 30, 2003. The satellite operates from the 85° West orbital location and provides services to television programmers and government agencies, and also supports enterprise networks. Following the deployment of AMC-9 at 85° West, AMC-2 was repositioned at 105° West to support the AMERICOM2Home®, platform and provide interim services in the Ku-band frequency range to EchoStar Communications prior to the launch and operation of AMC-15, expected in the second half of 2004.

SES AMERICOM and Nordic Satellite AB (NSAB) concluded an agreement to transfer ownership of the European beam on the SIRIUS 2 spacecraft from SES AMERICOM to NSAB. The ownership transfer, covering 13 BSS and three FSS transponders, took effect on January 1, 2004.

During 2003, SES AMERICOM contracted for the construction of two new satellites:

- WORLDSAT-3, a hybrid C/Ku-band spacecraft planned for 172° East. An upgraded version of a spacecraft formerly named AMC-13, WORLDSAT-3 will have extended coverage of the Pacific Ocean Region. Part of its Ku-band payload, which is customised for mobile broadband services to aircraft and ships, has been contracted to Connexion by Boeing. WORLDSAT-3 is planned or launch during the second half of 2005.
- AMC-14, a Ku-band BSS satellite will support the AMERICOM2Home® wholesale platform. AMC-14 is scheduled to be launched in 2006.

In addition to these spacecraft, SES AMERICOM had five spacecraft under construction at year-end 2003:

- AMC-10 and AMC-11 which are planned to support SES AMERICOM's HD PRIME™ cable neighbourhood at 135° and 131° West respectively;
- AMC-15 and AMC-16, both hybrid Ku/Ka-band satellites supporting the AMERICOM2Home® platform; and
- WORLDSAT-2, formerly known as AMC-12, which will provide services in the Atlantic Ocean Region, as well as in the Americas, Africa, and in Europe.

SES AMERICOM
An SES GLOBAL Company

Leadership and innovation

Four of these satellites were scheduled to be launched during 2004. AMC-10 was successfully brought into orbit on February 5, 2004. AMC-11 is due to be launched in the second quarter, 2004; AMC-15 is planned for launch in the third quarter, 2004, and WORLDSAT-2 is scheduled for launch in the fourth quarter, 2004.

Two of the spacecraft to be launched in 2004, AMC-10 and AMC-11, will replace existing in-orbit capacity. AMC-14, AMC-15, AMC-16, WORLDSAT-2 and WORLDSAT-3 represent expansion capacity.

SES AMERICOM signed an agreement with International Launch Services (ILS) to launch AMC-15 on a Proton/Breeze M rocket in 2004.

Satellite fleet operations

During 2003, the AMERICOM satellite fleet and the supporting terrestrial networks operated with a high degree of reliability, featuring an availability rate of 99.997% on the space segment and of 99.9987% on the ground network.

Of the 420 transponders which were commercially available on the SES AMERICOM satellite fleet, 297 (71%) were contracted as of December 31, 2003. In addition, the occasional use and broadcast special event inventory of 41 transponders were regularly under contract throughout the year.

New contracts and services

During 2003, SES AMERICOM's satellite fleet transmitted audio-visual programming on behalf of most major cable programmers as well as TV and radio broadcasters to all major networks and cable head-ends, multiple dwelling units and hotels in the US. Two thirds of SES AMERICOM's satellite capacity is being used for media distribution, with the balance supporting a wide range of broadband, enterprise solutions, data and internet applications.

Main developments in 2003 were:

- EchoStar Communications signed a multi-year agreement to use the Ku and Ka-band capacity on AMC-15 to offer a combination of satellite TV bundled with high-speed Internet services supported by the AMERICOM2Home® platform;
- Discovery Communications, Inc. signed a multi-year, multi-transponder agreement for follow-up capacity for the transmission of services in analogue, digital multiplex and in high definition;
- MTV Networks On Campus, Inc. signed a multi-year agreement for Ku-band capacity for the distribution of the College Television Network;
- Georgia Public Broadcasting concluded a long-term contract for Ku-band capacity for the transmission of a family of services, including Georgia Public Television, Georgia Public Radio and PeachStar Education Services;
- The Prison Television Network signed up for long-term Ku-band capacity to deliver educational, spiritual and entertainment programming to 2.1 million prison inmates in the US;

Cable2® Neighbourhood Cable TV households (millions)

2000	53.8
2001	59.7
2002	60.7
2003	**61.6**

Cable 2® is America's newest premium cable neighbourhood, formed by AMC-1 and AMC-4 satellites, at 103º West and 101º West, respectively. The close proximity of the two spacecraft permits both satellites to be received by a single ground antenna – and SES AMERICOM's ongoing antenna-seeding programme has increased the neighbourhood's value to cable programmers through increased penetration.

Operational review

New contracts and services continued

– E!Networks, Inc. contracted for long-term C-band capacity to distribute entertainment, news and lifestyle-related content;

– A&E Television Networks signed a long-term agreement for follow-on capacity in C-band to distribute The History Channel;

– Victory Sport LLC signed a multi-year contract for C-band capacity for the distribution of the Regional Sports Network to cable head-ends throughout the US Upper Midwest;

– SES AMERICOM and Iris Gateway Satellite Services Ltd. announced a cooperative arrangement to provide pan-European digital satellite services via Iris' Cyprus teleport and the SIRIUS 2 satellite;

– Japan's Ministry of Public Management, Home Affairs, Post and Telecommunications granted SES AMERICOM a Type 1 Telecommunications Business Licence including the authorisation to operate an earth station for the distribution of content between Japan and the US;

– SkyPort International, Inc. contracted for Ku-band transponder capacity to provide broadband IP, voice, video and data communications for corporate customers;

– SES AMERICOM and Foundation Telecommunications, Inc. entered a strategic relationship to enable cable system operators to deliver satellite-based Internet broadband connectivity to their subscribers;

– The Adventist Television Network signed a multi-year contract for the distribution of religious programming;

– Cornerstone TeleVision Network renewed a multi-year contract for the distribution of ministry-based programming; and

– SES AMERICOM introduced SignalSAT(SM) as an alternative to terrestrial solutions to deliver broadcast content to cable, DBS distribution centres and fringe viewing areas.

SES AMERICOM also provides high-speed satellite based data networking and internet solutions for corporations in the US. These solutions include: IP Networks, content delivery to remote locations, business continuity services and connectivity for international ISPs. In 2003, significant contracts were concluded with Hughes Network Systems, Spacenet, the New York Times, USA Today, SkyPort, Connexion by Boeing, ARINC,and Microspace.

AMERICOM Government Services

AMERICOM Government Services (AGS) solidified its leadership in the provisioning of satellite-based network solutions to the US Federal Government, and especially the US Department of Defense, which are rapidly expanding their reliance and use of commercially-based satellite bandwidth and services around the world. AGS delivered impressive revenue growth of 17% in 2003.

Outstanding developments in 2003 included:

– AGS' award to provide capacity, engineering and transmission services via the General Services Administration (GSA) schedule;

– the conclusion of a business collaboration agreement between AGS and JSAT of Japan to mutually support the pursuit and development of US government communications solutions in the Asia-Pacific region;

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– the induction of AGS into the National Coordination Center for Telecommunications, an influential group of top-level advisors that assist in the initiation, coordination, restoration and reconstitution of services and facilities, both nationally and internationally, to ensure the availability of US government communications infrastructure in the wake of all emergencies; and

– AGS' award by the FBI in support of a critical data communications network with nodes in all 50 states of the US.

AGS, which celebrated 30 years of service to the US government market segment in 2003, is under contract to serve many federal agencies directly, including the US Departments of Commerce, Defense, Interior, Justice and Transportation. In addition, AGS works closely with several leading commercial contractors, including Arrowhead Space and Communications, AT&T, Bechtel, Comsat General, CSC, Dyncorp, Lockheed Martin, Mitre, and Worldcom.

WORLDSAT

WORLDSAT was created in the second half of 2003 by SES GLOBAL as a subsidiary of SES AMERICOM, and is responsible for the marketing and commercialisation of satellite capacity on the WORLDSAT-1 (formerly AAP-1), TDRS-5 and TDRS-6, Spacenet-4 and Satcom C-1 satellites. WORLDSAT provides customers with global applications as diverse as mobile communications, broadcasting, internet connections and data networks, and provides added value through unparalleled connections to the premier regional satellite fleets for SES GLOBAL companies and partners.

WORLDSAT is building relationships with regional operators through condominium arrangements, to enable global mobile broadband development, to leverage the SES ASTRA and SES AMERICOM technical platforms and resources, and to facilitate global reach for government applications.

At the end of 2003, WORLDSAT signed an agreement with Connexion by Boeing to provide a specialised Ku-band payload for mobile broadband services to aircraft on its upcoming WORLDSAT-3 spacecraft, planned for launch at the end of 2005.

AMERICOM ASIA-PACIFIC

In June 2003, SES AMERICOM and Lockheed Martin reached an agreement to transfer Lockheed Martin's interest in AMERICOM ASIA PACIFIC to SES AMERICOM. The satellite involved in this agreement, AAP-1, operates at 108.2° East, and by year's end was marketed and commercialised by WORLDSAT under the name WORLDSAT-1.

One satellite network, limitless applications.

Operational review Global partners

AsiaSat

Financial highlights In HK$ million	2003	2002
Revenues	896	951
EBITDA	749	798
Net profit	424	555

AsiaSat preserved its leading position in the challenging and competitive environment of the Asia-Pacific market during 2003.

AsiaSat's results were achieved in the context of a weak regional transponder market, which did not live up to the signs of an early economic recovery in some Asian markets, and which was also impacted by the outbreak of the Severe Acute Respiratory Syndrome (SARS).

Due to ongoing pricing pressure, weak growth in new demand and business slowdown at the customers' level, the turnover and net profit of AsiaSat declined compared to the prior year. However, AsiaSat maintained both its outstanding operating standards and its premium client base. The Company also closed the year with a debt-free balance sheet and is well prepared to take advantage of the economic recovery when it occurs.

The business year 2003 was marked by the successful launch and deployment of AsiaSat 4, its newest and most powerful spacecraft with pan-Asian coverage. With AsiaSat 4 being taken into commercial service in July 2003, the number of available transponders on the AsiaSat system increased to 125. At year-end, the number of AsiaSat transponders leased and sold stood at 49, unchanged from the prior year.

In 2003, AsiaSat also completed its new Tai Po Earth Station, enabling the company to provide new value added services to customers. The new facility is expected to be fully operational at the end of the first quarter of 2004.

At year-end, the AsiaSat fleet consisted of three satellites, AsiaSat 2 at 100.5° East, AsiaSat 3S at 105.5° East and AsiaSat 4 at 122° East, covering an area in the Asia-Pacific region which is home to more than two-thirds of the world's population. The company provides satellite services to both the broadcasting and the telecommunications industries. Public and private television and radio broadcasters from around the world used the AsiaSat satellites during 2003 to distribute over 120 analogue and digital television channels and 90 radio channels to more than 80 million homes in the region. Telecommunications customers used AsiaSat for public telephone networks, private VSAT networks and high-speed Internet and broadband services.

SES GLOBAL holds 34.10% of the equity of AsiaSat. This participation is held through 49.5% of the issued share capital and 50% of the voting rights of Bowenvale, a company that controls 68.9% of the issued share capital of AsiaSat. The remaining 50.5% equity interests in, and 50% voting rights of, Bowenvale are owned by CITIC, China's leading state-owned investment corporation.

AsiaSat is listed on the stock exchanges of Hong Kong (symbol: 1135HK) and New York (symbol: SAT). AsiaSat employed 83 permanent staff at year-end 2003.

More information is available at **www.asiasat.com**

Nordic Satellite AB (NSAB)

Financial highlights In SEK million	**2003**	2002
Revenues	**459**	577
EBITDA	**205**	277
Net profit	**49**	90

NSAB is the owner and operator of the SIRIUS satellites which provide transmission capacity for the distribution of TV and radio channels and for various telecommunications and broadband services. The company's primary markets are the Nordic countries and the Baltics, as well as certain Eastern European markets.

At year-end 2003, NSAB's satellite fleet consisted of SIRIUS 2 and SIRIUS 3, both located at 5° East. SIRIUS W, which was launched in 1989, was de-orbited as planned at the end of its operational life, in May 2003.

Out of the available transponders on the SIRIUS satellites, 75%, were contracted at year-end 2003, unchanged from the prior year.

In 2003, 80% of NSAB's revenues were generated through broadcasting activities (TV and radio distribution). Main customers are: The Modern Times Group, Teracom and Swedish Television, of Sweden; TEM TV of Latvia; Eurocom and Inter, of Ukraine; and Realitatea of Romania. Broadband and telecommunications activities provided the remainder of revenues.

With broadcasting applications providing the bulk of NSAB's revenues, the company's 2003 results have been influenced by the continued weakness of the advertising markets as well as by the development of digital terrestrial networks in Sweden and in Finland.

The company´s sustained sales activities in Eastern Europe have resulted in new contracts for the distribution of TV and radio services. However, the Eastern European market has also been affected by the slowdown in the advertising market and by continuing pressure on transponder capacity pricing.

NSAB's broadband activities have progressed as planned in the area of high-speed Internet via satellite services. 2003 has seen the launch, in cooperation with the Modern Times Group / Viasat, of an Internet service targeting Viasat´s existing residential subscriber base.

NSAB's strategy is to consolidate and expand its strong position in the Nordic and Baltic countries, and to strengthen the company's business in Eastern Europe, a growing market both for broadcast and broadband services.

NSAB employed 39 permanent staff at year-end 2003.

In 2003, SES GLOBAL held an equity stake of 50% in NSAB. In December 2003, SES GLOBAL increased its stake to 75%, effective in February 2004.

More information is available at **www.nsab-sirius.com**

Operational review Global partners

Star One

Financial highlights In R$ million	2003	2002
Revenues	378	347
EBITDA	248	259
Net profit	182	82

In 2003, Star One consolidated its position in Latin America as the leading provider of broadband satellite solutions by increasing the area of coverage of its satellites and, consequently, its customer base both in the consumer and corporate areas.

Star One won a tender issued by the National Telecommunications Agency (ANATEL) of Brazil for the right for satellite exploitation of new orbital positions. The company acquired the right to exploit a satellite in the 70º West position, in the Ku-band. Currently, Star One already operates in C-band at this position: BrasilSat B1, received by more than 10 million antennas, transmits TV signals throughout Brazil.

Star One signed a contract for the construction and the launch of a new satellite: Star One C1. Scheduled for launch at the end of 2005, Star One C1 will feature 42 transponders in C-band and in Ku-band. The new satellite will be positioned at 70° West; it will replace BrasilSat B1, and will supply high-speed Internet access and multimedia capacity for all of South America.

These market initiatives in space segment and broadband were recognised with three relevant marketing awards in Brazil.

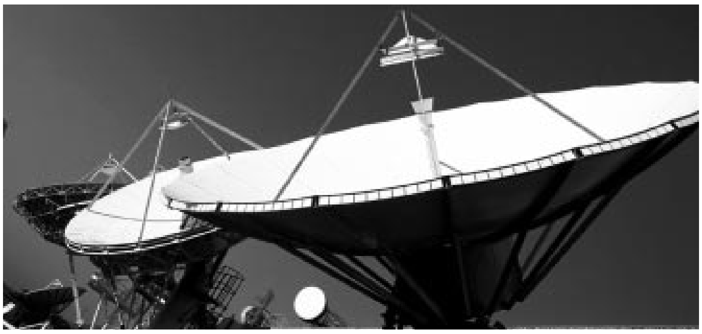
Star One also obtained ISO 9001:2000 re-certification for its satellite control and associated services. A new Quality Management System was installed with the joint participation of all of the company's departments. Previously, Star One had been the first company in the world to have its ISO 9002 certification for this type of service renewed.

Star One operates the largest C-band satellite system in Latin America, consisting of five geostationary satellites (BrasilSat B1, B2, B3, B4 and BrasilSat A2). The capacity of the satellites supports a wide range of satellite solutions for customers in the telephony, TV, data and corporate network segments.

Star One also operates a satellite control station in Brazil, located in Guaratiba, in Rio de Janeiro. The company operates a backup control station located in Tanguá, Rio de Janeiro.

SES GLOBAL holds a 19.99% participation in Star One.

Additional information is available at **www.starone.com.br**



Nahuelsat

Financial highlights In ARS million	2003	2002
Revenues	**52**	63
EBITDA	**35**	31
Net profit/(loss)	**(29)**	(95)

Nahuelsat S.A. is the operator of the Argentinian Nahuel Satellite System which provides Ku-band coverage in Latin America up to the Southern US.

The Nahuel-1 satellite, launched in 1997, serves customers in Argentina, Bolivia, Brazil, Chile, Peru, Paraguay, Uruguay, Guatemala and the US. Nahuel-1 provides capacity for the distribution of TV channels, and telecommunications services such as telephony, Internet backbone connections, and data transmission.

In 2003, Nahuelsat continued to expand the network of local representatives in different countries of Latin America.

Despite challenging economic conditions in Argentina, Nahuelsat renewed on-going contracts and sold additional capacity in Argentina and in the wider region. Nahuelsat also closed 2003 with new customers for both direct-to-home and data services. Nahuelsat is also exploring the opportunity of launching a second satellite into the 81° West position, covering the entire American continent.

SES GLOBAL holds a participation of 28.75% in Nahuelsat.

More information is available at **www.nahuelsat.com.ar**

SATLYNX

Financial highlights In EUR million	2003	2002[1]
Revenues	**26**	14
EBITDA	**(18)**	(15)
Net profit/(loss)	**(72)**[2]	(35)

2003 was the first full year of business operation for SATLYNX, following its inception in mid-2002 as a joint venture between SES GLOBAL and Gilat Satellite Networks. In 2003, Alcatel Space joined SATLYNX as a shareholder with a stake of 9.53%.

In a post-closing development, Alcatel Space increased its holding in SATLYNX to 16.62%, effective on March 10, 2004. SES GLOBAL held a 45.23% stake in SATLYNX on December 31, 2003. As a result of Alcatel Space increasing its participation, SES GLOBAL's stake in SATLYNX was 41.69% in March 2004.

SATLYNX is headquartered in Betzdorf, Luxembourg, and has operations centres both in Betzdorf and in Backnang, Germany. The company provides an extensive portfolio of two-way satellite services in Europe, either directly to small and large enterprise customers, via telecommunications operators and Internet Service Providers, or by regional resellers or systems integrators. SATLYNX also provides DSL-type services via satellite to regions which are not covered by terrestrial broadband infrastructures.

SATLYNX provides services to a wide range of customers which include Agip, Q8, Esso, Avonline, Sat2Way, IBM, Macab, T-Systems, Telespazio, Siemens, VW, BT Openworld, Tiscali, France Telecom and La Poste.

In 2003, SATLYNX concluded contracts and agreements to provide services and solutions to multiple customers including:

– Tiscali of Italy in order to extend its offer of high-speed Internet services to the Czech Republic, Finland and Slovakia;

– T-Systems of Germany who will provide SATLYNX broadband solutions to corporate customers;

– BySky of the Netherlands to deliver satellite broadband two-way services in the Netherlands and in Belgium; and

– Sat2Way of France to deliver high-speed Internet services in France.

Additional information is available at **www.satlynx.com**

[1] For a seven- month period.

[2] Loss is substantially due to amortisation of goodwill and intangible assets.

Corporate governance

SES GLOBAL shareholders

SES GLOBAL shareholders[1]	Number of shares	Voting interest represented by FDRs/shares held	Economic interest by FDRs/shares held
A-shares			
GSH Global Satelliten-Beteiligungs-Holding GmbH (100% DTAG)	42,516,140	5.77%	7.21%
DT-Satelliten-Holding-GmbH (100% DTAG)	35,068,860	4.76%	5.94%
Dresdner Bank Luxembourg S.A.	18,130,000	2.46%	3.07%
Luxempart S.A.	13,380,000	1.81%	2.27%
Loran Telecommunications S.A.	12,776,375	1.73%	2.17%
Santander Telecommunications S.A.	12,525,625	1.70%	2.12%
Rebelco S.A.	10,000,000	1.36%	1.70%
AMB Generali Holding AG	7,900,000	1.07%	1.32%
Audiolux S.A.	7,810,000	1.06%	1.34%
Banque Générale du Luxembourg S.A.	6,182,610	0.84%	1.05%
Private and other A shareholders < 1% economic interest	7,395,433	0.99%	1.24%
A-shares held as FDRs (Free float)	136,654,957	18.53%	23.16%
Total A-shares	**310,340,000**	**42.08%**	**52.60%**
B-shares			
BCEE	80,225,463	10.88%	5.44%
SNCI	80,215,463	10.88%	5.44%
Etat du Grand-Duché de Luxembourg	85,376,910	11.58%	5.79%
Total B-shares[2]	**245,817,836**	**33.33%**	**16.67%**
C-shares			
GE Capital	148,228,155	20.10%	25.12%
State Street Bank & Trust Company[3]	33,067,517	4.48%	5.61%
Total C-shares	**181,295,672**	**24.58%**	**30.73%**
Total shares	**737,453,508**	**100.00%**	**100.00%**

[1] Significant shareholdings as of April 15, 2004.

[2] Class B-shares: A share of Class B carries 40% of the economic rights of an A or C-share.

[3] GE Capital retains ownership (economic rights) in the shares held by the Voting Trust. GE Capital has a 20.1% voting right; the Voting Trust shall vote in the same proportion as all of the other shareholders.

Corporate governance

The Board of Directors

Mission

The Board of Directors is responsible for defining the investment and general business strategy of the Company, as well as for the management of the Company, which the Board delegates to the Executive Committee.

Composition

The Board of Directors is comprised of 21 members. Eleven Board members are elected based on a proposal by holders of Class A shares; seven Board members are elected based on a proposal by holders of Class B shares; and three Board members are elected based on a proposal by holders of Class C shares.

The Chairman of the Board of Directors is elected by the members of the Board. The Chairman is assisted by two or more Vice Chairmen. Currently the Board has three Vice Chairmen, one each elected on the basis of proposals submitted by shareholders of Class A, Class B and Class C.

Class A shares are defined as shares held by private investors other than members of the GE Group.

Class B shares are owned by the Luxembourg State and by entities wholly owned by the Luxembourg State. Class B shares entitle their holders to 40% of the dividend paid out to shareholders of classes A and C.

Class C shares were created when the Company acquired GE AMERICOM. They are held by GE Capital and other members of the GE Group.

In accordance with internal regulations adopted by the Board on March 18, 2004, at least one-third of the Board members must be independent Directors. A Board member is considered independent if he/she has no relationship of any kind with the Company or management, which may impact his or her judgement. This is defined as:

- not having been a Director for more than 12 years;
- not having been an employee or officer of the Company over the last five years;
- not having had a material business relationship with the Company in the last three years; and
- not representing a significant shareholder owning directly or indirectly more than 5% of the Company's shares.

As of December 31, 2003, eight Directors out of 21 were independent. They were Messrs. Wolfgang Baertz, Ernst-Wilhelm Contzen, Richard Goblet d'Alviella, Joachim Kröske, Hadelin de Liedekerke Beaufort, Christian Schaack, Gaston Schwertzer, and François Tesch.

In 2003, the members of the Board of Directors were:

René Steichen, born November 27, 1942. Mr. Steichen became a Director on June 1, 1995. He was elected Chairman on April 15, 1996. Prior to that time he was a member of the Luxembourg Government (1984-1993) and member of the European Commission (1993-1995). He is currently an attorney at law. He is also a member of the Board of Directors of SES ASTRA, SES AMERICOM, Dexia-Banque Internationale à Luxembourg, CLT Group and Luxempart. Mr. Steichen studied law and political science in Aix-en-Provence and Paris. He graduated with a degree in law and also earned the final degree in economics and finance from the Institut d'Etudes Politiques of Paris.

John F. Connelly, born July 3, 1943. Mr. Connelly became a Director on November 29, 2001 and was elected Vice Chairman on the same date. Mr. Connelly retired from GE Capital Corporation effective September 1, 2003 and formerly served as the President and CEO of GE Americom. He graduated with an undergraduate degree from Niagara University and holds an MBA from St. John's University.

Gerd Tenzer, born August 4, 1943. Mr. Tenzer became a Director on March 11, 1999 and was elected Vice Chairman on May 7, 2002. Mr. Tenzer is special advisor to the CEO of Deutsche Telekom AG. He is Chairman of ECI and SUTTER-Gruppe. Mr. Tenzer graduated with a degree in Communications Engineering (Dipl. Ing.) from the Technical University of Aachen.

Jean-Paul Zens, born January 8, 1953. Mr. Zens became a Director on May 7, 2002 and was elected Vice Chairman on the same date; Mr. Zens is also a member of the Board of Directors of SES ASTRA. He is currently Director of the Media and Communications department of the Ministry of State in Luxembourg. He holds a law degree as well as a degree in psychology and communications sciences from the University of Strasbourg.

Charles Alexander, born April 12, 1953. Mr. Alexander became a Director on November 29, 2001. Mr. Alexander is the President of GE Capital Europe, a Director of MEPC and the English National Opera. Mr. Alexander graduated from Oxford University.

Wolfgang A. Baertz, born June 19, 1940. Mr. Baertz became a Director on April 17, 2000. Mr. Baertz retired at the end of 2003 as President of the Executive Committee of Dresdner Bank Luxembourg S.A. but remains a member of the Board of Directors of Dresdner Bank Luxembourg S.A. He holds various board memberships as an independent Director.

Ernst-Wilhelm Contzen, born November 28, 1948. Mr. Contzen became a Director on April 15, 1999. He is the Chief Executive Officer of Deutsche Bank Luxembourg S.A. and a Director of Clearstream International, Deutsche Bank Finance N.V., Deutsche Bank S.A.&N.V. Belgium, DB Re S.A., DB Vita S.A. and DWS Investment S.A. He is also member of the Comité pour le Développement de la Place Financière (Codeplafi) of Luxembourg and member of the Board of Directors of the Fondation pour le Développement de la Coopération Allemagne – Luxembourg dans les Domaines des Sciences. Mr. Contzen graduated with a degree in law from the University of Münster.

Jean-Claude Finck, born January 22, 1956. Mr. Finck became a Director on May 31, 2001. Mr. Finck is Chief Executive of Banque et Caisse d'Epargne de l'Etat, a member of the Board of Directors of Bourse de Luxembourg, Luxair, Cargolux, insurance companies La Luxembourgeoise, La Luxembourgeoise Vie, and ATAG Asset Management. Mr. Finck graduated with a degree in economics from the University of Aix/Marseille.

Richard Goblet d'Alviella, born July 6, 1948. Mr. Goblet d'Alviella became a Director on April 15, 1998. Mr. Goblet d'Alviella is Administrateur délégué of Sofina S.A., a Director of ADSB Telecommunications, Delhaize, Danone, Eurazeo and a Director of Tractebel S.A. Mr. Goblet d'Alviella graduated with a degree in economics (Commercial Engineer) from the Université Libre de Bruxelles and also holds an MBA from Harvard University.

Raymond Kirsch, born January 18, 1942. Mr. Kirsch became a Director on March 1, 1985. Mr. Kirsch held the position of President and Chief Executive of Banque et Caisse d'Epargne de l'Etat, Luxembourg. Mr. Kirsch holds a degree in Law and in Economics from the Université Libre de Bruxelles and the Institut d'Etudes Politiques. He also holds a doctorate in Law. Mr. Kirsch resigned from the Board of Directors on February 1, 2004 and was replaced by Mr. Gilbert Ernst.

Dr. Joachim Kröske, born January 19, 1944. Dr. Kröske became a Director on July 7, 1994. He served as Vice Chairman from April 15, 1996 to May 6, 2002. Dr. Kröske graduated with a degree in business administration and a doctorate in political science from the University of Frankfurt.

Dr. Raphael Kübler, born January 11, 1963. Dr. Kübler became a Director on November 29, 2001; he is also a member of the Board of Directors of SES ASTRA. Dr. Kübler is Chief Financial Officer of T-Mobile Deutschland GmbH, Head of the Supervisory Board of Deutsche Funkturm Management GmbH and member of the Supervisory Board of SAF Forderungsmanagement GmbH and of SolvenTec GmbH. Dr. Kübler graduated from the University of Cologne.

Hadelin de Liedekerke Beaufort, born April 29, 1955. Mr. de Liedekerke Beaufort became a Director on April 17, 2000. He is currently a Director of Loran Telecommunications SA, a privately held company, as well as a Director of other private companies with interests in various fields such as financial, communication and real estate developments. Mr. de Liedekerke Beaufort graduated from the Ecole Hôtelière de Lausanne.

Denis J. Nayden, born April 9, 1954. Mr. Nayden became a Director on November 29, 2001. Mr. Nayden is a Senior Vice President and Financial Services Advisor of GE and the former Chairman and Chief Executive Officer of GE Capital. Additionally, he is a Managing Partner of the Oak Hill Capital Group and on the Board of Advisors of Alex Partners/Questor Partners and is on the Board of Trustees of the University of Connecticut. Mr. Nayden is a graduate of the University of Connecticut and also holds an MBA in Finance.

Gaston Reinesch, born May 17, 1958. Mr. Reinesch became a Director on July 1, 1998. Mr. Reinesch is General Administrator of the Ministry of Finance, Luxembourg, Professor of Economics at the Legal and Economics department of the Université de Luxembourg and a member of the Board of Directors of Société Nationale de Crédit et d'Investissement, Cegedel, Banque et Caisse d'Epargne de l'Etat, P&T and European Investment Bank. Mr. Reinesch was economic advisor at the Chamber of Commerce of Luxembourg from 1989 to 1995. Mr. Reinesch graduated with a master of science in economics from the London School of Economics.

Victor Rod, born April 26, 1950. Mr. Rod became a Director on November 23, 1995. He is President of Commissariat aux Assurances, Chairman of the Board of Directors of Banque et Caisse d'Epargne de l'Etat, Luxembourg and a member of the Conseil d'Etat of Luxembourg. Mr. Rod graduated with a degree in law from the University of Nancy.

Luis Sanchez-Merlo, born October 10, 1947. Mr. Sanchez-Merlo became a Director on April 17, 2000. Mr. Sanchez-Merlo is the Chairman of Lantana Capital S.A. and Comsamer SL, Chairman of the Advisory Board of Ernst & Young Spain and member of the Advisory Board of Software AG. Mr. Sanchez-Merlo graduated with a degree in law and economics from the Universidad Comercial de Deusto. He also holds a masters in law from the College of Europe and a masters in economics from the University of Louvain.

Christian Schaack, born March 21, 1958. Mr. Schaack became a Director on December 7, 2000. Mr. Schaack is Chief Operations Officer and Managing Director at Fortis Bank and a member of the Board of Directors of BGL Investment Partners, Banque Générale du Luxembourg and Euroclear. Mr. Schaack graduated from the Massachusetts Institute of Technology with a PhD in Operations Research and a SM in Management.

Georges Schmit, born April 19, 1953. Mr. Schmit became a Director on November 12, 1992. He served as Vice Chairman from May 31, 2001 to May 6, 2002. Mr. Schmit is Secretary General of the Ministry of the Economy, Luxembourg, Chairman of CD-PME and EUREFI, two public private financing companies for SMEs and a member of the Board of Directors of Banque et Caisse d'Epargne de l'Etat, Luxembourg, Entreprise des Postes et Télécommunications Luxembourg, ARCELOR S.A., ARES S.A. and of Paul Wurth S.A. Luxembourg. Mr. Schmit graduated with a degree in economics from the Catholic University of Louvain and an M.A. in Economics from the University of Michigan.

Gaston Schwertzer, born July 18, 1932. Mr. Schwertzer became a Director on September 12, 1992. Mr. Schwertzer is currently Chairman of Luxempart and Administrateur délégué of Audiolux, Chairman of Foyer Patrimonium and Luxembourg-Energie and member of the Board of Directors of Dexia Group, Paul Wurth, Société Electrique de l'Our, Foyer-Finance, Sichel, Energus, Presta-Gaz, Puilaetco Luxembourg and Dexia-Banque Internationale Luxembourg. Mr. Schwertzer graduated with a degree in law from the University of Grenoble and also holds a doctorate in law.

François Tesch, born January 16, 1951. Mr. Tesch became a Director on April 15, 1999. Mr. Tesch is the Administrateur délégué of Le Foyer Finance and Luxembourg Chairman of Le Foyer S.A., and Audiolux. Mr. Tesch is also a member of the Board of Directors of Bourse de Luxembourg, BNP Paribas Luxembourg and various Merrill Lynch funds. He graduated in economics from the Faculté d'Aix-en-Provence and holds an MBA from INSEAD (Institut Européen d'Administration des Affaires).

Gilbert Ernst, born July 30, 1952. Mr. Ernst became a Director on March 18, 2004. He is Executive Vice President and has been a member of the Executive Board of Banque et Caisse d'Epargne de l'Etat since 1995. A former member of the Board of Directors of SWIFT in Brussels, he currently holds positions on the Board of Directors of EBA in Paris, and Cetrel, insurance companies La Luxembourgeoise and La Luxembourgeoise Vie, SYPAL Gie Clearing, FIL and SIPEL in Luxembourg. Mr. Ernst is a graduate in Business Administration of the Faculty of Law of the University of Liège in Belgium.

At the Annual General Meeting of shareholders of May 6, 2002, the members of the Board were elected for a period of three years, by a majority of more than two-thirds of the votes present and represented.

At an Extraordinary General Meeting of shareholders held on March 18, 2004, shareholders decided that, for future elections to the Board, a simple majority of the votes present or represented without considering abstentions will be required.

Corporate governance continued

Rules of functioning
The Board of Directors meets when required by the Company's business, but at least once in a quarter. In 2003, the functioning of the Board was governed by the following principles:

A quorum of two-thirds of the Directors present or represented was required for the Board meeting deliberating validly in 2003.

The Board decides by simple majority vote of the Directors present or represented. A two-thirds majority was required on the following issues: the issuing of shares within the limits of the authorised capital, the appointment and revocation of senior managers, the representation of management, the election of the Chairperson of the Board, and the approval of ownership of capital stock in excess of the thresholds defined by the articles of incorporation.

Corporate governance changes approved in March 2004
An Extraordinary General Meeting of shareholders, which was held on March 18, 2004, approved amendments to the articles of incorporation of the Company, which impacted the rules of corporate governance of the Company. The main changes approved by shareholders are the following:

- the Board of Directors deliberates validly with a simple majority of Directors present or represented; and
- the Board of Directors decides by simple majority of the Directors present or represented within the provisions of the Luxembourg law.

The Extraordinary Meeting of Shareholders also raised the threshold of 10% laid down for ownership of capital stock by one single shareholder to 20.1%, and defined a process in case a shareholder intends to exceed this threshold. A shareholder or a potential shareholder who now envisages to acquire by whatever means, directly or indirectly, more than 20.1% of the shares of the Company must inform the Chairperson of the Board of the Company of such intention. The Chairperson of the Board shall inform the Government of the envisaged acquisition. The Government may oppose the transaction on grounds of general public interest. In case of no opposition from the Government, an Extraordinary Meeting of Shareholders decides by a two-thirds majority whether to authorise the transaction.

The Extraordinary Meeting of Shareholders also decided that prior approval by the Board of Directors is required for any material contract between the Company, or any of its wholly-controlled operating subsidiaries, with a significant shareholder holding, directly or indirectly, at least 5% of the shares of SES GLOBAL.

Activities of the Board of Directors in 2003
The Board of Directors held seven meetings in 2003, with an average attendance rate of 86%. Focusing on the strategic development of the SES GLOBAL Group, the Board adopted the Business Plan for the 2003-2010 period, the 2004 budget, and approved various business transactions at the level of SES AMERICOM and SES ASTRA relating in particular to satellite and launch service procurements, as well as equity investments in satellite and service companies.

The Board adopted the SES GLOBAL refinancing plan through a successful US private placement of more than USD 1 billion and the issue of two Eurobonds of EUR 500 and EUR 300 million respectively, in conjunction with various bilateral loans.

The Board approved the acquisition of the 100% ownership in AMERICOM ASIA-PACIFIC and the increase of SES GLOBAL's participation in NSAB to 75%.

Committees of the Board of Directors

The Chairman's Office

The Chairman and the three Vice Chairmen are members of the Chairman's Office. The Chairman's Office prepares the agenda for the Board meetings. Each Vice Chairman coordinates the preparation of the Board meetings with the Directors of his share class.

The Chairman's Office met six times in 2003 with a members' attendance rate of more than 95%.

The Remuneration Committee

The Board established a Remuneration Committee which determines the remuneration of the members of the Executive Committee, and which advises on the overall remuneration policies applied throughout the Company. It reports to the Board on a regular basis.

The Remuneration Committee was chaired in 2003 by the Chairman of the Board. Members of the Committee were Messrs. John F. Connelly, Gerd Tenzer and Jean-Paul Zens.

The Remuneration Committee held seven meetings with an attendance rate of 100%. Matters addressed related to the succession plan for the senior executives in SES GLOBAL S.A. and its two wholly-owned operating companies, the implementation of the 2003 stock option plan, the determination of criteria for bonus payments to the members of the Executive Committee, the adaptation of the SES complementary pension scheme and the assessment of the SES Group executive remuneration packages. The Committee submitted proposals to the Board for determining the exercise price applicable for the 2003 stock option grant and a methodology for determining the reference period for the grants in upcoming years.

Following the adoption of new internal regulations by the Board on March 18, 2004 the Remuneration Committee is now composed of five members, a majority of whom are independent Board members. Current members of the Remuneration Committee are: René Steichen, Wolfgang Baertz, John F. Connelly, Hadelin de Liedekerke Beaufort, Gaston Schwertzer.

The Audit Committee

The Board established an Audit Committee, which assists the Board in carrying out its responsibilities in relation to corporate policies, internal control, and financial and regulatory reporting practices. The committee has an oversight function and provides a link between the internal and external auditors and the Board.

In 2003 the Audit Committee was chaired by the Chairman of the Board. Other members were Messrs. Ernst-Wilhelm Contzen, Richard Goblet d'Alviella and Gaston Reinesch.

The Audit Committee held three meetings with a members' attendance rate of 100%. Meetings were dedicated in particular to the review of the half-year financial results, the impairment review process, the implementation of the Internal Audit Plan as well as the review of the 2003 results to be submitted to the Board and subsequently to the shareholders at the statutory General Meeting.

The Audit Committee also endorsed the principles of cooperation between the External and the Internal Auditors and gave guidance for a progressive adoption of harmonised reporting formats among the entities of the Group.

Following the adoption of new internal regulations by the Board on March 18, 2004 the Audit Committee is now composed of six members, four of whom are independent Board members. The current members of the Audit Committee are: Ernst-Wilhelm Contzen, Richard Goblet d'Alviella, Jean-Claude Finck, Dr. Joachim Kröske, Gaston Reinesch and François Tesch.

The Nomination Committee

Following the adoption of new internal regulations by the Board on March 18, 2004, the Company set up a Nomination Committee composed of five members, a majority of whom are independent Board members.

The role of the Nomination Committee is to propose candidates to be submitted for election as Directors by the Annual General Meeting of Shareholders. Such proposals are based on submissions from shareholders for a number of candidates at least equal to the number of posts to be filled for each class of shareholders.

The role of the Nomination Committee also consists to propose candidates for Executive Committee membership for election by the Board.

The members of the Nomination Committee are: René Steichen, Wolfgang Baertz, John F. Connelly, Hadelin de Liedekerke Beaufort, Gaston Schwertzer.

Remuneration of the members of the Board of Directors

The Annual General Meeting of shareholders determines the remuneration of the members of the Board of Directors for attending Board and Committee meetings. The members of the Board of Directors are entitled to a fixed fee and to a variable fee. The variable part of the fee is calculated on the basis of the Directors' attendance at Board and Committee meetings.

In 2003, the total remuneration fees paid to the members of the Board of Directors amounted to EUR 835,750.

Company stock owned by members of the Board of Directors

On March 12, 2004 the members of the Board of Directors owned a combined total of 651,760 shares, FDRs, and options.

Corporate governance continued

The Executive Committee
(from left to right) Romain Bausch, Robert Bednarek, Ferdinand Kayser, Dean Olmstead and Jürgen Schulte.

The Executive Committee

Mission

The Executive Committee is in charge of the daily management of the Group.

The Board has mandated the Executive Committee with the preparation and planning for discussion and decision by the Board in relation to the Company's overall policies and strategies, as well as the decisions reaching beyond the daily management.

Composition

The members of the Executive Committee are:

Romain Bausch, born on July 3, 1953, and appointed President and Chief Executive Officer in July 2001. Mr. Bausch is also Chairman of the Board of Directors of SES ASTRA, SES AMERICOM and NSAB as well as Vice Chairman of AsiaSat. Mr. Bausch became the Director General and the Chairman of the Management Committee of SES in 1995, following a career in the Luxembourg civil service (Ministry of Finance). Mr. Bausch occupied key positions in the banking, media and telecommunications sectors and spent a five-year term as a Director and Vice Chairman of SES. Mr. Bausch graduated with a degree in economics (specialisation in business administration) from the University of Nancy.

Robert Bednarek, born on October 6, 1957, and appointed Executive Vice President, Corporate Development as of January 2002. Mr. Bednarek came to SES GLOBAL from PanAmSat, where he served as Executive Vice President and Chief Technology Officer since 1997 and as Senior Executive for Engineering and Operations since 1990. Prior to joining PanAmSat, Mr. Bednarek co-founded a Washington, D.C.-based technology consulting firm, where he was a partner from 1984 to 1990, and served as the Deputy Chief Scientist for the US Corporation for Public Broadcasting from 1979 to 1984. Mr. Bednarek graduated with a degree in electrical engineering (with a specialty in communications theory and mathematical analysis) from the University of Florida and holds several US patents related to GPS (Global Positioning Systems).

Ferdinand Kayser, born on July 4, 1958, and appointed President and Chief Executive Officer of SES ASTRA as of January 2002. Mr. Kayser came to SES GLOBAL from Premiere World, the digital Pay-TV bouquet of Germany's Kirch Group, where he was Managing Director between 1997 and 2001. Prior to joining the Kirch Group, Mr. Kayser held a number of executive positions at CLT, Europe's largest commercial broadcaster, including Senior Vice President in charge of German TV and radio activities (1989-1992), Managing Director in charge of the launch of RTL 2 (1993) and Executive Vice President and Member of the Management Board responsible for all TV activities of CLT(1993-1996). Mr. Kayser holds a Master of Economics from the University of Paris 1, Panthéon-Sorbonne, and has concluded specialised university studies in Media Law and Management of Electronic Media.

Dean Olmstead, born on July 3, 1955, and appointed President and Chief Executive Officer of SES AMERICOM in November 2001. Previously, Mr. Olmstead was responsible for business development at SES and spearheaded its US activities, which culminated in the acquisition of AMERICOM. Mr. Olmstead came to SES from Hughes Electronics Company, where he held different positions in new business development and was most recently Executive Vice President, Engineering and Operations, of DirecTV Japan. Mr. Olmstead has also been responsible for national satellite policy for the US Department of State and served as Programme Manager for the Advanced Communications Technology Satellite (ACTS), the first Ka-band system with on-board processing, for NASA Headquarters, Communications Division. Mr. Olmstead holds a degree in Economics-Mathematics from Western Washington University and an M.S. Degree in Engineering-Economic Systems from Stanford University School of Engineering.

Jürgen Schulte, born on May 15, 1943, and appointed Chief Financial Officer in November 2001. Since 1991, Mr. Schulte had served as the Director of Finance of SES, responsible for the financial operations of the SES Group. Before joining SES, Mr. Schulte held a variety of management positions over 15 years in finance operations of General Electric affiliates in Brussels, New York, Madrid, Frankfurt and Luxembourg. Mr. Schulte holds a degree in Business Administration from the University of Münster.

The Executive Committee is chaired by Romain Bausch. The unique structure of the SES GLOBAL Group, based on the interdependence between its operating companies and the Group management company, is reflected by the fact that the President and CEOs of both 100%-owned operating companies are members of the Executive Committee of SES GLOBAL.

Rules of functioning

The Executive Committee meets on a regular basis and in principle once a week. The Executive Committee held 41 meetings in 2003.

The General Counsel acts as Secretary to the Executive Committee. He is seconded by the Vice President Legal and Corporate Affairs.

Remuneration of the members of the Executive Committee

The remuneration of the members of the Executive Committee is determined by the Remuneration Committee.

The remuneration of the members of the Executive Committee is based on a fixed and on a variable portion.

The total gross remuneration paid to the members of the Executive Committee relative to the year 2003 amounted to EUR 2,857,800.

Members of the Executive Committee participate in the Company's Executive Stock Options Plan established by the Board of Directors on January 31, 2002. During 2003, a combined total of 296,443 options to acquire Company FDRs were awarded to the members of the Executive Committee.

Share ownership of members of the Executive Committee
At year-end 2003, members of the Executive Committee owned a combined total of 60,000 Class A shares, 28,960 FDRs and 540,653 options in SES GLOBAL.

Succession plan for members of the Executive Committee
In line with the Company's business continuity planning principles, the Compensation Committee approved a succession plan for members of the Executive Committee 2003. The purpose of this plan is to guarantee appropriate staffing to manage the SES GLOBAL Group adequately at all times.

Other functions

Internal Audit
The Internal Audit function at SES GLOBAL Group level was created in 2000. The mission of Internal Audit is to support internal control regarding the effectiveness and efficiency of business operations, the reliability of financial and operational reporting and the Company's compliance with legal and regulatory requirements. Internal Audit is also tasked with identifying, preventing and minimising risks, as well as with the safeguarding of the Company's assets.

The Internal Auditor reports to the President and CEO of SES GLOBAL, but may also report directly into the Audit Committee. Internal Audit also regularly coordinates audit planning and exchanges relevant information with the Company's External Auditors. The activities of the Internal Audit function are based on a three-year audit plan set up using a risk mapping methodology, and approved by the Audit Committee.

Investor Relations
SES GLOBAL has had a dedicated Investor Relations function since its predecessor company SES ASTRA was listed on the Luxembourg Stock Exchange in 1998. Its purpose is to develop and coordinate the Group's communications with both equity and debt investors, investment analysts, credit rating agencies, financial journalists and other external audiences, and to provide feedback to the Executive Committee in respect of market developments. Investor Relations also ensures that the Group's external communications comply with the relevant legal and regulatory requirements.

The Vice President, Investor Relations, reports to the President and CEO of SES GLOBAL and works closely with the CFO and the Group Treasurer.

Stock-related compensation schemes

Equity Incentive Compensation Plan
SES GLOBAL applies an Equity Incentive Compensation Plan (EICP). The purpose of the plan is to attract and retain highly qualified leadership-level staff. By fostering share ownership among the executive staff, the plan aims to strengthen leadership-level employees' commitment to the development of the Company. This policy applies to executive-level employees of SES GLOBAL S.A., SES ASTRA and SES AMERICOM. 871,435 stock options were granted in 2003 to 66 executives.

Stock Appreciation Rights Plan
SES ASTRA and SES GLOBAL S.A. implement a Stock Appreciation Rights (STAR) Plan, which applies to the non-executive level staff. Through the grant of Stock Appreciation Rights, the Company aims to encourage the long-term commitment of the staff towards the Company, and to provide the possibility to share in the value creation of the Company. 586,794 STARs were granted in 2003.

Our people

SES GLOBAL is dedicated to sourcing, hiring, developing and retaining world-class talent. We believe that our focus on operational excellence is reinforced through our people and their passionate commitment to the work they do and to the customers they serve. Customer satisfaction is our primary objective in all our markets worldwide. SES GLOBAL companies employ a widely diverse workforce. This diversity is a strength that we leverage in order to maximise our creativity and foster innovative solutions at the service of the market.

At year-end 2003, the SES GLOBAL Group employed a total of 789 staff, down from 808 a year earlier. The detail is shown in the table below.

	2003	2002
SES ASTRA	**301**	319
SES AMERICOM	**291**	277
AsiaSat	**83**	83
SES GLOBAL S.A.	**50**	48
Other Participations[1]	**64**	81
Total	**789**	808

[1] Other Participations include SES GLOBAL's share of the proportionally consolidated participations in SATLYNX and NSAB.

Corporate governance continued

Our people continued

During the year, headcount was reduced at SES ASTRA as a consequence of a social plan. This plan was implemented in order to adapt the Company's organisational structure and to preserve its competitiveness in the face of an increasingly challenging market environment. The plan covered 21 employees and was negotiated and agreed with the Company's Personnel Delegation and the Mixed Committee in early 2003. The headcount was reduced through internal and external transfers, as well as early retirements.

The headcount variation at SES AMERICOM reflects the taking into full ownership of AMERICOM ASIA-PACIFIC, as well as intra-group staff reassignments.

The following table provides the gender split among the SES GLOBAL companies:

In % of total	Male	Female
SES GLOBAL S.A.	64	36
SES AMERICOM	76	24
SES ASTRA	81	19

The European-based staff of SES GLOBAL S.A. and SES ASTRA comprised representatives of 23 nationalities. The staff of SES AMERICOM is predominantly comprised of US citizens.

The SES GLOBAL companies apply a performance-based remuneration system. The remuneration includes salaries, performance bonuses, stock options, stock appreciation rights and fringe benefits that are in line with market standards.

Our values and culture

In the conduct of our operations, SES GLOBAL and its operating entities observe a common set of core values, which provide guidance for their activities. These values inspire a unique organisational culture and reflect our aspirations, which are geared towards achieving the highest performance at the service of customers, shareholders and society at large. Our values are primarily focused on providing highest-quality customer service.

These values were redefined in 2003 in an all-round approach within our organisations, with the involvement of staff members at every level. They are:

Excellence – having the passion and commitment to be the best in our industry.

Partnership – developing and maintaining cooperative relationships that build upon strengths and skills within the Group to achieve common goals and benefits at the service of the customers.

Leadership – articulating strategic vision, demonstrating values, and creating an environment in which we can meet the needs of the marketplace.

Integrity – consistently applying the principles of honesty, accountability, responsibility, fairness, and respect.

Innovation – establishing a business culture that stimulates creativity across the organisation, develops employees' skills and improves processes, products and services.

Our Human Resources (HR) functions

Our organisation is supported by HR functions, which are embedded in the operating entities. The HR team at SES ASTRA consists of seven employees and at SES AMERICOM of 11 employees.

Our HR functions are committed to identify, hire, develop and retain world-class talent. An HR Strategy function has been created at the SES GLOBAL S.A. level.

Skills development

We recognise that the know-how and expertise embedded in our people is one of our most precious assets. The aspirational view of our culture is to create an environment, in which people are continuously learning, sharing best practices and demonstrating respect towards each other. Our training and development, reward and job exchange programmes support the development of this culture. This programme reaches across the companies of the Group and continues to develop the skill set of our employee base in order to enhance job satisfaction for the benefit of our customers.

The training and skills development budget of SES ASTRA and of SES GLOBAL S.A. was equivalent to approximately 3% of the companies' payroll costs in 2003. SES AMERICOM spent the equivalent of approximately 7% of total payroll costs on training and development.

The SES GLOBAL companies apply a Global Development Programme, which enables a temporary exchange of employees between SES GLOBAL S.A., SES AMERICOM and SES ASTRA.

In order to support its vision of being a learning organisation, SES AMERICOM has initiated the AMERICOM University in 2003. This in-house skills development programme has three areas of educational focus: technology, leadership and sales. In 2003, a total of 27 classes were conducted, with many of the instructors being in-house subject matter experts.

SES AMERICOM also initiated a 'Passport' programme, which enables employees to rotate into new assignments on a temporary basis.

Social dialogue within SES GLOBAL

In its dealings with its employees and associates, SES GLOBAL S.A. and its operating entities rely upon best practices of social dialogue and openness. These principles are applied at all levels of the organisation and are rooted both in legal requirements and in management culture.

At SES ASTRA, the legal framework provides for:

- a Personnel Delegation whose seven members are elected for a five-year term and whose mandate is to protect the interests of the workforce with regard to working conditions, job security and social matters. The Personnel Delegation is kept informed on the developments affecting the Company and advises on amendments to work rules; and
- a Mixed Committee composed of three employer representatives and three employee representatives. The Mixed Committee has co-decision powers in matters covering performance assessment, health and safety and in the general criteria applied in the recruitment, promotion and dismissal policies. The Mixed Committee is consulted on all important decisions regarding investments in plant or equipment, work processes and working conditions. The Committee is informed about the general development of the Company and employment trends.

Our Company culture aims at constantly enhancing and harnessing the strengths and qualities of our employees. Therefore, we apply best practices of people management in order to foster the creativity and innovation potential of our staff.

In 2003, we conducted a 'voice of the employee' survey among all the employees of SES ASTRA, SES AMERICOM, and SES GLOBAL S.A. The survey confirmed a high level of job satisfaction, but also resulted in adaptations of management style and practices, a reassessment of training and development initiatives, and analysis of compensation issues.

Our corporate social responsibility policy
In 2003, SES GLOBAL implemented a corporate social responsibility programme based on the Company's values.

We believe that global impact relies on local action. Therefore, in the framework of our corporate social responsibility programme we deploy decentralised activities in those areas of the world in which SES GLOBAL and our operating entities provide commercial and technical services.

Our corporate social responsibility programme focuses on supporting educational initiatives, thereby aiming to expand and solidify the basis for the development of a knowledge and communications-based society in every region of the world. We believe that this is a key element in the emergence of a model for sustainable development. Our corporate social responsibility activities are mainly deployed via specialised educational institutions.

During 2003, SES GLOBAL pursued its cooperation with the University of Sankt Gallen, Switzerland, by financing a scholarship for one student in the university's MBA programme on media and communications management.

We pursued our support of the educational activities of the Society of Satellite Professionals International, based in Washington, D.C., by financing a scholarship for one student in 2003.

We initiated a multi-year cooperation with the International Space University based in Strasbourg, France, supporting scholarships for advanced studies of space applications awarded to two students.

SES GLOBAL also supported the Digital Partnership, an initiative managed by the Prince of Wales International Business Leaders' Forum. SES GLOBAL sponsored the creation of e-learning centres at the University of Transkei, the Zululand University, the University of Venda, and the University of Qwaqwa, all located in South Africa.

SES GLOBAL also donated IT hardware and infrastructure to the Secondary School N°1 in Leninsk, Kazakhstan.

In the framework of a long-term commitment, SES GLOBAL continued its support of the Institut St Joseph of Betzdorf, Luxembourg, a home for mentally handicapped persons.

Cultural sponsorships
During 2003, SES GLOBAL provided financial support for the Luxembourg Philharmonic Orchestra's Asia tour. The Company also contributed to the financing of a local music festival in Luxembourg.

Caring for the environment
SES GLOBAL and our operating companies are committed to respecting the world's natural environment, and to aligning conduct with the principles of sustainable development.

We apply the basic principle that all activities and services which we provide to third-party customers, or which are supplied to us by third-party vendors, comply with the highest standards of environmental protection. Compliance is benchmarked against the legal rules and regulations in the countries in which SES GLOBAL and our entities operate, as well as against best practices, which are applied industry-wide.

We pursue the objective to continuously improve our performance in this area and to further reduce the environmental impact of our activities.

The activities of SES GLOBAL and its operating companies are mainly office and technology-based. In our operations, we promote the most efficient use of energy and natural resources. We have successfully implemented a programme to rely on co-generation power wherever possible, in order to make maximum use of energy. In 2003, we reduced the amount of business travel as we relied on an increased use of video-conferencing facilities.

We apply a waste recycling programme, which aims to avoid, reduce, and recycle waste material as efficiently as possible; this programme is subject to independent third-party audits and quality control. We also conduct environmental training on a regular basis and encourage our staff to adopt environmentally correct attitudes in their professional activities.

The operating entities of SES GLOBAL apply best practices in minimising environmental impact of the outsourced activities, such as the manufacturing and launching of spacecraft. The companies also ensure that the amount of radiation emitted from their earth stations respects or remains below the maximum levels defined by the countries of operation; compliance is checked through yearly internal and third-party audits by accredited organisations which are specialised in the field of industrial safety.

Management discussion and analysis

1 Key financial highlights

Segmental information	SES ASTRA EUR million	SES AMERICOM EUR million	AsiaSat EUR million	Other Participations EUR million	Elimination EUR million	Total 2003 EUR million	Total 2002 EUR million
Revenues							
Sales to external customers	655.5	412.6	103.1	36.3	–	1,207.5	1,349.3
Inter-segment sales	5.8	4.1	–	0.7	(10.6)	–	–
Total revenues	**661.3**	**416.7**	**103.1**	**37.0**	**(10.6)**	**1,207.5**	**1,349.3**
Operating expenses	(116.1)	(87.7)	(18.2)	(53.3)	10.6	(264.7)	(299.3)
Exceptional items	–	–	–	–	–	–	57.1
EBITDA	**545.2**	**329.0**	**84.9**	**(16.3)**	**–**	**942.8**	**1,107.1**
Depreciation	(157.3)	(134.7)	(25.5)	(13.9)	–	(331.4)	(361.6)
Amortisation	(31.5)	(174.1)	(11.2)	(22.9)	–	(239.7)	(216.4)
Operating profit (loss)	**356.4**	**20.2**	**48.2**	**(53.1)**	**–**	**371.7**	**529.1**
Net financing charges including value adjustments on financial assets						(7.4)	(91.6)
Profit on ordinary activities						**364.3**	**437.5**
Taxes						(131.2)	(188.3)
Share of associates' result						4.5	5.5
Profit attributable to minority interests						(32.2)	(50.2)
Profit of the Group						**205.4**	**204.5**

Other key financial indicators	2003 EUR million	2002 EUR million	Variance EUR million	Variance %
Earnings per A-share	**EUR 0.34**	EUR 0.34	–	–
Capital expenditure	**317.0**	683.8	(366.8)	-53.6
Net operating cash flow	**873.8**	1,051.8	(178.0)	-16.9
Free cash flow	**940.3**	306.4	633.9	+206.9
Net debt	**1,699.1**	2,661.1	(962.0)	-36.2
Net debt/shareholders' equity	**52.3%**	74.4%	-22.1 % pts	–
Contract backlog	**6,435.0**	5,979.6	455.4	+7.6

2 Commentary to Group financial results

Due to the significant impact of currency exchange movements on the Group's financial results for this year, we are presenting the comparative 2002 figures as reported, and on a constant exchange rate basis. References to movements on a constant exchange rate basis refer to those differences arising after restating the prior period financial information using the exchange rates prevailing in the current period.

					On a constant exchange rate basis		
Revenues	**2003 EUR million**	2002 EUR million	Variance EUR million	Variance %	2002 EUR million	Variance EUR million	Variance %
Revenues	**1,207.5**	1,349.3	(141.8)	-10.5	1,244.4	(36.9)	-3.0

Group revenues of EUR 1,207.5 million were EUR 141.8 million, or 10.5%, lower than in 2002. This fall in reported revenue reflects mainly the impact of the weaker US dollar and Hong Kong dollar on SES AMERICOM and AsiaSat sales. On a constant exchange rate basis, Group revenues fell by 3.0%. After adjusting for non-recurring items, such as the EUR 48.4 million revenues generated by the AAP transaction in 2003, significant termination fees posted in 2002, and the impact of the non-recurring Primestar revenues, recurring revenues were 2.6% under the levels prevailing in 2002. Whilst SES ASTRA generated recurring revenues in line with 2002, SES AMERICOM recorded a fall of 3.6% compared to the prior year.

					On a constant exchange rate basis		
Operating expenses	**2003 EUR million**	2002 EUR million	Variance EUR million	Variance %	2002 EUR million	Variance EUR million	Variance %
Operating expenses	**264.7**	299.3	(34.6)	-11.6	278.2	(13.5)	-4.9

Operating expenses comprise external charges, staff costs and other charges.

Group operating expenses fell by EUR 34.6 million from EUR 299.3 million in 2002 to EUR 264.7 million in 2003. Adjusted to a constant exchange rate basis, the fall was 4.9%. This fall was driven by the full-year impact of the cost management programmes executed in the second half of 2002, and a continuing focus on operating cost control in all operations. The greater part of the savings was generated in the SES ASTRA business segment, which contributed EUR 11.0 million of the EUR 13.5 million constant exchange rate reduction.

Exceptional items	2003 EUR million	2002 EUR million	Variance EUR million	Variance %	On a constant exchange rate basis 2002 EUR million	Variance EUR million	Variance %
Exceptional items	**0.0**	57.1	(57.1)	-100.0	57.1	(57.1)	-100.0

In 2002 an exceptional gain of EUR 336.5 million was recorded for proceeds from satellite insurance claims concerning the satellites ASTRA 1G and ASTRA 1K. A corresponding asset write-down of EUR 279.4 million was taken, resulting in a net exceptional gain of EUR 57.1 million. The proceeds of these insurance claims were collected in full in 2003.

Earnings before interest, taxation, depreciation and amortisation ('EBITDA')	2003 EUR million	2002 EUR million	Variance EUR million	Variance %	On a constant exchange rate basis 2002 EUR million	Variance EUR million	Variance %
EBITDA	**942.8**	1,107.1	(164.3)	-14.8	1,023.3	(80.5)	-7.9
EBITDA excluding exceptional items	**942.8**	1,050.0	(107.2)	-10.2	966.2	(23.4)	-2.4
EBITDA margin	**78.1%**	82.1%	-4.0 % pts	–	82.2%	-4.1 % pts	–
EBITDA margin excluding exceptional items	**78.1%**	77.8%	+0.3 % pts	–	77.6%	+0.5 % pts	–

At EUR 942.8 million, Group EBITDA was 14.8% below the prior year level. EBITDA on a constant exchange rate basis declined by 7.9%, due primarily to the 2002 exceptional items noted above. Excluding exceptional items, the Group EBITDA margin rose 0.3 percentage points from 77.8% in 2002 to 78.1% in 2003.

Depreciation and amortisation	2003 EUR million	2002 EUR million	Variance EUR million	Variance %	On a constant exchange rate basis 2002 EUR million	Variance EUR million	Variance %
Depreciation	**331.4**	361.6	(30.2)	-8.4	332.9	(1.5)	-0.5
Amortisation	**239.7**	216.4	23.3	10.8	189.4	50.3	+26.6
Total depreciation and amortisation	**571.1**	578.0	(6.9)	-1.2	522.3	48.8	+9.3

Group depreciation fell by EUR 30.2 million, or 8.4%, from EUR 361.6 million in 2002 to EUR 331.4 million in 2003. On a constant exchange rate basis, the charge for the year was in line with 2002, with extra charges related to the full-year depreciation of ASTRA 3A, which entered service in April 2002, and AMC-9 and AsiaSat 4 (which both entered service in June 2003), offsetting the reduction to prior due to the accelerated depreciation charges of EUR 23.5 million booked in 2002 at SES ASTRA on ground equipment in the framework of the transfer of SES ASTRA's broadband activities to SATLYNX.

Amortisation charges increased by EUR 23.3 million, or 10.8%, from EUR 216.4 million to EUR 239.7 million. On a constant exchange rate basis, the increase was EUR 50.3 million, of which EUR 45.0 million arises due to the one-off charge taken in the framework of the acquisition of the remaining 50% shareholding in AAP.

Operating profit	2003 EUR million	2002 EUR million	Variance EUR million	Variance %	On a constant exchange rate basis 2002 EUR million	Variance EUR million	Variance %
Operating profit	**371.7**	529.1	(157.4)	-29.7	500.9	(129.2)	-25.8

Group operating profit for the year, at EUR 371.7 million, was EUR 157.4 million, or 29.7%, lower than 2002. On a constant exchange rate basis the fall was EUR 129.2 million, or 25.8%, of which SES ASTRA contributed EUR 49.3 million and SES AMERICOM EUR 65.9 million. The lower SES ASTRA operating profit is mainly attributable to the exceptional items posted in 2002 as explained above. At SES AMERICOM, while non-recurring revenues remained substantially in line with 2002, operating profit decreased, due primarily to the EUR 45.0 million one-off charge relating to the AAP transaction described above.

Management discussion and analysis continued

Net financing charges including value adjustments on financial assets	2003 EUR million	2002 EUR million	Variance EUR million	Variance %
Net financing charges including value adjustments	**7.4**	91.6	(84.2)	-91.9

Net financing charges including value adjustments on financial assets fell by EUR 84.2 million from EUR 91.6 million to EUR 7.4 million, as follows:

	2003 EUR million	2002 EUR million	Variance EUR million	Variance %
Net interest expenses	**56.6**	122.3	(65.7)	-53.7
Capitalised interest	**(20.3)**	(31.0)	10.7	+34.5
Net foreign exchange losses/(gains)	**(34.5)**	(19.9)	(14.6)	-73.4
Value adjustments/other	**5.6**	20.2	(14.6)	-72.3
Net financing charges including value adjustments on financial assets	**7.4**	91.6	(84.2)	-91.9

The fall in financing charges to the prior year is driven primarily by a fall in the net interest expense. This is driven in turn by three factors:

- A significant fall in the level of net debt during the year (see 'Net debt' below);
- Lower effective interest rates on the Group's borrowings in the year; and
- The impact of the weaker US dollar on the Euro value of US dollar denominated interest charges, where the average rate used in 2002 was EUR 1: USD 0.94 compared to EUR 1: USD 1.12 in 2003.

Of the fall of EUR 10.7 million in capitalised interest charges, EUR 10.1 million came from SES ASTRA where the ASTRA 1K programme was completed in 2002. The commencement of the satellite procurement programmes for ASTRA 1KR and ASTRA 1L did not result in significant postings to capitalised interest in 2003.

Net foreign exchange gains arose on holding certain unhedged US dollar denominated liabilities in the first half of 2003. As of July 2003, movements on these liabilities, in line with the Group's treatment of similar items, were hedged against the net investment in SES AMERICOM such that further movements were taken directly to the currency exchange reserve.

The prior year saw significant value adjustments being made on investments in Gilat Satellite Networks Ltd and Netsystem.com S.p.A.

Taxes	2003 EUR million	2002 EUR million	Variance EUR million	Variance %
Taxes	**131.2**	188.3	(57.1)	-30.3

The taxation charge fell EUR 57.1 million, or 30.3%, from EUR 188.3 million in 2002 to EUR 131.2 million in 2003. Whilst this is partially explained by a reduction in profit before tax of 16.7%, the Group has also benefited this year from measures implemented in 2003 to ensure that the operations are structured favourably for taxation purposes. As a result the effective tax rate, after adding back non-deductible amortisation on intangible assets, fell from 30.1% in 2002 to 22.9% in 2003.

Share of associates' result	2003 EUR million	2002 EUR million	Variance EUR million	Variance %
Share of associates' result	**4.5**	5.5	(1.0)	-18.2

Share of associates' result remained at a level similar to the prior year at EUR 4.5 million (2002: EUR 5.5 million), with the small reduction being attributable to start-up costs of IP Direct (Proprietary) Ltd. The main contributor to the share of associates' result is the Group's equity interest in Star One in Brazil.

Profit attributable to minority interests	2003 EUR million	2002 EUR million	Variance EUR million	Variance %
Profit attributable to minority interests	**32.2**	50.2	(18.0)	-35.9

The minority interests relate entirely to the share of AsiaSat statutory income attributable to other AsiaSat shareholders.

Profit of the Group	2003 EUR million	2002 EUR million	Variance EUR million	Variance %
Profit of the Group	**205.4**	204.5	0.9	+0.4
Net profit margin	**17.0%**	15.2%	+1.8 % pts	–
Earnings per A-share	**0.34**	0.34	–	–

Profit of the Group at EUR 205.4 million was in line with the prior year's result of EUR 204.5 million. At the Profit of the Group level the unfavourable effect of the weakness of the US dollar on revenues in 2003 is largely neutralised by the corresponding impact on US dollar-denominated operating expenses, depreciation and amortisation, and interest on US dollar-denominated borrowings. In addition, the lower operating profit was fully offset by lower financing costs and taxes.

During 2003 the Group proportionately consolidated the financial results of SATLYNX for 12 months, rather than seven months in 2002. Excluding the impact of SATLYNX, on a same scope basis the profit of the Group rose 4.8% compared to the prior year.

Capital expenditure	**2003 EUR million**	2002 EUR million	Variance EUR million	Variance %
SES ASTRA	**83.3**	200.7	(117.4)	-58.5
SES AMERICOM	**234.4**	514.2	(279.8)	-54.4
AsiaSat	**19.3**	58.9	(39.6)	-67.2
Other Participations	**2.6**	6.6	(4.0)	-60.6
Less: intra-Group transfers	**(22.6)**	(96.6)	74.0	+76.6
Total capital expenditure	**317.0**	683.8	(366.8)	-53.6

Capital expenditure fell by EUR 366.8 million, or 53.6%, from EUR 683.8 million in 2002 to EUR 317.0 million in 2003.

The greater part of this decline was contributed by SES AMERICOM where, beyond the impact of the weaker US dollar, the satellite procurement agreements for the six satellite programmes running during 2002 and 2003 foresaw fewer significant milestone invoices in 2003 than in 2002.

At SES ASTRA and AsiaSat, declines in capital expenditure were also recorded. At SES ASTRA this was due to the fact that the ASTRA 1K procurement programme was completed in 2002 and the follow-on procurement programmes for ASTRA 1KR and ASTRA 1L did not result in any significant additions before the fourth quarter of 2003. Similarly at AsiaSat, the AsiaSat 4 procurement was completed in the first quarter of 2003 and no further satellite programmes have been initiated to date.

Cash flow

Net operating cash flow	**2003 EUR million**	2002 EUR million	Variance EUR million	Variance %
Net operating cash flow	**873.8**	1,051.8	(178.0)	-16.9

The Group net operating cash flow fell by EUR 178.0 million, or 16.9%, from EUR 1,051.8 million in 2002 to EUR 873.8 million in 2003. The greater part of this reduction, at EUR 118.0 million, is attributable to the successful measures taken in 2002 to reduce the Group's investment in working capital, which boosted net operating cash flow. Cash generated by operations contributed a further EUR 45.7 million to net operating cash flow in 2003.

Free cash flow	**2003 EUR million**	2002 EUR million	Variance EUR million	Variance %
Free cash flow	**940.3**	306.4	633.9	+206.9

The Group's free cash flow rose EUR 633.9 million, or 206.9%, from EUR 306.4 million in 2002 to EUR 940.3 million in 2003. This was primarily due to a very favourable development in cash absorbed by investing activities as set out below.

The Group recorded a decrease of EUR 811.9 million in cash absorbed by investing activities, driven by the following principal factors:

- The significantly lower levels of capital expenditure compared to the prior year outlined above;
- The proceeds of EUR 336.5 million of the ASTRA 1K and ASTRA 1G insurance claims received in the first half of the year; and
- The receipt of proceeds of EUR 102.9 million on settlement of swap transactions.

Net cash flow	**2003 EUR million**	2002 EUR million	Variance EUR million	Variance %
Net cash flow	**22.8**	(386.4)	409.2	–

The Group's net cash flow rose EUR 409.2 million from EUR (386.4) million in 2002 to EUR 22.8 million in 2003, due primarily to the matters outlined above.

In the course of 2003 the brought forward bank borrowings of EUR 2,948.1 million, primarily drawn under the Syndicated Multi-currency Term and Revolving Facilities Agreement of March 28, 2001 ('syndicated facility'), have been substantially refinanced in order to take advantage of more favourable commercial market conditions, to extend the maturity profile of the Group's borrowings, and to take advantage of the substantial free cash flow generated in 2003. Net cash repayments of borrowings in 2003 were EUR 663.4 million, an increase of EUR 225.8 million over 2002. This was the primary driver in an overall increase in cash absorbed by financing activities of EUR 244.2 million.

Management discussion and analysis continued

Net debt

At the close of 2003, the net debt of the Group stood at EUR 1,699.1 million, a fall of EUR 962.0 million, or 36.1%, from the prior year closing figure of EUR 2,661.1 million. The refinancing activities in 2003, together with the application of appropriate financial instruments, has succeeded in reducing the interest margin on borrowings by an average of 35 basis points. Furthermore the syndicated facility drawings with maturities until 2006 have been replaced with primary financial instruments, being a private placement of loan notes and two Eurobonds, with maturities between 2008 and 2013, as well as bilateral banking facilities, securing the Group's financing base for a considerable period of time.

	Cash EUR million	Borrowings EUR million	**Net debt EUR million**
Net debt at December 31, 2002	(286.9)	2,948.0	**2,661.1**
Net settlement of borrowings	663.4	(663.4)	**–**
Increase in cash holdings	(686.2)	–	**(686.2)**
Favourable exchange movement on borrowings	–	(275.8)	**(275.8)**
Net debt at December 31, 2003	(309.7)	2,008.8	**1,699.1**

Financial derivative products

The Group makes use of the following financial derivative products as part of normal treasury activities:

(i) Forward foreign exchange agreements

Forward foreign exchange agreements are used to cover significant non-Euro-denominated contracted future payments, for example milestone payments on satellite procurement programmes.

(ii) Interest rate swap agreements

Interest rate swap agreements are used to convert contractually fixed-rate interest charges to a floating rate, or vice versa, as deemed appropriate in the light of market conditions.

(iii) Cross-currency swap agreements

Cross-currency swap agreements are currently in place as part of an overall strategy to reduce the impact of movements on the EUR:US dollar exchange rate on the financial position of the Group.

The use of financial derivative products takes place within a clear control framework established by the Board of Directors for these activities.

All financial derivatives have been individually valued to reflect market rates and assumptions at the balance sheet date.

Contract backlog

The Group's contract backlog rose EUR 455.4 million, or 7.6%, from EUR 5,979.6 million at December 31, 2002 to EUR 6,435.0 million at the end of 2003. Adjusting for the impact of exchange rates, the rise in the Group's contract backlog was 15.1%.

SES ASTRA increased its contract backlog by EUR 488.8 million, or 13.5%, as a result of contract renewals and extensions with, among others, the German public broadcasting authorities and the BBC.

SES AMERICOM's backlog rose EUR 115.1 million, or 6.4%, with significant new contracts with EchoStar, Discovery, Univision and NBC. SES AMERICOM's underlying US dollar-denominated backlog rose 27.7%.

Dividend

The Board of Directors has recommended a dividend per A-share of EUR 0.22. This will result in a total dividend payment of EUR 129.8 million. The dividend will be paid in May 2004 subsequent to approval by the shareholders at the Annual General Meeting on May 6, 2004.

3 Transition to International Financial Reporting Standards ('IFRS')

In compliance with the European Parliament and Council Regulation 1606/2002 on the application of IFRS adopted on July 19, 2002, the Group will prepare its consolidated financial statements in accordance with IFRS for each financial year – and for each six-monthly interim results period – beginning on or after January 1, 2005. Currently the financial statements of the Group are drawn up in accordance with accounting principles and regulations generally accepted in the Grand Duchy of Luxembourg ('Lux-GAAP').

In preparation for this transition, the Group is reviewing its accounting policies to identify areas of divergence between IFRS and Lux-GAAP, to the extent that this is possible given the ongoing finalisation by the regulatory authority of the definitions of certain key accounting standards.

SES GLOBAL S.A. consolidated accounts

Report of the independent auditor

To the Shareholders of
SES GLOBAL S.A.
Société Anonyme
Betzdorf

Following our appointment by the Annual General Meeting of the Shareholders on May 6, 2003, we have audited the accompanying consolidated accounts of SES GLOBAL S.A. for the year ended December 31, 2003 and have read the related consolidated management report. These consolidated accounts and the consolidated management report are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these consolidated accounts based on our audit and to check that the consolidated management report is consistent with the consolidated accounts.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated accounts. An audit also includes assessing the accounting principles used and significant estimates made by the Board of Directors, as well as evaluating the overall consolidated accounts presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying consolidated accounts give, in conformity with Luxembourg legal and regulatory requirements, a true and fair view of the consolidated financial position of SES GLOBAL S.A. as at December 31, 2003 and of the consolidated results of its operations for the year then ended.

The consolidated management report is consistent with the consolidated accounts.

Ernst & Young
Société Anonyme
Réviseur d'entreprises

Werner Weynand

Luxembourg, March 18, 2004

Consolidated balance sheet

December 31, 2003

Assets	Note	2003 EUR million	2002 EUR million
Fixed assets			
Intangible assets	4		
Goodwill		**1,963.7**	2,470.1
Other intangibles		**796.8**	935.9
		2,760.5	3,406.0
Tangible assets in use	5		
Land and buildings		**100.0**	94.6
Plant and machinery			
– space segment		**2,290.6**	2,332.6
– ground segment		**111.4**	120.8
Other fixtures and fittings, tools and equipment		**14.6**	17.9
		2,516.6	2,565.9
Payment on account and assets in course of construction	6	**686.7**	1,008.1
		3,203.3	3,574.0
Financial assets			
Investments in associates	9	**79.5**	77.5
Long-term investments	10	**5.0**	8.4
Other financial assets	11	**35.7**	40.1
		120.2	126.0
Current assets			
Inventories	12	**3.4**	4.0
Trade debtors	13	**119.8**	169.6
Other debtors	23	**37.3**	382.9
Investments	14	**36.2**	23.1
Cross currency interest rate swap agreements	15	**113.7**	74.3
Cash at bank and on deposit		**309.7**	286.9
		620.1	940.8
Prepayments and deferred charges		**68.4**	90.0
Deferred tax assets	18	**4.5**	4.3
Total assets		**6,777.0**	8,141.1

The notes are an integral part of the consolidated accounts.

Liabilities	Note	**2003 EUR million**	2002 EUR million
Capital and reserves			
Subscribed capital	16	**921.8**	921.8
Treasury shares at cost		**(17.7)**	(17.8)
Share premium account		**2,819.7**	2,819.7
Reserves			
– legal reserve		**24.5**	17.6
– other reserves		**61.0**	9.8
– currency exchange reserve		**(768.1)**	(380.8)
Result brought forward		**1.2**	0.3
Profit of the Group		**205.4**	204.5
		3,247.8	3,575.1
Minority interests			
In capital and reserves		**208.4**	220.3
In the result for the year		**32.2**	50.2
		240.6	270.5
Provisions for liabilities and charges			
Provisions for pensions	17	**0.6**	0.6
Other provisions	17	**10.3**	6.7
Provisions for deferred taxes	18	**635.1**	709.0
		646.0	716.3
Creditors			
Amounts payable after more than one year			
Notes and bonds	19	**1,621.9**	–
Amounts owed to credit institutions	19	**386.9**	2,318.6
Other liabilities	20	**32.6**	14.9
		2,041.4	2,333.5
Amounts payable in less than one year			
Amounts owed to credit institutions	19	**–**	629.4
Payments received on account		**12.8**	5.5
Trade creditors		**119.1**	159.4
Tax and social security payable		**155.9**	52.8
Other liabilities	20	**73.4**	98.8
		361.2	945.9
Deferred income			
Upfront payments		**163.3**	186.3
Other deferred income		**76.7**	113.5
		240.0	299.8
Total liabilities		**6,777.0**	8,141.1

The notes are an integral part of the consolidated accounts.

Consolidated profit and loss account

Year ended December 31, 2003

	Note	2003 EUR million	2002 EUR million
Net turnover	29	**1,121.1**	1,321.0
Other operating income	21	**86.4**	28.3
Total revenues	3	**1,207.5**	1,349.3
External charges	29	**(171.2)**	(177.0)
Staff costs	22	**(78.8)**	(101.7)
Other operating charges		**(14.7)**	(20.6)
Proceeds from satellite insurance claims	23	**–**	336.5
Asset write-down related to insurance claims	23	**–**	(279.4)
Depreciation and amortisation	4,5	**(571.1)**	(578.0)
Operating profit		**371.7**	529.1
Interest receivable and similar income		**102.3**	61.8
Interest payable and similar charges		**(103.4)**	(132.6)
Value adjustments on financial assets	10,11	**(6.3)**	(20.8)
Profit on ordinary activities		**364.3**	437.5
Taxes	24	**(131.2)**	(188.3)
Profit for the financial year		**233.1**	249.2
Share of associates' result	9	**4.5**	5.5
Profit attributable to minority interests		**(32.2)**	(50.2)
Profit of the Group		**205.4**	204.5
Basic and diluted earnings per share (in Euro)	25		
A – shares		**0.34**	0.34
B – shares		**0.14**	0.13
C – shares		**0.34**	0.34

The notes are an integral part of the consolidated accounts.

Consolidated statement of cash flow

Year ended December 31, 2003

	2003 EUR million	2002 EUR million
Cash flow from operating activities		
Consolidated net income before taxes	**364.3**	437.5
Taxes paid during the year	**(81.5)**	(88.8)
Net financing charges	**23.7**	44.6
Depreciation and amortisation	**571.2**	578.0
Amortisation of client upfront payments	**(88.8)**	(76.3)
Other non-cash items in the consolidated profit and loss account	**32.3**	(3.8)
Provisions for pensions and other provisions	**4.0**	(4.0)
Result on disposal of fixed assets	**2.9**	0.9
Consolidated operating profit before working capital changes	**828.1**	888.1
Changes in operating assets and liabilities		
Decrease/(increase) in inventories	**0.2**	(1.7)
Decrease in trade debtors	**43.4**	41.8
Decrease in other debtors	**4.2**	53.7
(Increase)/decrease in prepayments and deferred charges	**(4.2)**	2.0
(Decrease)/increase in trade creditors	**(36.9)**	34.2
(Decrease) in other creditors	**(14.1)**	(11.4)
Increase/(decrease) in payments received on account	**7.3**	(1.4)
Increase in upfront payments	**61.7**	54.8
(Decrease) in other deferred income	**(15.9)**	(8.3)
Cash generated by operations	**45.7**	163.7
Net operating cash flow	**873.8**	1,051.8
Cash flow from investing activities		
Purchase of intangible assets	**(2.2)**	(2.7)
Purchase of tangible assets	**(315.4)**	(683.8)
Proceeds of insurance claims received for asset disposals	**336.5**	–
Disposal of tangible assets	**2.2**	3.2
Acquisition of further AAP shareholding (net of cash acquired)	**(47.0)**	–
Purchase to acquire SATLYNX (net of cash acquired)	**–**	(42.0)
Purchase to acquire SES AMERICOM (net of cash acquired)	**–**	(7.9)
Realised proceeds on settlement of swap transactions	**102.9**	–
Proceeds of disposal of consolidated financial assets	**3.6**	–
Investment in non-consolidated financial assets	**(16.3)**	(12.2)
Proceeds of disposal of non-consolidated financial assets	**2.2**	–
Net cash generated/(absorbed) by investing activities	**66.5**	(745.4)
Cash flow from financing activities		
New borrowings	**1,708.8**	20.2
New borrowings other than from loans	**–**	1.1
Repayment of borrowings	**(2,372.2)**	(458.9)
Dividends paid on ordinary shares (net of dividends received)	**(123.7)**	(130.4)
Dividends paid to minority shareholders	**(53.1)**	(7.4)
Net financing paid on non-operating activities	**(23.7)**	(39.4)
Acquisition of FDRs	**(1.6)**	(10.8)
Dividends from equity investments	**4.5**	8.8
Net cash absorbed by financing activities	**(861.0)**	(616.8)
Movements in exchange	**(56.5)**	(76.0)
Increase/(decrease) in cash	**22.8**	(386.4)
Cash at beginning of the year	**286.9**	673.3
Cash at end of the year	**309.7**	286.9

The notes are an integral part of the consolidated accounts.

Consolidated statement of changes in shareholders' equity

Year ended December 31, 2003

	Subscribed capital EUR million	Treasury shares EUR million	Share premium account EUR million	Legal reserve EUR million	Other reserves EUR million	Currency exchange reserve EUR million	Result brought forward EUR million	Profit of the year EUR million	Total EUR million
At January 1, 2002	**175.8**	**(8.8)**	**3,696.7**	**17.6**	**–**	**(4.1)**	**–**	**40.2**	**3,917.4**
Allocation of result	–	–	–	–	39.9	–	0.3	(40.2)	–
Transfer (Note 16)	746.0	–	(746.0)	–	–	–	–	–	–
Dividend	–	–	(131.0)	–	–	–	–	–	(131.0)
Purchase of treasury shares	–	(9.0)	–	–	–	–	–	–	(9.0)
Result for the year	–	–	–	–	–	–	–	204.5	204.5
Impact of currency translation	–	–	–	–	–	(376.7)	–	–	(376.7)
Transfer to other liabilities (Note 27)	–	–	–	–	(30.1)	–	–	–	(30.1)
At December 31, 2002	**921.8**	**(17.8)**	**2,819.7**	**17.6**	**9.8**	**(380.8)**	**0.3**	**204.5**	**3,575.1**
Allocation of result	–	–	–	6.9	78.7	–	118.9	(204.5)	–
Dividend	–	–	–	–	(6.3)	–	(118.0)	–	(124.3)
Disposal of treasury shares	–	0.1	–	–	–	–	–	–	0.1
Result for the year	–	–	–	–	–	–	–	205.4	205.4
Impact of currency translation	–	–	–	–	–	(387.3)	–	–	(387.3)
Transfer to other liabilities (Note 27)	–	–	–	–	(21.2)	–	–	–	(21.2)
At December 31, 2003	**921.8**	**(17.7)**	**2,819.7**	**24.5**	**61.0**	**(768.1)**	**1.2**	**205.4**	**3,247.8**

The notes are an integral part of the consolidated accounts.

Notes to the consolidated accounts

December 31, 2003

Note 1 Corporate information

The consolidated financial statements of SES GLOBAL S.A. for the year ended December 31, 2003 were authorised for issue in accordance with a resolution of the Directors on March 18, 2004.

SES GLOBAL S.A. ('SES GLOBAL' or the 'Company') was incorporated on March 16, 2001 as a limited liability company (Société Anonyme) under Luxembourg law. References to the 'Group' in the following notes are to the Company and its subsidiaries, joint ventures and associates.

SES GLOBAL trades under 'SESG' on the Luxembourg Stock Exchange and on the Frankfurt Stock Exchange.

Note 2 Summary of significant accounting policies

Basis of preparation

The consolidated accounts are prepared on the historical cost basis, except for the measurement at fair value of derivative financial instruments, and in accordance with accounting principles and regulations generally accepted in the Grand Duchy of Luxembourg.

Basis of consolidation

The consolidated accounts comprise the accounts of the Company and its controlled subsidiaries, after the elimination of all material inter-company transactions. Subsidiaries are consolidated from the date the Company obtains control until such time as control ceases. Acquisitions of subsidiaries are accounted for using the purchase method of accounting. The financial statements of subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. Adjustments are made to conform with dissimilar material accounting policies that may exist.

Joint ventures

The Company's interests in jointly controlled entities are accounted for by proportional consolidation, which involves recognising a proportional share of the joint ventures' assets, liabilities, income and expenses with similar items in the consolidated accounts on a line-by-line basis.

Investments in associates

Investments in associates over which the Company has significant influence are accounted for under the equity method of accounting and are carried in the balance sheet at the lower of the equity-accounted amount and the recoverable amount. The pro rata share of income (loss) of associates is included in income. The carrying value of such investments includes a goodwill component where the consideration paid exceeded the fair value of the Company's share of the underlying assets.

Notes to the consolidated accounts continued

December 31, 2003

Note 2 Summary of significant accounting policies continued

Consolidated subsidiaries, joint ventures and associates

The consolidated accounts include the accounts of the subsidiaries, joint ventures and associates listed below:

	Effective interest (%) 2003	Effective interest (%) 2002	Method of consolidation
SES ASTRA S.A., Luxembourg ('SES ASTRA')	100.00	100.00	Full
SES GLOBAL-Americas Inc., USA ('SES AMERICOM')	100.00	100.00	Full
SES GLOBAL-Americas Finance Inc., USA	100.00	–	Full
SES Finance S.A., Luxembourg ('SES FINANCE')	100.00	100.00	Full
Held through SES ASTRA:			
ASTRA Marketing GmbH, Germany	100.00	100.00	Full
ASTRA Marketing Ltd, United Kingdom	100.00	100.00	Full
ASTRA Marketing Iberica S.A., Spain	100.00	100.00	Full
ASTRA Marketing France S.A., France	100.00	100.00	Full
ASTRA Marketing Polska Sp. z o.o., Poland	100.00	100.00	Full
ASTRA Marketing GmbH, Austria	100.00	–	Full
SES Ré S.A., Luxembourg	100.00	100.00	Full
SES Capital Luxembourg S.A ., Luxembourg	100.00	100.00	Full
SES Multimedia S.A., Luxembourg	100.00	100.00	Full
SES Capital Belgium S.A., Belgium	100.00	100.00	Full
SES GLOBAL-South Americas Inc., USA	100.00	100.00	Full
Nahuelsat S.A., Argentina	28.75	28.75	Equity
iBEAM Europe Ltd., U.K. (in liquidation)	33.33	33.33	Equity
IP Direct (Proprietary) Limited, South Africa	40.96	–	Equity
Held through SES AMERICOM:			
SES Subsidiary 23 Inc., USA	100.00	100.00	Full
SES Subsidiary 24 Inc., USA	100.00	100.00	Full
SES Subsidiary 25 Inc., USA	100.00	100.00	Full
SES Subsidiary 26 Inc., USA	100.00	100.00	Full
SES AMERICOM, Inc., USA	100.00	100.00	Full
SES AMERICOM (Asia 1A) LLC, USA	100.00	100.00	Full
SES AMERICOM International Holdings, Inc., USA	100.00	100.00	Full
SES AMERICOM UK Ltd., UK	100.00	100.00	Full
SES AMERICOM (Singapore) Pty., Ltd.,Singapore	100.00	100.00	Full
Columbia Communications Corporation, USA	100.00	100.00	Full
AMERICOM Government Services, Inc., USA	100.00	100.00	Full
SES AMERICOM California, Inc., USA	100.00	100.00	Full
SES Satellites International, Inc., USA	100.00	100.00	Full
Communications Satellite Int. Marketing Inc., USA	100.00	100.00	Full
Columbia/Wig USA Communications, Inc., USA	100.00	100.00	Full
SES AMERICOM Colorado, Inc., USA	100.00	100.00	Full
SES Satellites (Gibraltar) Ltd., Gibraltar	100.00	100.00	Full
SES AMERICOM do Brasil, Ltda., Brazil	100.00	100.00	Full
SES AMERICOM do Brasil Multimidia, Ltda., Brazil	100.00	100.00	Full
SES AMERICOM do Brasil Multimidia Holdings, Ltda., Brazil	100.00	100.00	Full
SES AMERICOM (Brazil) Holdings, LLC, USA	100.00	100.00	Full
SES AMERICOM Canada, Inc., Canada	100.00	–	Full
SES AMERICOM PAC, Inc., USA	100.00	–	Full
Starsys Global Positioning Inc., USA	80.00	80.00	Full
AMERICOM Asia Pacific LLC, USA ('AAP')	100.00	50.00	Full*
Worldsat LLC, USA	100.00	–	Full
Sistemas Satelitales de Mexico S. de R.L. de C.V., Mexico	49.00	49.00	Equity

*Proportionally consolidated until June 2003.

	Effective interest (%) 2003	Effective interest (%) 2002	Method of consolidation
Held through SES FINANCE:			
SES do Brasil S.A., Brazil	100.00	100.00	Full
Bowenvale Ltd, British Virgin Islands ('Bowenvale')	49.50	49.50	Full
Asia Satellite Telecommunications Holdings Ltd, Bermuda ('AsiaSat')	34.10	34.10	Full
Auspicious City Limited, Hong Kong	34.10	–	Full
Nordic Satellite AB, Sweden ('NSAB')	50.00	50.00	Proportional
Norwegian Digital Swap A/S, Norway (liquidated)	–	50.00	Proportional
Sirius Satellite Services SIA, Latvia	50.00	50.00	Proportional
SATLYNX S.A., Luxembourg ('SATLYNX')	45.23	50.00	Proportional
SATLYNX sro, Czech Republic	45.23	50.00	Proportional
SATLYNX S.A., France	45.23	50.00	Proportional
SATLYNX GmbH, Germany	45.23	50.00	Proportional
SATLYNX Srl, Italy	45.23	50.00	Proportional
SATLYNX Ltd., UK	45.23	50.00	Proportional
SATLYNX BV, The Netherlands	45.23	50.00	Proportional
SATLYNX Europe SL, Spain	45.23	50.00	Proportional
PhoenixNet Holdings Ltd., Hong Kong ('PhoenixNet')	36.52	36.52	Equity
Speedcast Ltd, Hong Kong ('Speedcast')	36.52	36.52	Equity
Star One S.A., Brazil ('Star One')	19.99	19.99	Equity

On January 15, 1999, the Company acquired, through its wholly owned subsidiary SES FINANCE, a 49.5% interest in Bowenvale which controls 68.90% of the ordinary shares of AsiaSat. The Company and Chinese International Trust and Investment Corporation ('CITIC'), have equal voting rights at Bowenvale's shareholder and Board meetings. They have entered into a shareholders' agreement under the terms of which the Company has been given the right to assist AsiaSat in important areas that relate to the operation and further development of new satellite services, due to their knowledge and expertise in this area. The holding of shares, as well as the presence of the Company on the Board of Directors and their particular responsibility in the definition and development of the satellite business, explains the full consolidation of AsiaSat in the Group's financial statements.

Partnership interests
In April 2003, the Company, together with its 100%-owned affiliate SES ASTRA, created a partnership named SES GLOBAL Americas Holdings GP, Delaware, USA.

Intangible assets
Goodwill
Goodwill represents the difference between the cost of acquisition of shares in a consolidated company and the Group's share in the fair value of the net assets acquired at the date of acquisition. Such items are amortised over their useful economic life on a straight-line basis, from the date of acquisition. The current maximum period of amortisation is 20 years. The carrying value is reviewed for impairment when events or changes in circumstances indicate that it may not be recoverable. Goodwill is stated at cost less accumulated amortisation and any impairment in value.

Other intangibles
Intangible assets, consisting principally of rights of usage of orbital frequencies and acquired transponder service agreements, are amortised on a straight-line basis over their useful lives. The current lives in use range from 20 to 21 years.

Development costs
Development expenditure incurred on an individual project is carried forward when its future recoverability can be regarded as assured. Any expenditure carried forward is amortised over the period of expected future sales from the related project.

Notes to the consolidated accounts continued

December 31, 2003

Note 2 Summary of significant accounting policies continued

Tangible assets

Land and buildings

Land is recorded at acquisition cost. Buildings are shown in the balance sheet at cost less depreciation. Buildings are depreciated over their estimated useful life on a straight-line basis. The depreciation period is primarily 25 years.

Plant and machinery – space segment

The cost of the space segment includes the procurement of satellites together with launch expenses, insurance, and other related costs. Relevant finance charges arising during the construction period of satellites are capitalised. The economic lives in use for depreciating Group satellites range from ten to 16 years.

Plant and machinery – ground segment

Machinery and equipment is depreciated evenly over its estimated useful life, which is between 3 and 15 years.

Other fixtures, fittings, tools and equipment

All such items are depreciated evenly over the estimated useful lives of between 3 and 15 years.

Payments on account and assets in course of construction

Amounts payable in respect of the purchase of future satellites, launch costs and other related expenses including ground segment expenditure and financing costs are included in the balance sheet when billed. When the asset is subsequently put into service, the expenditure is transferred to assets in use and depreciation commences.

Impairment of long-lived and intangible assets

The Group's long-lived assets and intangible assets, including its in-service satellite fleet and goodwill, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Impairments can arise from complete or partial failure of a satellite as well as other changes in expected discounted future cash flows. Such impairment tests are based on a comparison of estimated discounted future cash flows to the recorded value of the asset. If impairment is indicated, the asset value will be written down to fair value based upon discounted cash flows, using an appropriate discount rate.

Loan origination costs

Loan origination costs are capitalised and included in prepaid expenses. They are amortised over the loan periods.

Financial assets

Long-term investments and other financial assets are carried in the balance sheet at cost. An assessment is made at each balance sheet date to determine whether there is objective evidence that a financial asset may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss recognised, being the difference between the estimated recoverable amount and the carrying amount, and recorded in the profit and loss account for the period.

Inventories

Inventories primarily consist of customer premises equipment, related accessories and network equipment spares and are stated at the lower of cost or market value, with cost determined on a moving average basis and market value based on the estimated net realisable value.

Debtors

Debtors are stated at anticipated realisable value.

Investments

Fiduciary Depositary Receipts purchased for use in connection with staff stock option plans are initially valued at acquisition cost. The difference between acquisition cost and exercise price is amortised on a straight-line basis over the vesting period.

Other short-term investments are valued at the lower of cost and market value.

Cash and cash equivalents

Cash on hand and in banks, and short-term deposits which are held to maturity, are carried at cost. Cash and cash equivalents are defined as cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purposes of the consolidated statement of cash flow, cash and cash equivalents consist of cash on hand and deposits in banks, net of outstanding bank overdrafts.

Revenue recognition

The Group enters into contracts to provide high-quality satellite transponder capacity and broadcasting services for television and radio broadcasts and data-transmission services. Revenues are generated primarily from service agreements with customers to provide satellite transponder services.

All amounts received from customers under contracts for satellite capacity are recognised over the duration of the respective contracts on a straight-line basis. Payments received in advance are deferred and included in the balance sheet as deferred income. Payments of receivables in arrears are accrued and included in trade debtors.

Dividends
The Company declares dividends after the accounts for the year have been approved. Accordingly dividends are recorded in the subsequent year's accounts.

Provisions
Provisions are recognised when: the Group has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Deferred taxes
The Group provides for deferred income taxes on all temporary differences between financial and tax reporting, including tax losses and tax credits available for carry-forward. Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred tax. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Translation of foreign currencies
The Company maintains its accounting records in Euro (EUR) and the consolidated accounts are expressed in this currency. The cost of non-monetary assets is translated at the rate applicable at the date of the transaction. All other assets and liabilities are translated at closing rates of exchange.

During the year, expenses and income expressed in foreign currencies are recorded at exchange rates prevailing on the date they occur or accrue. All exchange differences resulting from the application of these principles are included in the profit and loss account.

Goodwill and fair value adjustments arising on the acquisition of a 100%-owned foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Subsidiary companies keep their accounts in their respective currencies. The assets and liabilities of consolidated subsidiaries are translated into Euro at the year-end exchange rates, while the income and expense items of these subsidiaries are translated at the average exchange rate of the year. The related foreign exchange differences are included in the currency exchange reserve.

Those SES ASTRA marketing subsidiaries which do not maintain their accounts in Euro are dependent upon SES ASTRA for funding and represent an integral part of SES ASTRA's operations. Accordingly, the temporal method of currency translation is applied to these companies' accounts for the purposes of presenting the consolidated accounts.

The principal foreign currency exchange rates used by the Group during the year were as follows:

EUR 1 =	Closing rate December 31, 2002	Average rate for the year 2003	Closing rate December 31, 2003
US dollar	1.05	1.12	1.26
Hong Kong dollar	8.16	8.71	9.78
Swedish krona	9.14	9.13	9.05

Concentration of credit risk
Cash and cash equivalents are primarily maintained with major financial institutions. These deposits are due upon demand and, therefore, bear minimal risk.

The Group provides satellite transponders and related services and extends credit to customers in the commercial satellite communications market. Management monitors its exposure to credit losses and maintains allowances for anticipated losses that are charged to other operating charges.

Basic and diluted earnings per share
The Company's capital structure consists of Class A, Class B and Class C shares that are entitled to the payment of annual dividends as approved by the shareholders at their annual meetings. Holders of Class B shares participate in earnings and are entitled to 40% of the dividends payable per Class A share.

Basic and diluted earnings per share are calculated by dividing the net profit attributable to ordinary shareholders (after deducting the founder share dividend) by the weighted average number of common shares outstanding during the period. Diluted earnings per share are also adjusted for the effects of dilutive options.

Advertising costs
The Group expenses all advertising costs as incurred.

Notes to the consolidated accounts continued

December 31, 2003

Note 2 Summary of significant accounting policies continued

Derivative financial instruments

The Group uses derivative financial instruments such as foreign currency contracts and interest rate swaps to hedge its risks associated with interest rate and foreign currency fluctuation. The Group recognises all derivatives on the balance sheet at fair value. The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments. On the date the derivative instrument is entered into, the Group designates the derivative as:

1. a hedge of the fair value of a recognised asset or liability or of an unrecognised firm commitment ('fair value hedge');
2. a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognised asset or liability ('cash flow hedge'); or
3. a hedge of a net investment in a foreign operation ('net investment hedge').

Fair value hedges

In relation to fair value hedges (interest rate swaps) which meet the conditions for special hedge accounting, any gain or loss from re-measuring the hedging instrument at fair value is recognised immediately in the profit and loss account. Any gain or loss on the hedged item attributable to the hedged risk is adjusted against the carrying amount of the hedged item and recognised in the profit and loss account.

Cash flow hedges

In relation to cash flow hedges (forward foreign currency contracts) to hedge firm commitments which meet the conditions for special hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity and the ineffective portion is recognised in net profit or loss.

When the hedged commitment results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses that had previously been recognised in equity are included in the initial measurement of the acquisition cost or carrying amount of the asset or liability.

Net investment hedges

Changes in the fair value of a derivative or non-derivative that is designated as, and meets all the required criteria for, a hedge of a net investment are recorded in the currency exchange reserve to the extent that it is deemed to be an effective hedge. The ineffective portion is recognised in net profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for special hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity is kept in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to net profit or loss for the period.

The Group formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. This process includes allocating all derivatives that are designated as fair value or cash flow hedges to specific assets and liabilities on the balance sheet or to specific firm commitments or forecasted transactions. The Group also formally assesses, both at the inception of the hedge and on an ongoing basis, whether each derivative is highly effective in offsetting changes in fair values or cash flows of the hedged item. If it is determined that a derivative is not highly effective as a hedge, or if a derivative ceases to be a highly effective hedge, the Group will discontinue hedge accounting prospectively.

Accounting for pension obligations

The Company and certain subsidiaries operate defined benefit pension plans and/or defined contribution plans. The cost of providing benefits under the defined benefit pension plan is determined using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised as income or expense when the cumulative unrecognised gains or losses for each individual plan exceed 10% of the higher of the defined benefit obligation and the fair value of plan assets. These gains or losses are recognised over the expected average remaining working lives of the employees participating in the plans. Costs relating to the defined contribution plan are recognised in the profit and loss account as incurred on an accruals basis.

Leases

Finance leases, which transfer to the Group substantially all risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair market value of the leased item or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the net profit or loss of the period.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

Note 3 Segment information

The Group's business comprises principally the operations of SES ASTRA, SES AMERICOM and AsiaSat, which are organised and managed separately. Each represents a strategic business unit serving different regional markets and as such is identified as a business segment for internal management reporting and resource allocation. The Group's other affiliates are included in a fourth business segment called 'Other Participations'.

SES ASTRA is Europe's leading direct-to-home satellite operator. The SES ASTRA fleet comprises 13 satellites, delivering TV and radio services to homes throughout Europe. SES ASTRA also transmits high-speed broadband services and provides capacity for two-way satellite applications. Additionally, the product portfolio includes direct-to-cable and occasional use services.

SES AMERICOM operates a fleet of 17 satellites serving the Americas, Europe and the Asia-Pacific region, including satellites providing transoceanic services. The Company also offers a full range of broadband services to enterprise and government markets.

AsiaSat provides transponder capacity for broadcast, broadband and telecommunications services in the Asia-Pacific region. AsiaSat's three spacecraft currently serve public and private TV and radio broadcasters from around the world.

The 'Other Participations' segment includes the Group's participations in the holding companies SES GLOBAL and SES FINANCE, in SES GLOBAL-Americas Finance Inc., as well as other affiliated companies such as NSAB, SATLYNX and Star One. Up until June 2003, this segment also included AAP. After the transaction taking the Group's shareholding in AAP up to 100%, this became part of the SES AMERICOM segment.

The Group generally accounts for inter-segment sales and transfers as if the sales or transfers were to third parties at current market prices.

The following segmental information differs from that included in the consolidated accounts as at December 31, 2002 as management are of the opinion that the current format better represents the operating activities of each segment. For comparability purposes, the 2002 figures have been restated.

Segment assets and liabilities include all operating assets and liabilities that are employed by a segment in its operating activities and that are either directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets and liabilities do not include financing liabilities or taxes payable/receivable, and are stated net of inter-segment balances.

For the year ended December 31, 2003:

	SES ASTRA EUR million	SES AMERICOM EUR million	AsiaSat EUR million	Other Participations EUR million	Elimination EUR million	Total EUR million
Segmental result						
Sales to external customers	655.5	412.6	103.1	36.3	–	1,207.5
Inter-segment sales	5.8	4.1	–	0.7	(10.6)	–
Total revenues	**661.3**	**416.7**	**103.1**	**37.0**	**(10.6)**	**1,207.5**
Operating expenses	(116.1)	(87.7)	(18.2)	(53.3)	10.6	(264.7)
Exceptional items	–	–	–	–	–	–
EBITDA	**545.2**	**329.0**	**84.9**	**(16.3)**	**–**	**942.8**
Depreciation	(157.3)	(134.7)	(25.5)	(13.9)	–	(331.4)
Amortisation of goodwill	(0.9)	(107.9)	(11.2)	(22.2)	–	(142.2)
Amortisation of other intangible assets	(30.6)	(66.2)	–	(0.7)	–	(97.5)
Operating profit (loss)	**356.4**	**20.2**	**48.2**	**(53.1)**	**–**	**371.7**
Segmental assets						
Goodwill	–	1,720.7	168.1	74.9		1,963.7
Other intangible assets	483.4	308.9	–	4.5		796.8
Tangible assets	1,077.1	1,741.7	325.7	58.8		3,203.3
Financial assets	9.3	1.9	0.7	108.3		120.2
Other assets	131.8	15.0	21.0	211.0		378.8
Segmental assets	1,701.6	3,788.2	515.5	457.5		6,462.8
Unallocated assets						314.2
Total assets						**6,777.0**
Segmental liabilities						
Segmental liabilities	275.2	144.6	39.2	33.8		492.8
Unallocated liabilities						2,795.8
Total liabilities						**3,288.6**
Capital expenditure	**83.3**	**234.4**	**19.3**	**2.6**	**(22.6)**	**317.0**

Of the total reported share of associates' results for 2003 of EUR 4.5 million, EUR (1.3) million arose in the ASTRA segment and EUR (2.0) million in the AsiaSat segment. The balance of EUR 7.8 million was attributable to the Other Participations segment.

Notes to the consolidated accounts continued

December 31, 2003

Note 3 Segment information continued

For the year ended December 31, 2002:

	SES ASTRA EUR million	SES AMERICOM EUR million	AsiaSat EUR million	Other Participations EUR million	Elimination EUR million	Total EUR million
Segmental result						
Sales to external customers	675.4	501.5	130.9	41.5	–	1,349.3
Inter-segment sales	1.8	6.7	–	0.7	(9.2)	–
Total revenues	**677.2**	**508.2**	**130.9**	**42.2**	**(9.2)**	**1,349.3**
Operating expenses	(123.3)	(104.2)	(25.3)	(55.7)	9.2	(299.3)
Exceptional items	57.1	–	–	–	–	57.1
EBITDA	**611.0**	**404.0**	**105.6**	**(13.5)**	**–**	**1,107.1**
Depreciation	(177.0)	(146.2)	(22.9)	(15.5)	–	(361.6)
Amortisation of goodwill	(0.9)	(129.1)	(11.2)	(20.2)	–	(161.4)
Amortisation of other intangible assets	(27.7)	(27.3)	–	–	–	(55.0)
Operating profit (loss)	**405.4**	**101.4**	**71.5**	**(49.2)**	**–**	**529.1**
Segmental assets						
Goodwill	0.9	2,189.5	179.3	100.4		2,470.1
Other intangible assets	514.0	421.9	–	–		935.9
Tangible assets	1,154.7	1,912.4	396.2	110.7		3,574.0
Financial assets	24.4	1.4	22.8	77.4		126.0
Other assets	525.8	25.2	(4.3)	197.3		744.0
Segmental assets	2,219.8	4,550.4	594.0	485.8		7,850.0
Unallocated assets						291.1
Total assets						**8,141.1**
Segmental liabilities						
Segmental liabilities	315.6	197.4	48.6	28.4		590.0
Unallocated liabilities						3,705.5
Total liabilities						**4,295.5**
Capital expenditure	**200.7**	**514.2**	**58.9**	**6.6**	**(96.6)**	**683.8**

Of the total reported share of associates' results for 2002 of EUR 5.5 million, EUR (1.8) million arose in the AsiaSat segment, with the balance of EUR 7.3 million being attributable to the Other Participations segment.

Note 4 Intangible assets

	Goodwill EUR million	Other intangibles[1] EUR million	Development costs EUR million	Total EUR million
Net book value at January 1, 2002	**2,906.0**	**1,109.7**	**–**	**4,015.7**
Movements in 2002 on historic cost				
Cost at January 1, 2002	2,966.2	1,140.9	–	4,107.1
Change of consolidation scope	43.5	–	–	43.5
Additions	10.4	0.9	–	11.3
Purchase allocation	62.6	(48.5)	–	14.1
Transfer from assets in course of construction	–	–	8.5	8.5
Impact of currency translation	(406.6)	(85.8)	–	(492.4)
Cost at December 31, 2002	2,676.1	1,007.5	8.5	3,692.1
Movements in 2002 on amortisation				
Accumulated amortisation at January 1, 2002	(60.2)	(31.2)	–	(91.4)
Amortisation	(151.9)	(54.4)	(0.6)	(206.9)
Purchase allocation amortisation	(2.2)	2.2	–	–
Impairment	(9.5)	–	–	(9.5)
Impact of currency translation	17.8	3.9	–	21.7
Accumulated amortisation at December 31, 2002	(206.0)	(79.5)	(0.6)	(286.1)
Net book value at December 31, 2002	**2,470.1**	**928.0**	**7.9**	**3,406.0**
Movements in 2003 on historic cost				
Cost at January 1, 2003	2,676.1	1,007.5	8.5	3,692.1
Change of consolidation scope	(4.3)	3.9	–	(0.4)
Additions	1.7	2.0	–	3.7
Disposals	–	(48.4)	–	(48.4)
Reclassification	(11.2)	18.7	–	7.5
Impact of currency translation	(385.7)	(72.6)	–	(458.3)
Cost at December 31, 2003	2,276.6	911.1	8.5	3,196.2
Movements in 2003 on amortisation				
Accumulated amortisation at January 1, 2003	(206.0)	(79.5)	(0.6)	(286.1)
Change of consolidation scope	1.0	–	–	1.0
Amortisation	(133.1)	(94.0)	(1.2)	(228.3)
Impairment	(9.1)	–	(2.3)	(11.4)
Reversal of accumulated amortisation	–	48.4	–	48.4
Impact of currency translation	34.3	6.4	–	40.7
Accumulated amortisation at December 31, 2003	(312.9)	(118.7)	(4.1)	(435.7)
Net book value at December 31, 2003	**1,963.7**	**792.4**	**4.4**	**2,760.5**

[1] Includes rights of usage of orbital frequencies and acquired transponder service agreements.

Notes to the consolidated accounts continued

December 31, 2003

Note 4 Intangible assets continued

Goodwill

The goodwill balance relates to the acquisition of SES AMERICOM, Bowenvale, SATLYNX and NSAB. The goodwill arising through the investments in Bowenvale (EUR 223.6 million) and NSAB (EUR 78.2 million) is being amortised over 20 years beginning January 15, 1999 and October 1, 2000 respectively.

Goodwill arising on the acquisition of SES Capital Luxembourg S.A. has been amortised over five years commencing December 1, 1998 and is completely amortised as at December 31, 2003.

On the acquisition of SES AMERICOM, goodwill of USD 2,367.1 million was generated. In the 12 months following the date of acquisition, the goodwill was adjusted by EUR 62.6 million (USD 61.9 million) to reflect the availability of additional information concerning the assets and liabilities acquired. This transaction and the subsequent goodwill adjustments are set out in more detail in Note 7. The goodwill is being amortised on a straight-line basis over 20 years beginning November 9, 2001. Additional costs of EUR 7.9 million were incurred in 2002 relating to the acquisition of SES AMERICOM.

Goodwill amounting to EUR 44.2 million arose on the acquisition of SATLYNX. This transaction is set out in more detail in Note 8. The goodwill is being amortised on a straight-line basis over a five-year period beginning May 24, 2002. An impairment charge of EUR 9.1 million was recorded against this goodwill in 2003 to reflect the current trading position of this company.

Goodwill of EUR 1.6 million (2002: EUR 1.8 million) arose relating to the contingent settlement of a purchase agreement between SES AMERICOM and Columbia Communications Corporation.

An impairment of EUR 9.5 million was recognised in 2002 on the goodwill arising on the investment in NSAB, to reflect the current trading position of this company.

Other intangible assets

On the acquisition of SES AMERICOM, a total valuation of USD 517.0 million was placed on certain of the intangible assets acquired, such as rights of usage of orbital frequencies and acquired transponder service agreements. Subsequent to the date of acquisition the fair value ascribed to these intangibles was adjusted by EUR 48.5 million (USD 48.0 million) to reflect the availability of additional information concerning their fair value. This transaction and the subsequent purchase allocation adjustments are set out in more detail in Note 7.

A termination fee payment from Lockheed Martin in respect of contracted revenues for use of the AAP orbital position was received during the year (see Note 21). As a result, the intangible asset representing the value of this contract has been completely written off, resulting in an amortisation charge of EUR 45.0 million (USD 53.1 million).

During the year ended December 31, 2001, SES ASTRA concluded an agreement with the Luxembourg government in relation to the usage of the Luxembourg frequencies in the orbital positions of the geo-stationary arc from 45° West to 50° East for the period of January 1, 2001 to December 31, 2021. The right of usage was granted at an agreed value of EUR 550.0 million. This cost is being written off on a straight-line basis over the 21-year term of the agreement.

The remaining balance relates to a EUR 10.0 million payment made in relation to orbital access rights. This asset is being written off on a straight-line basis over the period of the agreement.

Development costs

During 2002 the Group capitalised development costs incurred amounting to EUR 8.5 million relating to the development of Satellite Interactive Terminals, which allow the use of two-way interactive services technology. In 2003, an impairment of EUR 2.3 million was recognised on this asset to reflect a change in business assumptions concerning a portion of these development projects. The remaining balance is being amortised on a straight-line basis over seven years.

Note 5 Tangible assets in use

	Land and buildings EUR million	Space segment EUR million	Ground segment EUR million	Fixtures and fittings EUR million	Total EUR million
Net book value at January 1, 2002	**84.1**	**2,769.3**	**103.7**	**21.0**	**2,978.1**
Movements in 2002 on historic cost					
Cost at January 1, 2002	125.6	4,039.4	326.8	58.8	4,550.6
Change of consolidation scope	5.6	–	23.0	2.6	31.2
Additions	2.0	4.8	29.1	6.5	42.4
Disposals	(0.1)	–	(60.6)	(3.8)	(64.5)
Transfers from assets in course of construction	10.5	109.3	51.7	–	171.5
Impact of currency translation	(3.9)	(303.0)	(30.2)	(2.6)	(339.7)
Cost at December 31, 2002	139.7	3,850.5	339.8	61.5	4,391.5
Movements in 2002 on amortisation					
Accumulated depreciation at January 1, 2002	(41.5)	(1,270.1)	(223.1)	(37.8)	(1,572.5)
Change of consolidation scope	–	–	(8.2)	(0.8)	(9.0)
Depreciation	(6.3)	(296.5)	(49.3)	(9.5)	(361.6)
Asset write-downs related to insurance claims	–	(14.0)	–	–	(14.0)
Depreciation on disposals	0.1	–	38.9	2.6	41.6
Impact of currency translation	2.6	62.7	22.7	1.9	89.9
Accumulated amortisation at December 31, 2002	(45.1)	(1,517.9)	(219.0)	(43.6)	(1,825.6)
Net book value at December 31, 2002	**94.6**	**2,332.6**	**120.8**	**17.9**	**2,565.9**
Movements in 2003 on historic cost					
Cost at January 1, 2003	139.7	3,850.5	339.8	61.5	4,391.5
Change of consolidation scope	(0.5)	39.1	(0.7)	(0.2)	37.7
Additions	2.2	6.6	14.2	4.1	27.1
Disposals	(0.5)	(138.2)	(16.4)	(1.8)	(156.9)
Adjustments	(0.2)	–	–	–	(0.2)
Transfers from assets in course of construction	13.0	433.5	14.2	2.7	463.4
Reclassifications	–	–	1.6	–	1.6
Impact of currency translation	(4.5)	(307.9)	(29.9)	(2.6)	(344.9)
Cost at December 31, 2003	149.2	3,883.6	322.8	63.7	4,419.3
Movements in 2003 on amortisation					
Accumulated depreciation at January 1, 2003	(45.1)	(1,517.9)	(219.0)	(43.6)	(1,825.6)
Change of consolidation scope	–	1.4	2.1	0.1	3.6
Depreciation	(7.0)	(287.0)	(27.8)	(9.6)	(331.4)
Depreciation on disposals	0.5	138.2	12.5	1.8	153.0
Reclassifications	–	–	(1.6)	–	(1.6)
Impact of currency translation	2.4	72.3	22.4	2.2	99.3
Accumulated depreciation at December 31, 2003	(49.2)	(1,593.0)	(211.4)	(49.1)	(1,902.7)
Net book value at December 31, 2003	**100.0**	**2,290.6**	**111.4**	**14.6**	**2,516.6**

The carrying value of fixed assets held under finance lease contracts at December 31, 2003 is EUR 7.9 million (2002: EUR 10.2 million).

Notes to the consolidated accounts continued

December 31, 2003

Note 6 Payment on account and assets in course of construction

	Land and buildings EUR million	Space segment EUR million	Ground segment EUR million	Total EUR million
Cost and net book value at January 1, 2002	**4.4**	**892.9**	**54.7**	**952.0**
Movements in 2002 on historic cost				
Cost at January 1, 2002	4.4	892.9	54.7	952.0
Additions	13.7	602.7	24.9	641.3
Asset write-down related to insurance claims	–	(264.3)	(1.1)	(265.4)
Disposals	–	(2.8)	(0.2)	(3.0)
Purchase allocation adjustment	–	(20.7)	–	(20.7)
Reclassification	0.2	–	(0.2)	–
Transfers to assets in use	(10.5)	(109.3)	(51.7)	(171.5)
Transfers to intangible assets	–	–	(8.5)	(8.5)
Impact of currency translation	(0.4)	(115.3)	(0.4)	(116.1)
Cost at December 31, 2002	7.4	983.2	17.5	1,008.1
Cost and net book value at December 31, 2002	**7.4**	**983.2**	**17.5**	**1,008.1**
Movements in 2003 on historic cost				
Cost at January 1, 2003	7.4	983.2	17.5	1,008.1
Additions	6.5	274.8	8.6	289.9
Transfers to assets in use	(13.0)	(433.5)	(16.9)	(463.4)
Impact of currency translation	(0.9)	(146.2)	(0.8)	(147.9)
Cost at December 31, 2003	0.0	678.3	8.4	686.7
Cost and net book value at December 31, 2003	**0.0**	**678.3**	**8.4**	**686.7**

Borrowing costs of EUR 20.3 million (2002: EUR 31.0 million) arising on financing specifically relating to satellite construction were capitalised during the year and are included in 'Space segment' additions in the above table. A weighted average capitalisation rate of 2.76% (2002: 3.4%) was used, representing the borrowing cost of the relevant loans.

Note 7 Investments in subsidiaries

SES AMERICOM

On November 9, 2001, SES GLOBAL acquired 100% of the shares of SES AMERICOM, and certain other related assets, from GE Capital, in a USD 4,336.0 million transaction, including transaction costs of USD 35.6 million. SES GLOBAL exercised its option on November 7, 2001, to issue additional Special Equity Shares to GE Capital in order to decrease the cash portion of the purchase consideration by USD 300.0 million. At closing, after taking into account the Special Equity Shares issued, the purchase consideration consisted of USD 2,413.5 million in cash from borrowings under available credit facilities and 176,799,314 of the Company's Ordinary Class C Shares and 4,496,358 Preferred Class C Shares. The share consideration has been valued at a price of EUR 11.89 per share. In the 12 months following the date of acquisition the fair value of certain assets and liabilities acquired was adjusted to reflect the availability of additional information concerning these assets and liabilities.

The fair value of SES AMERICOM's assets and liabilities acquired on November 9, 2001 were as follows:

	November 9, 2001 USD million	Purchase allocation adjustments USD million	Amended fair value USD million
Intangible assets	517.0	(48.0)	469.0
Tangible assets	1,620.3	(20.5)	1,599.8
Financial assets	65.5	2.1	67.6
Trade and other debtors	93.2	10.1	103.3
Cash at bank and on deposit	272.2	–	272.2
Prepayments and deferred charges	4.7	(0.6)	4.1
Other provisions	(2.5)	–	(2.5)
Loan financing, GE Capital	(1,900.0)	–	(1,900.0)
Other long-term liabilities	(23.4)	(4.1)	(27.5)
Current liabilities	(53.9)	(17.4)	(71.3)
Deferred tax	(420.2)	8.7	(411.5)
Deferred income	(104.0)	–	(104.0)
Fair value of net assets acquired (excluding goodwill)	**68.9**	**(69.7)**	**(0.8)**
Settlement of the loan financing from GE Capital	1,900.0	–	1,900.0
Goodwill arising on acquisition	2,367.1	69.7	2,436.8
Total consideration	**4,336.0**	**–**	**4,336.0**

Under the terms of the agreement, the consideration of USD 4,336.0 million was used to settle the loan financing from GE Capital (USD 1,900.0 million) and to acquire the remaining net assets for a consideration of USD 2,436.0 million.

The total purchase allocation adjustments include re-allocations between existing assets acquired at November 9, 2001 (USD 61.9 million) and additional costs incurred on the acquisition (USD 7.8 million).

AMERICOM Asia Pacific LLC ('AAP')

On June 27, 2003, the Group acquired the remaining 50% of the share capital in AAP from Lockheed Martin for a total consideration of EUR 49.7 million (USD 58.7 million).

Notes to the consolidated accounts continued

December 31, 2003

Note 8 Interests in joint ventures

NSAB

On October 1, 2000, SES ASTRA acquired 50% of the shares of NSAB. At December 31, 2003, NSAB holds a 100% interest in Sirius Satellite Services SIA, Latvia. The Group's share of the assets, liabilities, revenue and expenses included in the consolidated accounts (before the elimination of intra-Group transactions) are as follows at December 31 and for the year then ended:

	2003 EUR million	2002 EUR million
Fixed assets	**42.5**	49.9
Current assets	**25.1**	14.4
Prepayments, deferred charges and deferred tax assets	**2.0**	3.0
Provisions for liabilities and charges	**11.0**	9.6
Amounts payable in less than one year	**3.0**	4.8
Deferred income	**1.9**	2.3
Revenue	**25.1**	31.5
Operating expenses	**(21.8)**	(24.5)
Finance income/(expenses)	**0.5**	(0.1)
Profit before income tax	**3.8**	6.9
Taxes	**(1.1)**	(2.0)
Net profit	**2.7**	4.9

SATLYNX S.A.

In May 2002, SES FINANCE and Gilat Satellite Networks (Holland) B.V. ('Gilat') created a joint venture company, SATLYNX S.A. SES FINANCE contributed Broadband Interactive assets for an amount of EUR 21.9 million and cash for EUR 56.6 million. In addition SES FINANCE incurred acquisition costs amounting to EUR 2.3 million. Gilat contributed 100% of the share capital of Gilat-To-Home Europe B.V. for a value of EUR 78.3 million.

In May 2002, SATLYNX purchased from Gilat, 100% of the shares of:
– Gilat Europe sro,
– Gilat Europe S.A.,
– Gilat Europe GmbH,
– Gilat Europe Srl,
– Gilat Europe Ltd.

for a total consideration of EUR 18.2 million which has been settled in cash for EUR 13.1 million and the issuance of Gilat A-Shareholder loans (see Note 20) for USD 4.7 million (EUR 5.1 million).

Acquisition costs in relation to these transactions amounted to EUR 5.0 million.

The fair value of the assets and liabilities acquired in 2002 through the above transactions was as follows:

	EUR million
Tangible fixed assets	22.2
Current assets	26.6
Amounts due in more than one year	(9.2)
Amounts due in less than one year	(4.8)
Warrant instruments	1.8
Goodwill arising on acquisition	44.2
Total purchase price	**80.8**

Note 8 Interests in joint ventures continued

On June 3, 2003, SATLYNX increased their share capital by means of the issuance of new shares to Alcatel Spacecom S.A.S and Skybridge LP. This resulted in a dilution of the Group's shareholding from 50% to 45.23% at that date.

The Group's share of the assets, liabilities, revenue and expenses included in the consolidated accounts (before the elimination of intra-Group transactions) are as follows at December 31, 2003 and for the year then ended. The comparative figures represent the situation at December 31, 2002 and from the date of acquisition to the year then ended.

	2003 EUR million	2002 EUR million
Fixed assets	**35.4**	60.7
Current assets	**5.7**	6.4
Prepayments, deferred charges and deferred tax assets	**4.7**	9.7
Provisions for liabilities and charges	**0.6**	0.5
Amounts payable after more than one year	**8.9**	11.5
Amounts payable in less than one year	**6.9**	7.9
Deferred income	**0.1**	0.1
Revenue	**12.2**	7.2
Operating expenses	**(45.6)**	(24.3)
Finance income/(expenses)	**0.3**	(0.5)
Loss before income tax	**(33.1)**	(17.6)
Taxes	**(0.1)**	–
Net loss	**(33.2)**	(17.6)

Note 9 Investments in associates

On December 31, 2003, the Group held interests, directly or indirectly, in four associates accounted for under the equity method. These were: Star One (19.99%); Nahuelsat (28.75%), Speedcast (36.52%) and IP Direct (Proprietary) Limited ('IP Direct') (40.96%).

At December 31, 2003, these investments have the following carrying values in the consolidated financial statements:

	Brought forward EUR million	Dividends EUR million	Additions/ (disposals) EUR million	Share of results EUR million	Impact of currency translation EUR million	Carrying value EUR million
Star One	72.0	(4.4)	–	9.6	0.6	77.8
Nahuelsat	3.4	–	–	(1.9)	–	1.5
Speedcast	2.1	–	–	(2.0)	(0.1)	–
IP Direct	–	–	1.4	(1.2)	–	0.2
Total 2003	**77.5**	**(4.4)**	**1.4**	**4.5**	**0.5**	**79.5**
Total 2002	140.9	(8.8)	4.0	5.5	(64.1)	77.5

Investments in associates at December 31, 2003 include goodwill of EUR 26.7 million (2002: EUR 29.5 million). Amortisation of goodwill of EUR 4.2 million (2002: EUR 4.7 million) is included in the share of associates' result.

SES GLOBAL's share of shareholders' equity of the interests listed above was as follows at December 31, 2003: Speedcast EUR 0.1 million; Star One EUR 40.0 million; Nahuelsat EUR 2.3 million; IP Direct EUR 2.1 million.

Note 10 Long-term investments

At December 31, 2003 the Group held long-term equity investments in the following companies:

	Historic cost EUR million	Brought forward book value EUR million	Additions EUR million	Impact of currency translation EUR million	Value adjustment EUR million	Carrying value EUR million
ND SatCom	2.1	2.1	–	–	–	2.1
Netsystem.com S.p.A.	11.9	4.9	–	–	(4.9)	–
Gilat Satellite Networks Ltd	9.9	–	2.6	–	0.3	2.9
Internet Satellite Platform Inc.	1.4	1.4	–	(0.1)	(1.3)	–
PhoenixStar	3.2	–	0.2	–	(0.2)	–
Total 2003	**28.5**	**8.4**	**2.8**	**(0.1)**	**(6.1)**	**5.0**
Total 2002	22.6	22.6	6.4	(0.4)	(20.2)	8.4

Notes to the consolidated accounts continued

December 31, 2003

Note 11 Other financial assets

At December 31, 2003 the Group held the following other financial assets:

	Historic cost EUR million	Brought forward book value EUR million	Additions EUR million	Impact of currency translation EUR million	Value adjustment EUR million	Carrying value EUR million
Loan to Able Star[1]	32.2	38.6	–	(6.4)	–	32.2
Other assets	6.9	1.5	2.2	–	(0.2)	3.5
Total 2003	**39.1**	**40.1**	**2.2**	**(6.4)**	**(0.2)**	**35.7**
Total 2002	49.3	46.3	1.8	(7.4)	(0.6)	40.1

[1] The loan of USD 40.5 million was made in 1999 to Able Star Associates Limited, British Virgin Islands, a fully owned subsidiary of the Chinese International Trust and Investment Corporation ('CITIC'). The purpose of this loan was to enable CITIC to purchase additional shares in Bowenvale to achieve the desired ownership structure. The loan bears interest at market rates and is repayable on January 15, 2006. No repayments were made in 2003.

Note 12 Inventories

	2003 EUR million	2002 EUR million
Work-in-progress (at cost)	**1.8**	0.6
Finished goods at net realisable value	**1.6**	3.4
Total inventories at lower of cost and net realisable value	**3.4**	4.0
For information purpose: Finished goods at cost	**2.1**	4.7

Note 13 Trade debtors

	2003 EUR million	2002 EUR million
Outstanding invoices on billed revenues	**33.4**	44.9
Unbilled accrued revenue	**86.4**	124.7
Total trade debtors	**119.8**	169.6

Unbilled accrued revenue represents revenues for use of satellite capacity under long-term contracts but not billed. Billing will occur based on the terms of the contracts. Trade debtors are stated net of accumulated provisions of EUR 27.6 million (2002: EUR 34.2 million). The charge to debtor provisions for 2003 of EUR 3.7 million (2002: EUR 12.5 million) is included in other operating charges.

Trade debtors at December 31, 2003 include EUR 46.8 million (2002: EUR 37.9 million) of amounts becoming due and payable in more than one year.

Note 14 Investments

	2003 EUR million	2002 EUR million
Investments in SES GLOBAL Fiduciary Depositary Receipts	**25.0**	23.1
Other investments	**11.2**	–
Total investments	**36.2**	23.1

SES ASTRA and SES GLOBAL have, in agreement with the shareholders, purchased Fiduciary Depositary Receipts ('FDRs') in respect of Class A shares for use in connection with staff stock option programmes.

Note 15 Financial instruments

At December 31, 2003, the Group held ten cross currency swap agreements (nine in the name of SES GLOBAL S.A. and one in the name of SES GLOBAL Americas Holdings GP) which have been designated as a hedge of the net investment in the US subsidiary, SES AMERICOM. The average terms of these contracts were as follows:

Currency sold	Currency bought	Average weighted maturity	Average exchange rate
USD 1,570.0 million	EUR 1,351.6 million	October 2006	EUR/USD 1.1616

Currency sold	Currency bought	Maturity date	Exchange rate
USD 45.4 million	GBP 28.0 million	September 2013	GBP/USD 1.6200

As at December 31, 2003, the fair value of these contracts amounted to EUR 105.8 million. Of this amount EUR 73.5 million (net of deferred tax of EUR 32.0 million) is included in the currency exchange reserve, with the remainder, EUR 0.2 million, being recognised in the profit and loss account as the ineffective portion of the hedging relationship.

At December 31, 2002, the Group held ten cross currency swap agreements which had been designated as a hedge of the net investment in SES AMERICOM. The average terms of these contracts were as follows:

Currency sold	Currency bought	Average weighted maturity	Average exchange rate
USD 1,225.0 million	EUR 1,242.0 million	April 2005	EUR/USD 0.9863

During the year the Group closed out these agreements resulting in a realised gain EUR 102.9 million. Of this amount EUR 71.2 million (net of current tax of EUR 31.0 million) is included in the currency exchange reserve with the remainder, EUR 0.7 million, being recognised in the profit and loss account as the ineffective portion of the hedging relationship.

At December 31, 2003, the Company also held six interest rate swap agreements (fair value hedges) with a notional amount of USD 1,045.4 million whereby the Company receives a fixed rate of interest semi-annually and pays a variable rate equal to three-month and six-month LIBOR plus a margin. The interest rate swaps were put in place at the same time as the pricing of the US Private Placement (July 2003) with a maturity profile between 2013 and 2015, amortising as of September 2007. As at December 31, 2003 the fair value of these contracts amounted to EUR 7.9 million.

At December 31, 2003, the Company had outstanding forward foreign exchange contracts (cash flow hedges) for an amount of USD 143.2 million against EUR 127.5 million with an average all-in rate of 1.1232. These foreign exchange transactions have monthly maturities out to December 2005 and correspond to specific contracts relating to satellite procurements for SES ASTRA. As at December 31, 2003 the fair value of the contracts for which no asset or liability had yet been recorded in the balance sheet amounted to EUR (7.0) million, net of deferred tax of EUR 3.0 million, and is included in the currency exchange reserve.

Note 16 Subscribed capital

The Company has an authorised share capital of EUR 10,134.0 million comprising 918,749,180 shares. The subscribed share capital of EUR 921.8 million is represented by Class A, B and C shares with no par value. The share capital is divided into the following classes:

	Ordinary A shares	Ordinary B shares	Ordinary C shares	Preferred C shares	Total shares
Subscribed at December 31, 2003 and 2002	310,340,000	245,817,836	176,799,314	4,496,358	737,453,508

Fiduciary Depositary Receipts (FDRs) with respect to the Class A shares of the Company are listed on the Luxembourg Stock Exchange and on the 'Amtlicher Handel', the official list of the Deutsche Börse. These FDRs can be traded freely and are convertible to Class A shares at any time at the option of the holder, under the conditions applicable in the Company's articles of association and in accordance with the terms of the FDRs.

All Class B shares are currently held by the State of Luxembourg or by Luxembourg public institutions.

The Class C shares were issued as part of the consideration for the acquisition of SES AMERICOM. A holder of Preferred C shares is entitled at his option at any time and from time to time to convert all or part of such Preferred C shares into Ordinary C shares at a conversion ratio of one Ordinary C share per one Preferred C share. A holder of Ordinary C shares is entitled at his option at any time and from time to time to convert all or part of such Ordinary C shares into shares of Class A at a conversion ratio of one share of Class A per one Ordinary C share.

One-third of the total number of the members of the Board of Directors are appointed from a list of candidates put up by the holders of Class B shares. The holders of Class C shares can nominate a list of candidates for up to three directors, depending on the percentage of total subscribed shares represented by the category C shares. The shareholders of Class A shares nominate a list of candidates for the remaining Board members.

Notes to the consolidated accounts continued

December 31, 2003

Note 16 Subscribed capital continued

Dividends are paid in such a manner that the payment on one share of Class B equals 40% of the payment of one share of Class A. Each Preferred C share is entitled to fixed dividends, which consist of cumulative annual dividends payable in cash at the rate of 4% per annum on a notional liquidation value of USD 50.0 million. The fixed dividend shall accrue as from the date of issue of the Preferred C shares. Dividends on Ordinary C shares are calculated as for Class A shares but are subject to deduction of the fixed dividend on the Preferred C shares for the relevant dividend period.

The acquisition of shares beyond a threshold of 20.1% of the shares of the Company by one single shareholder is subject to a process requiring a non-opposition by the Luxembourg Government as well as a decision by an Extraordinary General Meeting of the shareholders. The Luxembourg Government may only oppose such acquisition based on grounds justified by general public interest.

On June 27, 2002, the Board of Directors of the Company decided to increase the issued share capital of the Company by an amount of EUR 746.0 million, thereby raising it from its existing amount of EUR 175.8 million to EUR 921.8 million by incorporating the share premium account to the share capital to the extent of the capital increase, without issuing new shares.

Note 17 Provisions for pensions and other provisions

As of January 1, 2002, the Group's operations in Luxembourg reconstituted their staff pension scheme from an internally managed defined benefit scheme into an externally managed defined contributions scheme. In addition to the Luxembourg operations, various other Group companies operate non-funded and non-contributory defined benefit retirement scheme for qualifying employees. The assets of these schemes are held separately from those of the Group in funds under the control of trustees. The retirement benefits costs charged to the profit and loss account represent contributions payable to the scheme by the Group at rates specified in the rules of the scheme. Where employees leave the scheme prior to their contributions vesting fully, the contributions payable by the Group are reduced by the amount of forfeited contributions.

Contributions made in 2003 under pension schemes totalled EUR 2.3 million (2002: EUR 1.8 million).

Certain Group companies offer post-retirement healthcare and life insurance benefits to eligible domestic retired employees. Retirees share in the cost of their healthcare benefits through service-related contributions and salary-related deductibles. Retiree life insurance benefits are non-contributory.

The movements on the provisions are set out below:

	Provisions for pensions EUR million	Other provisions EUR million
At January 1, 2002	**4.2**	**7.1**
Change of consolidation scope	0.4	–
Provision for 2002	0.2	0.8
Reversal of provisions	–	(0.8)
Impact of currency translation	–	(0.4)
Transfer to externally managed scheme	(4.2)	–
At December 31, 2002	**0.6**	**6.7**
Change of consolidation scope	(0.1)	–
Provision for 2003	0.1	4.0
Reversal of provisions	–	(0.1)
Impact of currency translation	–	(0.3)
At December 31, 2003	**0.6**	**10.3**

Note 18 Deferred taxes

The movements on the provisions are set out below:

	Provisions for deferred tax assets EUR million	Provisions for deferred tax liability EUR million
At January 1, 2002	**6.1**	**573.1**
Purchase allocation adjustment	–	(8.8)
Provision for 2002	0.1	241.0
Reversal of provisions	(1.9)	(12.7)
Impact of currency translation	–	(83.6)
At December 31, 2002	**4.3**	**709.0**
Adjustment made on purchase of shareholding in AAP	–	7.5
Provision for 2003	0.2	106.9
Reversal of provisions	–	(106.1)
Impact of currency translation	–	(82.2)
At December 31, 2003	**4.5**	**635.1**

Deferred tax provisions reflect temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal unity.

Note 19 Interest-bearing loans and borrowings

At the end of 2003 and 2002, the loan accounts for the Group were as follows:

	2003 EUR million	2002 EUR million
US Private Placement 2013 – 2015 (USD 1 billion and GBP 28 million)	**821.9**	–
Eurobond 2008 (EUR 500 million)	**500.0**	–
Eurobond 2007 (EUR 300 million)	**300.0**	–
Bilateral multi-currency credit facilities	**386.9**	–
Syndicated multi-currency term and revolving facilities agreement (EUR 1.4 billion and USD 2.5 billion)	**–**	2,927.8
Uncommitted facility	**–**	20.2
	2,008.8	2,948.0

The maturity profile of these loans at December 31, 2003 and 2002 is as follows:

	2003 EUR million	2002 EUR million
Within one year	**–**	629.4
Between one and two years	**–**	580.9
Between two and five years	**1,287.6**	1,737.7
More than five years	**721.2**	–
Total after more than one year	**2,008.8**	2,318.6

US Private Placement

On September 30, 2003, SES GLOBAL Americas Holdings GP issued in the US Private Placement market four series of unsecured Notes amounting to USD 1,000.0 million and GBP 28.0 million made up as follows:

1. Series A USD 400.0 million of 5.29% Senior Notes due September 2013, amortising as of September 2007.
2. Series B USD 513.0 million of 5.83% Senior Notes due September 2015, amortising as of September 2011.
3. Series C USD 87.0 million of 5.93% Senior Notes due September 2015.
4. Series D GBP 28.0 million of 5.63% Senior Notes due September 2013, amortising as of September 2007.

SES GLOBAL is committed under the US Private Placement to maintaining a number of financial covenants within agreed limits in order to provide sufficient security to the lenders.

EUR 500.0 million Eurobond

On November 19, 2003, SES GLOBAL issued a Eurobond for the purpose of repayment of all outstanding amounts under the syndicated multi-currency term and revolving facilities agreement dated March 28, 2001. The issuance was for a nominal amount of EUR 500.0 million with a coupon of 4.50% and a final maturity date of November 19, 2008.

Notes to the consolidated accounts continued

December 31, 2003

Note 19 Interest-bearing loans and borrowings continued

EUR 300.0 million Eurobond

On December 17, 2003, SES GLOBAL Americas Holdings GP issued a Eurobond for financing general corporate purposes. The issuance was for a nominal amount of EUR 300.0 million with a coupon of 4.25% and a final maturity of December 17, 2007.

Bilateral multi-currency facilities

On December 31, 2003, SES GLOBAL had unsecured bilateral multi-currency revolving credit facilities in place with eight banks for a total of EUR 775.0 million with a weighted average maturity of December 2006, of which USD 487.5 million (EUR 386.9 million) was drawn. These bilateral facilities are available to both SES GLOBAL and SES GLOBAL Americas Holdings GP.

SES GLOBAL is committed under the bilateral multi-currency revolving credit facilities to maintaining a number of financial covenants within agreed limits in order to provide sufficient security to the lenders.

Uncommitted facility

In September 2002, the Company arranged an uncommitted, unsecured multi-currency facility up to a counter value of EUR 40.0 million. There were no drawings outstanding at the year-end.

AsiaSat

On November 24, 2003, AsiaSat terminated their loan agreement for an amount of USD 250.0 million. No draw-down had ever been made on this loan.

NSAB

NSAB had no outstanding loans with third parties as at December 31, 2003. A new credit facility has been negotiated for SEK 40.0 million with no assets pledged.

Note 20 Other liabilities

Other liabilities can be analysed as follows:

	Less than one year EUR million	Between one and five years EUR million	More than five years EUR million	Total – more than one year EUR million
Interest accrued	15.3	–	–	–
Accrued staff expenses	13.1	–	–	–
Movements on forward exchange contracts	12.9	–	–	–
Capital leases	1.0	3.6	3.9	7.5
Shareholder loans	0.3	3.1	–	3.1
Founder share entitlement (see Note 27)	–	21.2	–	21.2
Sundry liabilities	30.8	0.8	–	0.8
Total other liabilities	**73.4**	**28.7**	**3.9**	**32.6**

Shareholder loans

These represent the Group's portion of unsecured loans given to SATLYNX by Gilat, one of their shareholders. The date for the repayment of these loans is dependent on certain conditions.

Sundry liabilities

Sundry liabilities include accruals made in the normal course of the Group's business.

Note 21 Other operating income

Amounts included in other operating income include EUR 48.4 million (USD 57.1 million) arising from the purchase of the remaining 50% shareholding in AAP (see Note 7). This amount comprises the following:

(i) EUR 43.0 million (USD 50.7 million), being the termination fee payment from Lockheed Martin in respect of contracted revenues for use of the AAP orbital position; and

(ii) EUR 5.4 million (USD 6.4 million), being recognition of revenue from AAP previously deferred in the books of SES AMERICOM.

Note 22 Employees

The analysis of personnel as of December 31, 2003 and 2002 was:

	2003	2002
SES ASTRA	**301**	319
SES AMERICOM	**291**	277
AsiaSat	**83**	83
Other	**114**	129
Total employees	**789**	808

The average number of employees for 2003 was 799 (2002: 803).

Staff costs can be analysed as follows:

	2003 EUR million	2002 EUR million
Wages and salaries	**67.5**	89.1
Social security costs	**11.3**	12.6
Total staff costs	**78.8**	101.7

Note 23 Satellite insurance claims and related asset write-downs

In December 2002, SES ASTRA made insurance claims concerning two satellites as follows:

ASTRA 1K

A claim was made for a total constructive loss of ASTRA 1K after this satellite failed to reach its correct orbital location on November 26, 2002 due to the failure of the second firing of the Block DM fourth stage during the launch procedure. The satellite was successfully de-orbited on December 10, 2002. The total value of this claim was EUR 291.5 million.

As a result of the above, the ASTRA 1K satellite (including related ground equipment) was fully written off in 2002. This resulted in an exceptional charge of EUR 265.4 million.

ASTRA 1G

A claim was made for the lost operational capacity of ASTRA 1G arising due to the failure of one of the spacecraft's battery cells. The loss of the battery cell, which was identified in the first 12 months after the satellite's launch in December 1997, has resulted in a special battery management programme for the satellite being introduced, in particular during the eclipse season. In November 2002 following the eclipse season, SES ASTRA management concluded that despite the battery management programme a loss of eight of the satellite's 28 transponders had occurred and an insurance proof of loss was filed on this basis. The Company recognised EUR 45.0 million of insurance proceeds under this claim in 2002.

In relation to the above incident, a write-down of EUR 14.0 million of the carrying value of the satellite was made in 2002. The write-down reflected the projected impact of the transponder years lost as a result of the anomaly.

The revised carrying value reflects the proportion of the historic cost of the asset corresponding to the revised estimated transponder years available divided by the revised estimate of the total transponder years service of ASTRA 1G. This revised carrying value is being depreciated on a straight-line basis over the remaining life of the satellite in accordance with the Group's accounting policy for fixed assets.

The above receivable amounts were included in Other Debtors as at December 31, 2002 and were settled in full in 2003.

Note 24 Taxes

Taxes have been provided in accordance with the relevant local fiscal requirements. Current and deferred taxes can be analysed as follows:

	2003 EUR million	2002 EUR million
Current	**85.0**	77.3
Deferred	**46.2**	111.0
Total taxes	**131.2**	188.3

Notes to the consolidated accounts continued

December 31, 2003

Note 25 Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders (after deduction of the dividends attributable to founder shares) of each class of shares by the weighted average number of shares outstanding during the year, for each class of share.

Diluted earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders (after deduction of the dividends attributable to founder shares) of each class of shares by the weighted average number of shares outstanding during the year, for each class of share, adjusted for the effects of dilutive options.

For the year 2003, earnings per share of EUR 0.34 per Class A share (2002: EUR 0.34), EUR 0.14 per Class B share (2002: EUR 0.13), and EUR 0.34 per Class C share (2002: EUR 0.34), have been calculated on the following basis:

	2003 EUR million	2002 EUR million
Profit of the Group	**205.4**	204.5
Founder shares entitlement	**(5.4)**	(6.5)
Profit attributable to shareholders	**200.0**	198.0

Weighted average number of shares for the purpose of calculating earnings per share:

	2003	2002
Class A shares	310,340,000	310,340,000
Class B shares	245,817,836	245,817,836
Class C shares	181,295,672	181,295,672

The weighted average number of shares is based on the capital structure of the Company as described in Note 16. In calculating the weighted average of the Class C shares, the Ordinary C shares and Preferred C shares have been grouped together. This reflects the fact that the fixed dividend on the Preferred C shares is deducted from the dividend rights of the Ordinary C shareholders, rather than representing an additional entitlement to a share of earnings. Because the Class A and Class C shares have two and a half times the dividend entitlement of the Class B shares on a full year basis, the earnings per share of the Class A and Class C shares will normally be correspondingly higher than that of the Class B shares.

Note 26 Board of Directors' remuneration

The total payments to SES GLOBAL Directors for attendance at Board and Committee meetings in 2003 amounted to EUR 0.8 million (2002: EUR 0.8 million). These payments are computed on a fixed and variable basis, the variable part being based upon attendance at Board and Committee meetings.

Note 27 Founder shares

In connection with the formation of SES ASTRA, 50 Founder Shares, without voting rights, were issued, subject to certain conditions. The Articles provide that for a period of 20 years from March 1, 1985, the date of formation of SES ASTRA, the Founder Shares are entitled to a 5% participation in the net profits of SES ASTRA, after tax, resulting exclusively from television activities as determined by Article 2 of the Articles of SES ASTRA at the time of its incorporation in 1985, excluding all other revenues including without limitation those resulting from an enlargement or extension of the initial purpose. The Founder Shares are redeemable by SES ASTRA at the end of the 20-year period at a value equal to the reserved profit entitlement of the Founder Shares not yet distributed.

In 2002, an amount of EUR 30.1 million representing Founder Share distribution payments for the years 1992 to 2001 was transferred from other reserves to other liabilities and settled during 2003. In 2003, a further amount of EUR 21.2 million has been transferred out of reserves into other liabilities representing the remaining reserved profit entitlement for the years up to and including 2002.

Note 28 Off balance sheet items

Capital commitments

The Group had outstanding commitments in respect of contracted capital expenditure totalling EUR 895.9 million at December 31, 2003 (2002: EUR 686.6 million). These commitments largely reflect the purchase and launch of future satellites for the expansion and replacement of the Group satellite system, together with necessary expansion of the associated ground station and control facilities.

Operating lease commitments

Future minimum rentals payable under non-cancellable operating leases are as follows as at December 31:

	2003 EUR million	2002 EUR million
Within one year	**2.4**	6.7
Within two to five years	**8.9**	11.8
More than five years	**11.9**	–
Total minimum rentals payable	**23.2**	18.5

Customer contracts

The Group may become liable for the unused portion of upfront payments in the event of technical failure of its satellites if back-up capacity cannot be provided. This contingent liability is adequately covered by satellite insurance.

Guarantees

On December 31, 2003 the Group had outstanding bank guarantees for an amount of EUR 0.9 million. This relates to performance guarantees for services of satellite operations.

Restrictions on use of cash

The Group had no restrictions on cash as at December 31, 2003.

At December 31, 2002 there were restrictions on the use of cash balances totalling EUR 7.7 million. Of this, EUR 7.2 million arose under the terms of a lease agreement for one of the satellites belonging to SES AMERICOM.

Satellite acquisitions

SES AMERICOM has contractual rights to return two ground spare satellites in course of construction to the manufacturer under certain conditions which, if elected, would increase the aggregate cost of the primary satellite programs by EUR 48.5 million (USD 61.1 million).

Note 29 Related parties

The state of Luxembourg holds a direct 11.58% voting interest in the Company and two indirect interests, both of 10.88%, through two state owned banks, Banque et Caisse d'Epargne de l'Etat and Société Nationale de Crédit et d'Investissement. These shares constitute the Company's B shares, which are described in more detail in Note 16.

GE Capital holds a 20.1% voting interest in the Company. The following transactions and balances with GE Capital and its subsidiaries and affiliates are included in the consolidated financial statements. Other debtors include a receivable from GE Capital of EUR 0.5 million (2002: EUR 0.6 million). Revenues include EUR 17.2 million (2002: EUR 21.4 million) through sales to various General Electric companies. External charges include an amount of EUR 2.5 million (2002: EUR 10.9 million) relating to the supply of a variety of services by various General Electric companies.

The Group generated revenues of EUR 24.0 million (2002: EUR 20.5 million) from Deutsche Telekom AG ('DT') in the year ended December 31, 2003. DT holds a voting interest of 10.52% in the Company. At the year-end there were no amounts outstanding.

During the year the Group generated revenues of EUR 5.6 million (2002: EUR 0.9 million) from SATLYNX S.A., a company in which the Group owns 45.23% of the share capital (2002: 50%). In 2002, the Group contributed tangible assets amounting to EUR 21.9 million to SATLYNX as part settlement for the acquisition of the shareholding in this Company. These assets have been contributed at their fair market value.

During the year the Group generated revenues of EUR 3.9 million (2002: EUR 5.0 million) from NSAB, a company in which the Group owns 50% of the share capital. In addition, the Group paid EUR 0.5 million (2002: EUR 0.6 million) to NSAB for the rental of transponder capacity.

During the period from January 1 to June 27, 2003, the Group generated revenues of EUR 0.7 million (2002: EUR 1.6 million) from AMERICOM Asia Pacific ('AAP'), a company in which the Group owned 50% of the share capital. On June 27, 2003, the Group purchased the remaining 50% of the share capital, at which time AAP became incorporated into SES AMERICOM.

Note 30 Subsequent events

On February 2, 2004, the Group purchased an additional 25% of the share capital of NSAB, raising the Group's shareholding from 50% to 75%. As a result, the consolidation method used for NSAB changed from proportional consolidation to full consolidation as of that date.

SES GLOBAL S.A. annual accounts

Report of the independent auditor

To the Shareholders of
SES GLOBAL S.A.
Société Anonyme
Betzdorf

Following our appointment by the Annual General Meeting of the Shareholders on May 6, 2003, we have audited the accompanying annual accounts of SES GLOBAL S.A. for the year ended December 31, 2003. These annual accounts are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these annual accounts based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the annual accounts. An audit also includes assessing the accounting principles used and significant estimates made by the Board of Directors, as well as evaluating the overall annual accounts presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying annual accounts give, in conformity with Luxembourg legal and regulatory requirements, a true and fair view of the financial position of SES GLOBAL S.A. as at December 31, 2003 and of the results of its operations for the year then ended.

Ernst and Young
Société Anonyme
Réviseur d'entreprises

Werner Weynand

Luxembourg, March 18, 2004

SES GLOBAL S.A. balance sheet

December 31, 2003

Assets	Note	2003 EUR million	2002 EUR million
Formation expenses	3	**0.5**	0.6
Intangible assets	4	**1.3**	–
Tangible assets	5		
Other fixtures and fittings, tools and equipment		**0.6**	0.2
Payments on account and tangible assets in course of construction		**–**	0.4
		0.6	0.6
Financial assets			
Shares in affiliated undertakings	6	**6,103.5**	4,510.1
Amounts owed by affiliated undertakings	7	**547.5**	567.2
Other financial assets	8	**8.8**	5.6
		6,659.8	5,082.9
Current assets			
Debtors (amounts receivable in less than one year)			
Amounts owed by affiliated undertakings		**10.0**	138.3
Other receivables		**10.6**	10.1
Cash at bank and on hand		**2.6**	78.1
		23.2	226.5
Prepayments		**21.0**	16.4
Total assets		**6,706.4**	5,327.0

Liabilities	Note	2003 EUR million	2002 EUR million
Capital and reserves			
Subscribed capital	9	**921.8**	921.8
Share premium	9	**2,925.0**	2,925.0
Legal reserve	10	**24.5**	17.6
Other reserves		**66.0**	53.0
Result brought forward		**1.3**	0.3
		3,938.6	3,917.7
Creditors			
Amounts payable after more than one year			
Notes and bonds	11	**1,708.8**	–
Amounts owed to credit institutions	12	**412.9**	937.2
		2,121.7	937.2
Amounts payable within one year			
Amounts owed to credit institutions	12	**1.8**	212.4
Trade creditors		**1.4**	4.0
Amounts owed to affiliated undertakings	13	**351.8**	110.1
Taxes and social security payable		**136.9**	0.1
Other creditors		**18.8**	6.6
		510.7	333.2
Profit for the financial year		**135.4**	138.9
Total liabilities		**6,706.4**	5,327.0

The notes are an integral part of the annual accounts.

SES GLOBAL S.A. profit and loss account

Year ended December 31, 2003

	Note	**2003 EUR million**	2002 EUR million
Other operating income		**6.1**	6.8
External charges		**(13.1)**	(13.6)
Staff costs	14	**(6.3)**	(6.4)
Other operating charges		**(4.4)**	(7.0)
Value adjustments in respect of formation expenses	3	**(0.1)**	(0.2)
Value adjustments in respect of financial assets	6, 8	**(44.2)**	(3.2)
Value adjustments of fixed assets	5	**(0.2)**	–
Income in respect of affiliated undertakings	16	**120.9**	133.3
Interest receivable and similar income	17	**174.3**	69.5
Interest payable in respect of affiliated undertakings		**(35.3)**	(0.3)
Interest payable and similar charges		**(26.7)**	(34.0)
Result on ordinary activities		**171.0**	144.9
Taxes	15	**(35.6)**	(6.0)
Profit for the financial year		**135.4**	138.9

Statement of changes in shareholders' equity

Year ended December 31, 2003

	Subscribed capital EUR million	Share premium EUR million	Legal reserve EUR million	Other reserves EUR million	Result brought forward EUR million	Result for the year EUR million
Balance, beginning of the year	921.8	2,925.0	17.6	53.0	0.3	138.9
Allocation of result	–	–	6.9	13.0	1.0	(20.9)
Dividend	–	–	–	–	–	(118.0)
Result for the year	–	–	–	–	–	135.4
Balance, end of the year	921.8	2,925.0	24.5	66.0	1.3	135.4

The notes are an integral part of the annual accounts.

Notes to the SES GLOBAL S.A. accounts

December 31, 2003

Note 1 General

SES GLOBAL S.A. (the 'Company') was incorporated on March 16, 2001 as a limited liability company (Société Anonyme) under the law of the Grand Duchy of Luxembourg for an unlimited period of time.

The purpose of the Company is to take generally any interest whatsoever in electronic media and to be active, more particularly, in the communications area via satellites and to invest, directly or indirectly, in other companies that are actively involved in the satellite communication industry.

The accounting period of the Company is from January 1 to December 31.

The Company has a 99.94% interest in a partnership, SES GLOBAL Americas Holdings GP, whose accounts are integrated in those of the Company to the level of its share of the partnership.

Note 2 Accounting practices

The annual accounts are prepared in accordance with the generally accepted accounting principles and regulations in force in the Grand Duchy of Luxembourg. For comparability purposes certain figures in the 2002 profit and loss account have been reclassified.

Formation expenses

The costs of formation of the Company and the costs related to the increases in issued share capital are capitalised and amortised over five years.

Intangible assets

Development costs

Development expenditure incurred on an individual project is carried forward when its future recoverability can be regarded as assured. Any expenditure carried forward is amortised over the period of expected future sales from the related project.

Payment on account

Amounts payable in respect of development costs are included in the balance sheet when incurred. When the project is complete, the expenditure is transferred to assets in use and amortisation commences.

Fixed assets

Other fixtures, fittings, tools and equipment

All such items are depreciated evenly over the estimated useful lives, which are ten years or less.

Assets in course of construction

Amounts payable in respect of the purchase of future assets are included in the balance sheet when billed. The expenditure is transferred to assets in use and depreciation of the asset commences when it is put into service.

Financial assets

Financial assets are carried in the balance sheet at cost of purchase. If this valuation would appear to be excessive and reduction to be permanent, such assets would be written down to their realisable value.

Loan origination costs

Loan origination costs are capitalised and included in prepaid expenses. They are amortised over the loan periods.

Dividends

Dividends are declared after the accounts for the year have been approved. Accordingly dividends payable are recorded in the subsequent year's accounts. Dividends receivable from affiliated undertakings are recorded as income in the year in which they are declared by the subsidiary.

Translation of foreign currencies

The Company maintains its accounting records in Euro (EUR) and the annual accounts are expressed in that currency.

The cost of fixed assets is translated at the historical rate.

All other assets expressed in other currencies are translated individually at the historical exchange rate or the rate prevailing at the balance sheet date, whichever is lower. For liabilities, the higher exchange rate is applied.

Income and charges expressed in other currencies are recorded on the basis of the exchange rates prevailing on the transaction dates.

Realised exchange gains and losses and unrealised exchange losses are reflected in the profit and loss account.

Notes to the SES GLOBAL S.A. accounts

December 31, 2003

Note 3 Formation expenses

The development of the formation expenses during the financial year is as follows:

	2003 EUR million	2002 EUR million
Cost at beginning and end of year	**0.8**	0.8
Accumulated amortisation at beginning of year	**(0.2)**	–
Amortisation	**(0.1)**	(0.2)
Accumulated amortisation at end of year	**(0.3)**	(0.2)
Net book value at beginning of year	**0.6**	0.8
Net book value at end of year	**0.5**	0.6

Note 4 Intangible assets

	2003 EUR million	2002 EUR million
Cost and net book value at beginning of year	**–**	–
Additions	**1.3**	–
Cost and net book value at end of year	**1.3**	–

During the year, the Company capitalised development costs incurred amounting to EUR 1.3 million relating to the development of prototypes of advanced Ka-band outdoor unit technology and Ku-band multi-feed technology.

Note 5 Tangible assets

The development of tangible assets during the financial years 2003 and 2002 is as follows:

	Other fixtures and fittings, tools and equipment EUR million	Payments on account and tangible assets in course of construction EUR million	**Total 2003 EUR million**	Total 2002 EUR million
Cost at beginning of year	0.2	0.4	**0.6**	–
Accumulated depreciation at beginning of year	–	–	**–**	–
Net book value at beginning of year	0.2	0.4	**0.6**	–
Movements of the year				
Additions	0.1	0.1	**0.2**	0.6
Transfer	0.5	(0.5)	**–**	–
Depreciation	(0.2)	–	**(0.2)**	–
Cost at end of year	0.8	–	**0.8**	0.6
Accumulated depreciation at end of year	(0.2)	–	**(0.2)**	–
Net book value at end of year	0.6	–	**0.6**	0.6

Note 6 Shares in affiliated undertakings

	2003 EUR million	2002 EUR million
Cost at beginning of year	4,510.1	4,504.5
Additions	1,639.0	5.6
Cost at end of year	6,149.1	4,510.1
Value adjustments of the year	(45.6)	–
Net book value at end of year	6,103.5	4,510.1

During the year ended 2003, the Company, together with its 100%-owned affiliate SES ASTRA S.A., created a partnership – SES GLOBAL Americas Holdings GP, Delaware, USA. The Company also created a 100% subsidiary SES GLOBAL Americas Finance Inc. In addition, the Company recorded a value adjustment amounting to EUR 45.6 million on its participation in SES Finance S.A.

The addition of EUR 5.6 million in the prior year relates to consultant fees incurred relating to the acquisition of SES GLOBAL-Americas, Inc.

As at December 31, 2003, the Company holds the following investments:

	Participation	Net Book Value EUR million
SES ASTRA S.A., Betzdorf, Luxembourg	**100.00%**	1,683.0
SES GLOBAL-Americas, Inc., United States	**99.94%**	4,375.4
SES Finance S.A., Betzdorf, Luxembourg	**99.99%**	45.1
SES Multimedia S.A., Betzdorf, Luxembourg	**0.01%**	–
SES GLOBAL Americas Finance Inc, United States	**100.00%**	–
		6,103.5

Art. 248 paragraph (1) 2° of the Commercial Company Law of Luxembourg (the 'law') requires the disclosure of the amount of capital and reserves and profit and loss for the last financial year of each affiliated undertaking. In conformity with Art. 250 (3) of the law these details have been omitted as the Company prepares consolidated accounts and these consolidated accounts and the related consolidated annual report and auditors' report thereon have been lodged with the Luxembourg Trade Registry.

Note 7 Amounts owed by affiliated undertakings

	2003 EUR million	2002 EUR million
Balance at beginning of year	**567.2**	–
Movements of the year		
Advances	**15.8**	567.9
Reimbursements	**(35.5)**	(0.7)
Balance at end of year	**547.5**	567.2

Amounts owed by affiliated undertakings represent an intercompany loan with SES Finance S.A., bearing a floating interest rate.

Note 8 Other financial assets

	2003 EUR million	2002 EUR million
Balance at beginning of year	**5.6**	–
Movements of the year		
Additions	**1.8**	8.8
Value adjustments	**–**	(3.2)
Reversal of value adjustments	**1.4**	–
Balance at end of year	**8.8**	5.6

Own Fiduciary Depositary Receipts
The Company purchased a quantity of FDRs (Fiduciary Depositary Receipts) in respect of Class A shares for use in connection with staff stock option programmes. These shares are valued at the lower of cost and market value.

Note 9 Subscribed capital

Following a resolution of the Board of Directors on June 27, 2002, the issued and fully paid share capital was increased by EUR 746.0 million through a transfer from share premium to share capital.

As at December 31, 2002 and 2003 the issued and fully paid share capital amounted to EUR 921.8 million represented by 737,453,508 shares with no par value (310,340,000 Class A Ordinary shares; 245,817,836 Class B Ordinary shares and 176,799,314 Class C Ordinary shares and 4,496,358 Class C Preferred shares).

Note 10 Legal reserve

In accordance with Luxembourg legal requirements, a minimum of 5% of the yearly net profit is transferred to a legal reserve from which distribution is restricted. This requirement is satisfied when the reserve reaches 10% of the issued share capital. An allocation of EUR 6.8 million is required in the current year.

Notes to the SES GLOBAL S.A. accounts

December 31, 2003

Note 11 Notes and bonds

US Private Placement

On September 30, 2003, SES GLOBAL Americas Holdings GP issued in the US Private Placement market four series of unsecured Notes amounting to USD 1,000.0 million and GBP 28.0 million made up as follows:

1. Series A – USD 400.0 million of 5.29% Senior Notes due September 2013 amortising as of September 2007.
2. Series B – USD 513.0 million of 5.83% Senior Notes due September 2015 amortising as of September 2011.
3. Series C – USD 87.0 million of 5.93% Senior Notes due September 2015.
4. Series D – GBP 28.0 million of 5.63% Senior Notes due September 2013, amortising as of September 2007.

SES GLOBAL S.A. is committed under the US Private Placement to maintaining a number of financial covenants within agreed limits in order to provide sufficient security to lenders.

EUR 500.0 million Eurobond

On November 19, 2003, SES GLOBAL S.A. issued a Eurobond for a purpose of repayment of all outstanding amounts under the syndicated multi-currency term and revolving facilities agreement dated March 28, 2001. The issuance was for a nominal amount of EUR 500.0 million with a coupon of 4.50% and a final maturity date of November 19, 2008.

EUR 300.0 million Eurobond

On December 17, 2003, SES GLOBAL S.A., through SES GLOBAL Americas Holdings GP, issued a Eurobond for financing general corporate purposes. The issuance was for a nominal amount of EUR 300.0 million with a coupon of 4.25% and a final maturity of December 17, 2007.

The maturity profile of notes and bonds is as follows as at December 31, 2003:

	2003 EUR million	2002 EUR million
Between one and two years	–	–
Between two and five years	**910.5**	–
After five years	**798.3**	–
Total after more than one year	**1,708.8**	–

Note 12 Amounts owed to credit institutions

Bilateral multi-currency facilities

On December 31, 2003, SES GLOBAL S.A. had unsecured bilateral multi-currency revolving credit facilities in place with eight banks for a total of EUR 775.0 million with a weighted average maturity of December 2006, of which USD 487.2 million (EUR 412.9 million) was drawn.

SES GLOBAL S.A. is committed under the bilateral multi-currency revolving credit facilities to maintaining a number of financial covenants within agreed limits in order to provide sufficient security to the lenders.

Uncommitted facility

In September 2002, the Company arranged an uncommitted, unsecured multi-currency facility up to a counter value of EUR 40.0 million. There were no drawings outstanding at year end.

The maturity profile of the amounts drawn-down is as follows as at December 31, 2003 and 2002:

	2003 EUR million	2002 EUR million
Within one year	**1.8**	212.4
Between one and two years	**–**	208.0
Between two and five years	**412.9**	729.2
Total after more than one year	**412.9**	937.2

Note 13 Amounts owed to affiliated undertakings

Amounts owed to affiliated undertakings of EUR 351.8 million (2002: EUR 110.1 million) include the following:

	2003 EUR million	2002 EUR million
Short-term loan	**125.2**	–
Other creditors	**226.6**	110.1
Total amounts owed to affiliate undertakings	**351.8**	110.1

The short-term loan amounting to EUR 125.2 million (USD 157.8 million) owed to SES GLOBAL-Americas Inc. as at December 31, 2003 bears floating interest, calculated based on LIBOR minus 15 basis points. The entire principal amount of the loan is repayable at any time upon written demand.

Other creditors include short-term advances bearing interest at market rates owed to SES ASTRA S.A. of EUR 210.3 million as at December 31, 2003.

Note 14 Staff costs

The average number of employees in the workforce for 2003 was 45 (2002: 44). Staff costs can be analysed as follows:

	2003 EUR million	2002 EUR million
Wages and salaries	5.9	6.1
Social security costs	0.4	0.3
Total staff costs	**6.3**	6.4

Note 15 Taxes

Taxes in the profit and loss account have been provided in accordance with the relevant laws. The balance sheet position takes into consideration the taxable result of the Luxembourg subsidiaries (SES Finance S.A., SES ASTRA S.A. and SES Multimedia S.A.), which are part of the tax group structure, in accordance with Art 164 bis LIR.

Note 16 Income in respect of affiliated undertakings

	2003 EUR million	2002 EUR million
Dividend income	100.0	120.0
Interest income	20.9	13.3
Total income in respect of affiliated undertakings	**120.9**	133.3

Note 17 Interest receivable and similar income

	2003 EUR million	2002 EUR million
Interest income	0.7	3.2
Foreign exchange gains, net	173.4	66.1
Other financial income	0.2	0.2
Total interest receivable and similar income	**174.3**	69.5

Note 18 Board of Directors' remuneration

At the Annual General Meeting held on May 6, 2003, payments to Directors for attendance at Board and Committee meetings were approved. These payments are computed on a fixed and variable basis, the variable payments being based upon attendance at Board and Committee meetings. Total payments arising in 2003 were EUR 0.8 million (2002: EUR 0.8 million).

Note 19 Off balance sheet items

External financial instruments

As at December 31, 2003, the Company had ten cross currency swap agreements in order to hedge the net investment in SES GLOBAL-Americas, Inc. and certain GBP-denominated liabilities. The average terms of these contracts as at December 31, 2003 are as follows:

Currency sold	Currency bought	Maturity	Exchange rate
USD 1,570.0 million	EUR 1,352.0 million	October 2006	EUR/USD 1.1616
USD 45.4 million	GBP 28.0 million	September 2013	GBP/USD 1.6200

As at December 31, 2002, the Company had ten cross currency swap agreements in order to hedge the net investments in SES GLOBAL-Americas, Inc. The average terms of these contracts, which were all terminated during 2003, were as follows as at December 31, 2002.

Currency sold	Currency bought	Maturity	Exchange rate
USD 1,225.0 million	EUR 1,242.0 million	April 2005	EUR/USD 0.9863

As at December 31, 2003, the Company held six interest rate swap agreements with a notional amount of USD 1,045.4 million whereby the Company receives a fixed rate of interest semi-annually and pays a variable rate equal to three-month and six-month LIBOR plus a margin. The interest rate swaps were put in place at the same time as the pricing of the US Private Placement (July 2003) with a maturity profile between 2013 and 2015, amortising as of September 2007.

As at December 31, 2002 the Company held one interest rate swap agreement with a notional amount of USD 300.0 million whereby the Company receives an interest rate of LIBOR and pays a variable rate of LIBOR -0.205% on the notional amount. This contract was terminated in 2003.

As at December 31, 2003 an amount of EUR 10.1 million (2002: EUR 2.6 million) is included in other receivables relating to the net accrued interest on these agreements.

Notes to the SES GLOBAL S.A. accounts continued

December 31, 2003

Note 19 Off balance sheet items continued

As at December 31, 2003, the Company held 28 foreign exchange contracts designated as hedges of expected futures USD-denominated liabilities relating to the procurement of two satellites by SES ASTRA S.A.. The average terms of these contracts as at December 31, 2003 are as follows:

Currency sold	Currency bought	Maturity	Exchange rate
EUR 127.5 million	USD 143.2 million	December 2004	EUR/USD 1.1232

Inter-company financial instruments

As the expected future USD-denominated liabilities relating to the procurement of the two satellites will be recorded in the books of SES ASTRA S.A., the Company has entered into inter-company foreign exchange contracts with SES ASTRA S.A. which exactly mirror the external foreign exchange contracts. The average terms of these inter-company contracts as at December 31, 2003 are as follows:

Currency sold	Currency bought	Maturity	Exchange rate
USD 143.2 million	EUR 127.5 million	December 2004	EUR/USD 1.1232

In addition, the Company, arranged several intra-Group foreign exchange contracts in order to hedge the US Private Placement as well as certain other USD-denominated facilities. The average terms of these intra-Group contracts are as follows as at December 31, 2003:

Currency sold	Currency bought	Maturity	Exchange rate
EUR 897.1 million	USD 1,045.4 million	August 2012	EUR/USD 1.1653
EUR 395.7 million	USD 487.5 million	January 2004	EUR/USD 1.2321

On December 17, 2003, the Company arranged two intra-Group cross currency swap agreements whose average terms are as follows:

Currency sold	Currency bought	Maturity	Exchange rate
USD 370.0 million	EUR 300.0 million	December 2007	EUR/USD 1.2333

Capital commitments

As at the year-end, the Company had commitments in respect of capital expenditure amounting to a maximum of EUR 3.6 million.

Guarantees

On December 31, 2003 the Company had outstanding bank guarantees for an amount of EUR 0.9 million. This relates to performance guarantees for services of satellite operations.

Five year financial summary

	2003 EUR million	2002 EUR million	2001 EUR million	2000 EUR million	1999 EUR million
Total revenues	**1,207.5**	1,349.3	978.2	835.9	725.2
EBITDA[1]	**942.8**	1,107.1	794.6	708.7	580.5
Operating profit	**371.7**	529.1	524.3	516.6	407.0
Profit of the Group	**205.4**	204.5	280.3	244.5	201.3
Net operating cash flow	**873.8**	1,051.8	682.4	422.6	632.6
Capital expenditures	**317.0**	683.8	432.3	254.3	263.6
Net debt	**1,699.1**	2,661.1	3,140.0	834.6	559.6
Shareholders' equity	**3,247.8**	3,575.1	3,917.4	1,040.1	847.9
Earnings per A-share (in EUR)	**0.34**	0.34	0.68	0.64	0.52

Key performance ratios in %					
EBITDA margin	**78.1%**	82.1%	81.2%	84.8%	80.0%
Net income margin	**17.0%**	15.2%	28.7%	29.2%	27.8%
Return on average equity	**6.0%**	5.5%	11.3%	25.9%	25.7%
Net debt to equity	**52.3%**	74.4%	80.2%	80.2%	66.0%

[1] EBITDA is earnings before interest, tax, depreciation and amortisation.

Shareholder information

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Château de Betzdorf, L-6815 Luxembourg
Luxembourg Trade Register N° RC Luxembourg 81 267

2004 Financial calendar

Annual General Meeting of Shareholders	May 6, 2004
Dividend payment	May 19, 2004
Announcement of first-half 2004 results	Mid September 2004

Listed security
Fiduciary Depositary Receipts each in respect of one A-Share of SES GLOBAL S.A. are listed on the Luxembourg and Frankfurt Stock Exchanges under the symbol SESG.

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