SES

Your Satellite Connection to the World

Annual report 2007

Highlights 2007

- GE split-off transaction streamlined our asset portfolio and removed major share overhang
- Canal+ agreement secured future development of French direct-to-home market on ASTRA
- Strong new business growth in SES NEW SKIES
- Fleet utilisation of 77% (802 of 1,048 commercially available transponders)
- Fully protected contract backlog of EUR 5,846.4 million

Recurring[1] revenue +8.5%
€1,597.1m

Reported revenue
€1,610.7m
2006: €1,615.2m

Recurring[1] EBITDA +12.2%
€1,125.5m

Reported EBITDA
€1,090.3
2006: €1,080.4m

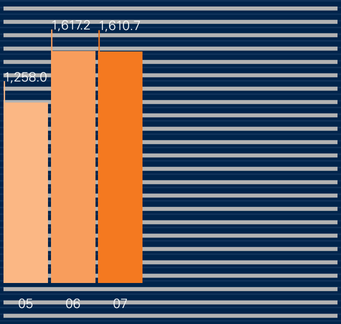
Industry-leading infrastructure EBITDA margin
81.5%
2006: 78.8%

Net operating cash flow improved to
€1,192.7m
2006: €1,060.1m

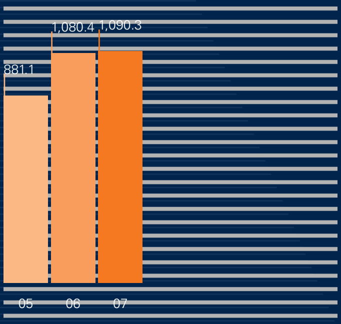
Return on average equity further improved to
17.4%
2006: 13.5%

Average weighted earnings per share +11%
€0.91
2006: €0.82

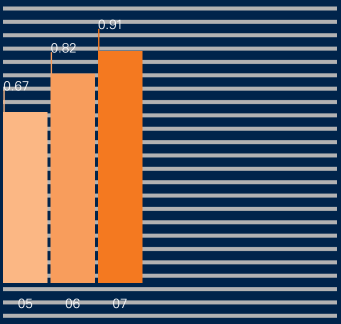
Proposed dividend increased by 36%
€0.60
2006: €0.44



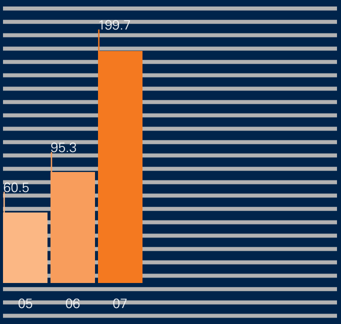
Revenue (in EUR million)



EBITDA (in EUR million)



Average weighted earnings per share (in euro)



Net debt to equity (in %)

[1] 'Recurring' is a measure designed to represent underlying revenue and EBITDA performance by removing currency exchange effects, eliminating one-time items, considering changes in consolidation scope and excluding revenue and EBITDA from new business initiatives that are still in the start-up phase.

Every day

SES satellites broadcast close to 100,000 hours of television programming that are received by hundreds of millions of people all over the world. Overall, our satellite fleet transmits more than 13,000 different services every day – from television and radio channels to internet content and data and voice communication.

SES satellites can reach 99% of the world's population and provide an essential and incredibly efficient way of communicating in many of life's situations.

Contents

We don’t just talk about leadership,
we demonstrate it.

Here’s how . . .

We reach further

[2] At January 31, 2008

SES is the world leader in providing highest quality satellite capacity for video broadcasting

Our fleet of 38 spacecraft[2] distribute more video and radio channels of the world's leading broadcasters than any other satellite system, offering unparalleled coverage of 99% of the entire population of this planet.

We also provide outstanding communication services to businesses and government agencies to relay mission-critical data and information all over the world.

We act faster

Satellite is faster

When disaster strikes, satellite communication networks support the vital action of the first responders, when the landlines are down. Satellite communication can also reach the most remote areas where terrestrial networks do not go.

As a first mover in the satellite industry, SES has often played a key role in shaping the media and broadcasting landscape over the last decades – from the launch of the first direct-to-home reception system in Europe to the roll-out of high definition TV.

We want the best

SES has a passion for satellite operations

We want the best networks. We have invested and will continue to invest in satellite technology that delivers outstanding network reliability and global reach.

We have ten satellites under construction, to be launched between 2008 and 2010 – the largest satellite investment programme in the industry.


FURT
osim

We reach further

99%

Worldwide coverage by our fleet
Positioned strategically in orbital positions with optimal look-angles towards the inhabited landmasses, SES satellites cover an area that is home to 99% of the world's population.

In a second to the newsroom
SES satellites offer flexible and easily deployable resources capable of supporting quickly changing capacity demands such as news crew contributions from the field.

The largest audience
In Europe, the ASTRA and SIRIUS satellites are received by 117.2 million homes, of which 66.9 million via cable and 50.3 million directly. This is the largest direct-to-home reception neighbourhood in the world.

The SES satellites are the world's largest video broadcasting platform. Broadcasting via satellite is the most efficient and most reliable way to distribute media programming across wide geographical areas. With their extended global reach, SES satellites are an increasingly vital component of mission-critical communication networks.


FAS
COASTGUARD
RESCUE
G-BIM
COASTGUARD
RESCUE

We act faster

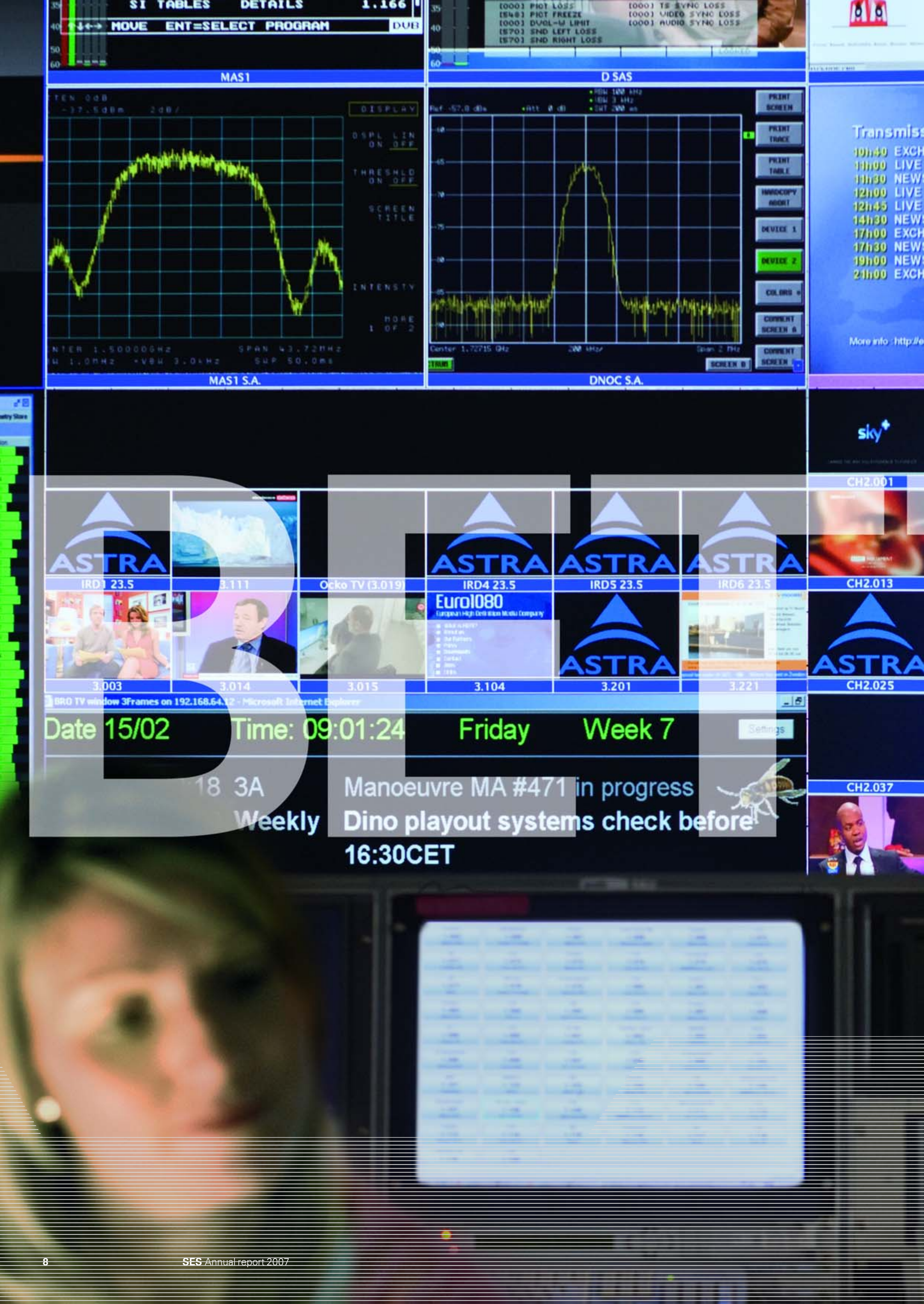
58%

58% digital satellite homes
SES is a firm believer in market-driven innovation. We have consistently supported our market partners and customers in the roll-out of new products and services. Satellite is the preferred provider of digital television programmes and today reaches 58% of European homes.

First responders
ND SatCom, an SES company, supported the communication network for first responders of the German Federal Agency for Technical Relief at the G8 Summit in Heiligendamm.

390 channels in IP format
With the development of IP-PRIME, we have taken IPTV via satellite to a new level. Thanks to the services offered by this IPTV platform, telecommunication companies in North America can now make available a large choice of programming to their subscribers – at a minimal investment cost.

Every time that time matters, satellite is a vital link in the communications chain supporting efforts to save lives, or to mitigate the effects of disasters. Satellite communication networks can be deployed at short notice, and reach remote areas or areas temporarily without terrestrial coverage.



SI TABLES DETAILS 1.166
MOVE ENT=SELECT PROGRAM
MAS1
D SAS
MAS1 S.A.
DNOC S.A.
ASTRA
IRD3 23.5
3.111
Ocko TV (3.019)
IRD4 23.5
IRD5 23.5
IRD6 23.5
CH2.001
CH2.013
Euro1080
3.003
3.014
3.015
3.104
3.201
3.221
CH2.025
Date 15/02
Time: 09:01:24
Friday
Week 7
18 3A
Manoeuvre MA #471 in progress
Weekly
Dino playout systems check before
16:30CET
CH2.037

We want the best

99.999%

Network availability
SES regularly achieves an industry-leading network availability rate of 99.999% per year. With the most elaborate redundancy and back-up systems in orbit – such as the unparalleled satellite co-location strategy – we ensure uninterrupted service.

Continuously improving skills
SES is a learning organisation, continuously improving its skills to serve its customers even better. SES invests in training and development programmes that include management and technical training.

Four satellite launches
SES plans to launch four satellites in 2008, providing replacement and additional transmission capacity. A record launch tempo in the history of SES.

SES operates the most reliable satellite platform in the world. Utmost care goes into the design, construction and operation of our spacecraft, which must function flawlessly in space, 36,000 kilometres above the Equator. Therefore, we select only the best to build and to operate our satellites.

SES at a glance

SES is the world's pre-eminent satellite operator.

We provide unrivalled satellite transmission capacity for the distribution of the world's leading television channels, of corporate and government data and communications. And we provide satellite-related application and platform services to media, enterprise and government customers worldwide

We provide communications with outstanding reach – whether on a regional or a global scale – through our market-leading companies: SES ASTRA in Europe, SES AMERICOM in North America, and SES NEW SKIES in South America, Africa, the Middle East and Asia. We also hold strategic investments in the satellite operators SES SIRIUS operating in Northern and Eastern Europe, QuetzSat in Mexico and Ciel in Canada.

The SES structure
As at January 31, 2008

Group management	SES	
Fully-owned operating companies	SES AMERICOM	100%
	SES NEW SKIES	100%
	SES ASTRA	100%
Participations in satellite operators	Ciel	70%*
	QuetzSat	49%
	SES SIRIUS (An SES ASTRA Company)	90%
Participations in satellite services companies	AMERICOM Government Services	100%
	APS (An SES ASTRA Company)	100%
	ND SatCom	100%
	SES ASTRA TechCom (An SES GLOBAL Company)	100%
	entavio	100%

* Equity ownership

SES ASTRA

SES ASTRA is the leading direct-to-home (DTH) satellite system in Europe, delivering services to more than 117.2 million DTH and cable households. 13 ASTRA satellites currently transmit 1,961 analogue and digital television and radio channels. With 28 high definition channels available via its satellites today, ASTRA is the most important high definition TV (HDTV) broadcasting platform in Europe. SES ASTRA also provides satellite-based multimedia, internet and telecommunication services to enterprises, governments and their agencies.

SES ASTRA is based in Betzdorf, Luxembourg, and has subsidiaries in Germany, the U.K., France, Spain, Poland, The Netherlands, and South Africa. The SES ASTRA business segment includes satellite operator SES SIRIUS as well as satellite services businesses ND SatCom, ASTRA Platform Services (APS) and SES ASTRA TechCom.

For more information go to:
www.ses-astra.com

Suporting telemedicine
ND SatCom's interactive satellite terminals support a telemedicine project in seven regions of Kazakhstan, covering half of the Republic's territory. Regional medical centres are connected via satellite to medical expertise only available in urban areas.

SES AMERICOM

SES AMERICOM is North America's leading satellite company. Building on a thirty year heritage in broadcast television, the company is a recognised innovator of global satellite communications services. SES AMERICOM operates 15 spacecraft providing service predominantly in North America. This fleet makes available efficient communication and content distribution solutions to broadcasters, cable programmers, aeronautical and maritime communications integrators, internet service providers, mobile communications networks, government agencies, educational institutions, carriers and secure global data networks.

SES AMERICOM, headquartered in Princeton, New Jersey, has established North America's leading satellite platform for the distribution of high definition video content and for integrated IPTV solutions for small and medium-sized telecommunications companies.

For more information go to:
www.ses-americom.com

SES NEW SKIES

SES NEW SKIES is a premier provider of satellite communication services based in The Hague, the Netherlands. The company serves a diverse customer base of telecommunications providers, media broadcasters, corporations and governments in 80 countries spanning five continents. SES NEW SKIES owns and operates a global fleet of seven satellites in orbit, with three additional spacecraft under construction (NSS-9, NSS-12 and NSS-14) and ground facilities around the world.

SES NEW SKIES has an international presence with offices in The Hague (Netherlands), Hong Kong, New Delhi, São Paulo, Singapore, Sydney, and Washington D.C.

For more information go to:
www.ses-newskies.com

Participations and service businesses

SES SIRIUS
SES SIRIUS is the owner and operator of the SIRIUS satellites and provides transmission capacity for the distribution of TV and radio channels and for a wide range of telecommunications and broadband services.
SES SIRIUS primarily serves the Nordic countries and the Baltic states, as well as Eastern European countries. On January 31, 2008 SES increased its shareholding in SES SIRIUS from 75% to 90%.
www.ses-sirius.com

ND SatCom
ND SatCom, a 100%-owned SES company, is a leading global supplier of satellite-based broadband VSAT, broadcast, government and defence communication network and ground station solutions.
www.ndsatcom.com

SES ASTRA TechCom
SES ASTRA TechCom, a 100%-owned SES company, provides operational services, technical consultancy and high-tech products as well as integrated solutions to the satellite industry around the world.
www.ses-astra.com

APS
APS, ASTRA Platform Services GmbH, operates a broadcasting centre in Unterföhring near Munich, Germany, and provides play-out, multiplexing, encryption and satellite uplinks to broadcasters.
www.aps.de

entavio
entavio is a 100%-owned SES company providing a technical and service platform which offers satellite households in Germany a wide range of digital free and pay-TV programmes through a single receiver.
www.entavio.de

AMERICOM Government Services
AMERICOM Government Services, Inc. (AGS), an independent corporation and wholly-owned subsidiary of SES AMERICOM, Inc., is exclusively serving the satellite communication needs of the U.S. Government.
www.americom-gs.com

With up to 1,100 channels broadcast from one orbital position, SES satellites have established the most attractive neighbourhoods for media broadcasters and TV viewers.

1,100

Better picture, more choice
In 2007, the number of channels transmitted in high definition on SES satellites increased to 62. This makes SES the largest HD platform in the world.

We connect
SES satellites connect the remotest areas and provide capacity for GSM backhaul services to Telikom PNG, the premier operator of voice and data services in Papua New Guinea.

Network overview – Global reach

The SES companies provide extensive, efficient, secure and reliable coverage and connectivity.

We have continuously built our network to meet the current and anticipated communication needs of broadcasters, businesses and government agencies worldwide. With more than 30 satellites positioned around the globe, and more than 20 teleports worldwide, we offer global reach and connectivity with optimal look angles and cutting-edge technology. Whatever the communication requirements, our customers are connected and on the air.

1,048

The SES satellites feature a combined total of 1,048 transponders on 38 spacecraft located at 25 orbital positions around the globe.

118

SES satellites provide transmission capacity to French Polynesia's Office des Postes et Télécommunications to connect the 118 islands of French Polynesia to the internet.

SES AMERICOM

SES AMERICOM satellites provide coverage of North America, including Hawaii and the Caribbean.

AMC-1	103° West
AMC-2	85° 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	83° West
AMC-10	135° West
AMC-11	131° West
AMC-15	105° West
AMC-16	85° West
AMC-18	105° West
SatCom C3	79° West

Future satellites

AMC-14	61.5° West
AMC-21	125° West
AMC-1R	101° West
AMC-5R	79° West

SES ASTRA

SES ASTRA satellites cover Western and Continental Europe, including parts of Northern Africa.

ASTRA 1C	5° East
ASTRA 1D	23.5° East
ASTRA 1E	23.5° East
ASTRA 1F	19.2° East
ASTRA 1G	19.2° East
ASTRA 1H	19.2° East
ASTRA 1KR	19.2° East
ASTRA 1L	19.2° East
ASTRA 2A	28.2° East
ASTRA 2B	28.2° East
ASTRA 2C	28.2° East
ASTRA 2D	28.2° East
ASTRA 3A	23.5° East

Future satellites

ASTRA 1M	19.2° East
ASTRA 3B	23.5° East

SES NEW SKIES

The SES NEW SKIES satellites cover the Middle East, Asia and the Pacific region, South America and Africa. They also establish connectivity between the regions.

NSS-5	183° East
NSS-6	95° East
NSS-7	338° East
NSS-703	57° East
NSS-806	319.5° East
NSS-10	322.5° East
NSS-11	108.2° East

Future satellites

NSS-9	183° East
NSS-12	57° East
NSS-14	338° East

SES SIRIUS

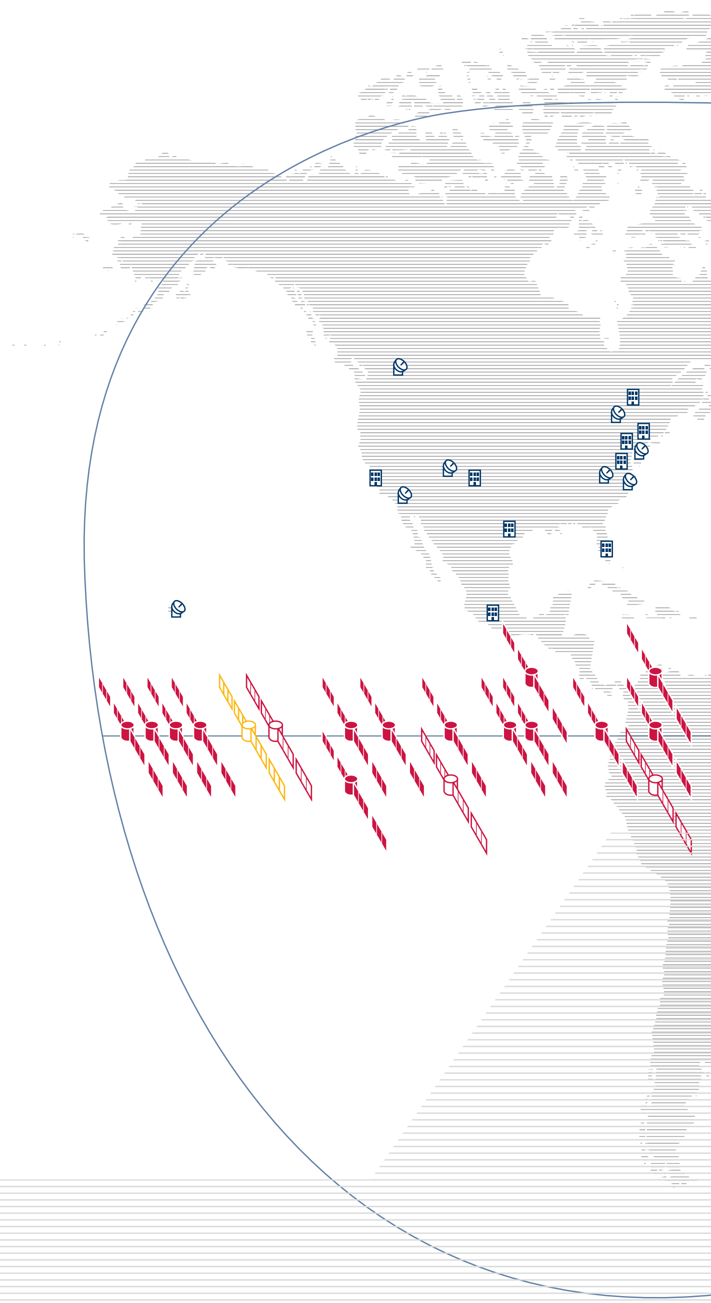
SES SIRIUS satellites cover Northern and Eastern Europe, as well as parts of Africa.

SIRIUS 2	tbd
SIRIUS 3	5° East
SIRIUS 4	5° East

Ciel (future satellite)

The Ciel satellite provides coverage of North America, and particularly of Canada.

Ciel 2	129° West



Future satellite

Teleports

Offices

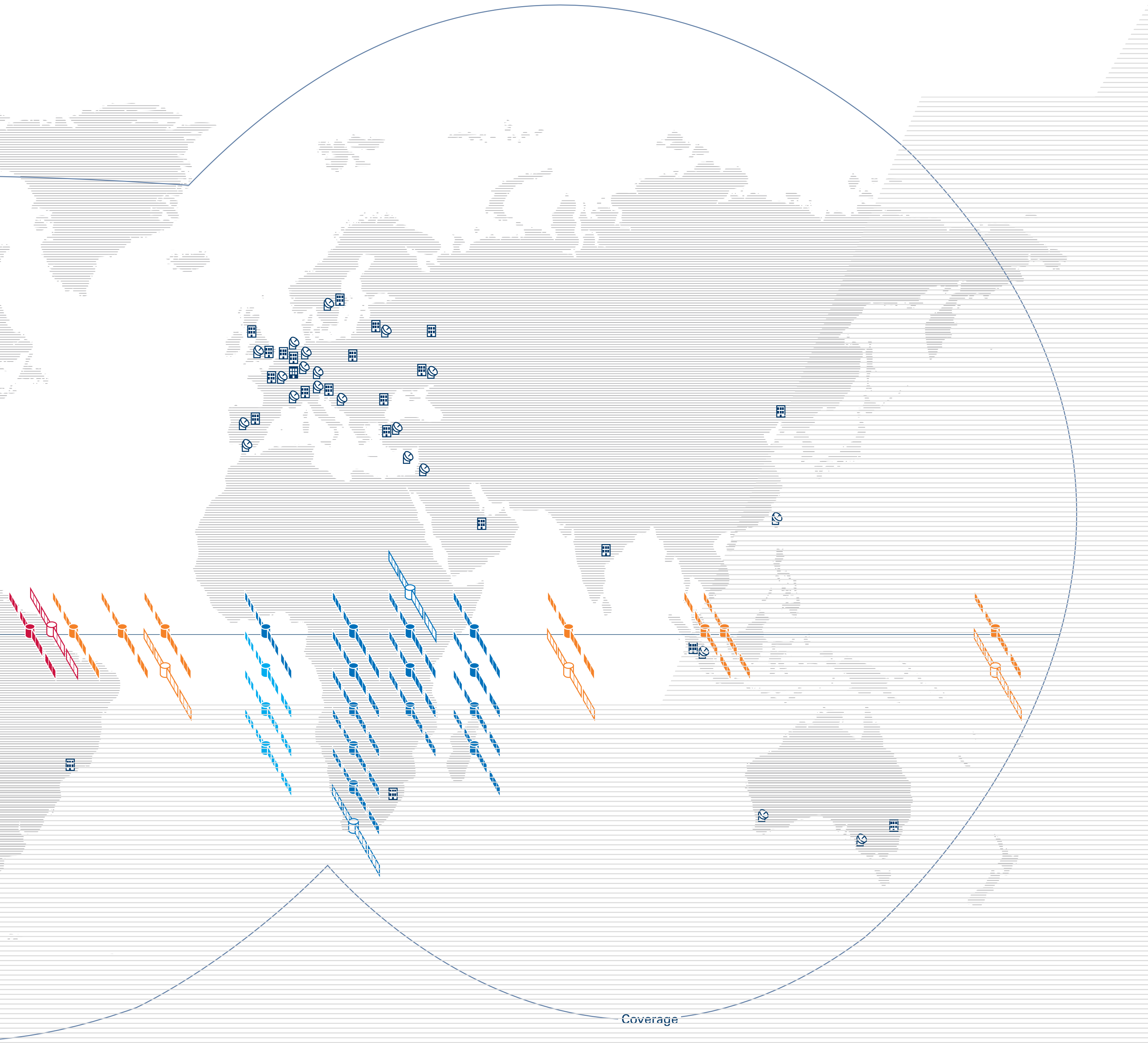
For more information go to:
www.ses.com

ND SatCom substantially contributed to the implementation of Bulgaria's first telemedicine network for the country's armed forces by providing the core platform. The satellite-based platform was chosen for its reliability in earthquake-prone regions.

SIRIUS 4, the newest satellite in the SES SIRIUS fleet, provides the capacity to transmit the first DTH pay-TV services in Ukraine.

SES operates an integrated network of Earth stations that provide the telemetry, tracking and control of its satellite fleet. SES applies highest standards of interoperability, with control stations organised in mutual back-up mode.

In late 2007, SES established an operations and procurement organisation for the entire SES group. The SES ENGINEERING division reshapes the existing operations and procurement functions into one single powerful entity that serves and supports the commercial operations of SES ASTRA, SES AMERICOM and SES NEW SKIES by managing, maintaining and developing the space and ground infrastructure.



Consistently improving shareholder return

SES continued its growth in 2007, with improved financial performance. Adjusted for transaction changes impacting the scope of the SES group, our recurring revenue and EBITDA, as well as operating profit and earnings per share all grew strongly.

On behalf of the Board of Directors, I am pleased to announce a set of strong results for the business year 2007. We delivered consistently improving returns to shareholders, as demonstrated by the increase in return on average equity to 17.4% from 13.5% in 2006.

This has been achieved by improved operational and financial results which lead the Board of Directors to propose a 36% increase in the dividend per share to EUR 0.60, and by a successful share buyback programme that substantially contributed to increase shareholder returns.

2007 changed the face of our company. We successfully concluded a significant split-off transaction with a major shareholder, General Electric. In this transaction, SES contributed assets and cash in exchange for GE's entire shareholding in our company. This enabled us to restructure and optimise our portfolio of assets by exiting from minority participations whose assets overlapped with wholly-owned SES companies, and by divesting from non-core activities. The transaction also removed the perceived GE share overhang that had existed since GE announced its intention to divest from its interest in SES, creating the perception of a cap on the share price. The GE split-off transaction resulted in the cancellation of the acquired 103 million own shares, delivering immediate shareholder benefits.

I would like to thank GE, who has been an active, supportive and focused shareholder of this company, for its contribution to the progress and growth of SES since 2001.

Throughout the year, we have been executing our share buyback programme. In addition to the 103.1 million shares cancelled in the context of the GE transaction, we bought a further 7.7 million FDRs for cancellation between March and December 2007.

SES' 2007 results must be read in the light of the GE split-off transaction. We report solid recurring[4] revenue growth, up 8.5% to EUR 1,597.1 million. Recurring EBITDA progressed by 12.2% to EUR 1,125.5 million. The EBITDA margin generated by our capacity-leasing satellite infrastructure business reached 81.5% and is the highest in the industry.

René Steichen
'SES' 2007 results must be read in the context of the GE split-off transaction.'

Net profit was EUR 404.0 million. Notably as a result of the share buyback and cancellation programme to which we applied a total of EUR 1.4 billion during the year, the average weighted earnings per share rose by 11% to EUR 0.91.

The reported revenue of the SES group, at EUR 1,610.7 million, remains stable compared to the prior year. This reflects the combined effects of a healthy increase in recurring revenues, delivered by organic growth and the full-year contribution from SES NEW SKIES and ND SatCom, mitigated by the absence of one-off items, the impact of the weakening U.S. dollar and the impact of the assets sold as part of the GE split-off transaction.

Recurring revenue growth is driven by strong increases at SES ASTRA and SES NEW SKIES. Strong market demand led to new business take-up both in the infrastructure as well as in the services businesses. SES NEW SKIES took advantage of the growing market demand for its existing satellite capacity, and the new capacity transferred from SES AMERICOM and SES ASTRA. SES ASTRA saw robust growth of capacity demand in all its key markets in Europe, with its services businesses growing according to plan.

EBITDA increased by 0.9% to EUR 1,090.3 million. This development is mainly due to the reduction of operating expenses, driven by effective cost management, by cost synergies arising from the integration of SES NEW SKIES, currency exchange rate movements and lower in-orbit insurance costs.

SES' overall EBITDA margin increased to 67.7%, from 66.9% in the prior year. More importantly, the EBITDA margin derived from the satellite infrastructure and capacity business reached 81.5% (up from 78.8% in 2006) and is the highest in the FSS industry.

Net operating cash flow rose strongly by 12.5% to EUR 1,192.7 million. Free cash flow was EUR 672.8 million (despite net cash outflows of EUR 638.0 million relating to the acquisition of tangible assets, and cash balances of EUR 69.6 million leaving the group as a consequence of the GE split-off transaction).

In 2007 net debt was raised to EUR 3,217.9 million in line with our guidance on leveraging.

[4] 'Recurring' is a measure designed to represent underlying performance by eliminating the effects of currency exchange movements and of one-time items, by adjusting for changes in consolidation scope and by excluding revenue and EBITDA from new business initiatives that are still in a start-up phase.

Strong outlook

We will continue to pursue a strategy that has successfully supported the creation of shareholder value in 2007. This strategy is geared towards generating organic growth in the core satellite infrastructure business, augmented by growth in the satellite services business, and complemented by select acquisitions.

As we enter 2008, SES benefits from a very strong position. At the end of 2007, the backlog of contracted revenues was EUR 5,846.4 million, providing a secure foundation for future growth.

Our strong balance sheet provides us with the capability to take advantage of future development opportunities. We actively manage our treasury to maintain adequate liquidity for scheduled bond redemptions, as well as to finance our investment programme and any potential acquisitions. This investment programme will deliver a substantial increase in available capacity and support future growth. Based on these considerations, we feel confident to upgrade our 2008 guidance.

Furthermore, SES has many features conferring protection against the turmoil in the financial markets. We have substantial liquidity, a strong balance sheet, and limited direct or indirect exposure to the problems experienced in the credit markets. And we have taken steps to protect ourselves, both at the level of the balance sheet and of the profit and loss account, against movements in the U.S. dollar's exchange rate.

On behalf of the Board of Directors, I would like to thank the management and the employees of the SES group for the achievements of 2007, and for successfully positioning of our company for the market and customer demands of the future.

René Steichen
Chairman of the Board of Directors

Dividend
Based on improved operational and financial results, the proposed dividend per share increased by 36% to EUR 0.60.

€0.60

Share buyback
SES applied EUR 1.4 billion to share buybacks in 2007. The GE split-off transaction delivered immediate shareholder benefits.

€1.4bn

President and CEO's statement

In 2007, SES once again generated the highest margins and earnings among Fixed Satellite Services operators, and delivered on our commitment to consistently improve returns to shareholders.

Reliably delivering strong results

SES again recorded a strong set of results in the business year 2007. Our positive financial development reflects the company's favourable operational performance, with all our businesses delivering good progress during the year.

Our excellent results were achieved through a combination of recurring revenue growth and focused initiatives to control costs.

Continuously growing business and recurring revenues
During the year, SES continued to strengthen its space infrastructure, creating the basis for growth and addressing current and future demand for satellite capacity. We pursued our investment programme to replace satellites at the end of their operational life, and to enhance our combined satellite fleet by adding new capacity. In 2007, we added a net 44 transponders to our satellite fleet and increased our marketable capacity to 1,048 transponders. We successfully launched two new satellites, ASTRA 1L and SIRIUS-4, and initiated the commercial operation of AMC-18. Our utilisation rate increased from 75% to 77%.

We also signed new capacity contracts in major markets. SES satellite companies are the providers of choice to media broadcasters, transmitting the most appealing line-up of media content to reach the largest audiences anywhere in the world.

In Europe, we concluded numerous capacity contracts with leading broadcasters using the ASTRA satellite system at its flagship orbital positions. The capacity agreement concluded with Canal+ was a milestone deal, securing the future development of the French direct-to-home market on the ASTRA satellite system. Additional transponder agreements were concluded with Sogecable in Spain, public broadcasters ARD and ZDF in Germany, and ITV in the UK. We also developed and strengthened a new hot spot for direct-to-home broadcasting at 23.5° East. We provided the satellite capacity for the first direct-to-home pay-TV platform in Ukraine. The satellites operated by SES ASTRA and SES SIRIUS are a vital link in the distribution chain of TV and audio channels in Europe, and now broadcast more than 2,300 channels to 117.2 million homes.

In the U.S., we signed a long-term contract with Comcast for high definition broadcasting capacity. Following a recent extension of the capacity contracted to this anchor customer of SES AMERICOM, the entire capacity of the recently-launched AMC-18 satellite is now sold.

SES satellites reach further and establish critical connections.

SES NEW SKIES registered very dynamic growth, increasing revenue by 20% on a like-for-like basis. We contracted capacity on the SES NEW SKIES satellites to ensure distribution of the French-language news channel France 24 in Africa, to distribute new TV channels for direct-to-home reception in Cameroon, to provide broadband via satellite connections throughout Africa, to connect the Pacific islands of French Polynesia to the internet backbone, and to provide GSM backhaul services to Papua New Guinea.

Romain Bausch
President and CEO
'SES delivers business growth and consistent improvement of shareholder returns.'

We also broke new ground in our services businesses which contributed to the revenue growth of the SES group. New innovative satellite-based services were introduced. In the U.S. market, SES AMERICOM launched IP-PRIME, the most cost-efficient and comprehensive IPTV solution allowing telecommunications companies to provide world-class television service in IP format.

In Europe, we successfully introduced ASTRA2Connect, a satellite-based service for high-speed broadband access to the residential market, facilitating dual or triple play offers including Voice over IP and TV broadcast services.

Other developments included the launch of the *entavio* digital platform in Germany. A first framework contract to use *entavio* was signed in the first half 2007 with the German pay-TV operator Premiere. The platform was launched on September 1 on time and within the expected budget. Following a modest take-up in the market during the initial launch phase, *entavio* continues to work with its customers to optimise the offering.

A tight grip on cost management

We concluded a EUR 1.2 billion split-off transaction with our former main shareholder GE. This transaction streamlined our business and portfolio of assets, focusing our activities onto 100% owned operations and enabling an exit from non-core activities.

We successfully implemented a number of initiatives to control costs on an ongoing basis. We signed a multi-launcher agreement at the SES group level which substantially enhances our access to space and creates a significant business advantage at a time when launch vehicles are in high demand.

We also introduced a new approach to the procurement of in-orbit insurance for our satellites on a group basis which favourably impacted the premiums to be paid.

And we set up a new division, SES ENGINEERING, to consolidate all of the SES group's technical operations as well as satellite management and procurement functions. This will contribute to achieve greater operational and capital expenditure synergies.

A realistic investment programme creating the basis for future growth

SES has a clear strategy for the future, which relies on a strong business model and a highly robust outlook. The high level of contracted revenues provides a secure foundation for future growth which we will pursue in two major directions:

_ We will continue to systematically grow our infrastructure business providing transmission capacity in existing and in emerging markets. In order to fuel this organic growth, we have four satellite launches scheduled in 2008 alone, adding 93 additional transponders to our fleet. In the period 2008 to 2010, we plan to launch 10 new satellites, thereby adding the equivalent of 27% of the current commercially available capacity.

  In addition, we will continue to actively pursue opportunities for select acquisitions or acquisitions of assets from other satellite operators, in order to strengthen our footprint in areas where it is currently less strong.

_ We will also proceed with the development and streamlining of our services activities, with a focus on the media and government business segments. We will continue to improve the profitability of these initiatives which are complementary to our core infrastructure business.

SES is well positioned to continue its success story through a combination of our business growth strategy and a consistent improvement of shareholder returns.

Romain Bausch
President and CEO

Capacity increase
Between 2008 and 2010, SES plans to launch ten satellites, delivering a 27% increase in available capacity.

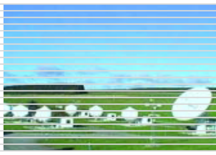
27%

Utilisation rate
The utilisation rate of our fleet increased from 75% to 77%.

77%

Operations review

Market developments



Growth driver
With 60% of the industry's total revenue, video distribution continued to drive demand.

Secure planning
The outcome of the WRC enables secure planning for C-band services.

GSM relies heavily on satellite
GSM backhaul services are a growth area mainly in Africa and Asia.

Fixed Satellite Services in 2007: a growth industry
In 2007, the Fixed Satellite Services (FSS) industry generated approximately USD 8.6 billion in revenue worldwide.

FSS operators are a vital link in the world's communications networks. They provide satellite transmission capacity for the most cost-efficient distribution of TV and radio services on regional, continental or global scale. Directly or indirectly, they serve almost every TV home worldwide, delivering TV channels either for direct-to-home (DTH) reception or for distribution via cable networks and high-speed DSL networks (IPTV). They provide capacity for mission-critical enterprise and government communication through satellite fleets establishing regional or global connectivity, and operating in the C-band, Ku-band and Ka-band portions of the frequency spectrum.

Following several rounds of industry consolidation in the previous years, the market shares of the major players in the FSS industry remained basically unchanged in 2007, as investors consolidated their positions. The consolidation trend in the FSS industry slowed down in 2007.

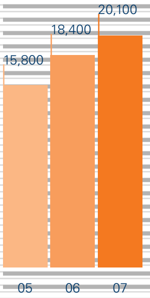
At year-end 2007, the four largest FSS operators had an estimated combined market share of 70%, compared to approximately 71% a year earlier. At the same time, however, new satellite operators were incepted, sharpening competition in some regions of the world.

2007 also highlighted the touch-points between the FSS and Mobile Satellite Services (MSS) industry sectors. MSS operators provide capacity and services for reception on mobile devices in cars, airplanes, or on handheld small terminals. In addition to the ambitious investment plans developed by existing and entrant operators into the MSS market, established FSS operators pursued their approach to establish a presence in the MSS market place. SES believes in the growth potential of this market, while recognising that the MSS space will be the theatre of consolidation moves in the near future.

In an important development, the FSS industry led successful negotiations at the World Radio Conference of the International Telecommunications Union to protect the users of C-band spectrum from terrestrial interference. The confirmed allocation of spectrum represents a strong endorsement of the critical nature and value of C-band satellite services, and enables the FSS industry to plan the further development of these services.

In a dynamic and expanding market, all major operators benefited from new growth opportunities.

The FSS industry registered continued growth in 2007. Video distribution and broadcasting, which represents approximately 60% of the industry's total revenue, continued to drive growth in demand for satellite transmission capacity in 2007.



Channel growth
A growing number of TV channels worldwide continues to drive demand for transmission capacity.

Growing demand for media distribution

Capacity utilisation improved during 2007, as demand for media distribution capacity continued to grow strongly, driven by new TV platforms and by the increase of new channels in developing markets. During 2007, nine new direct-to-home platforms were launched in Europe, Asia and Latin America, where satellite is the best distribution mechanism enabling broadcasters to optimise their reach. The total number of video channels carried by satellite worldwide increased from 18,400 in 2006 to 20,100 at year-end 2007.

The commercial roll-out of high definition TV (HDTV) reinforced the growth dynamics. Satellite represents the most efficient transmission channel for the bandwidth-intensive HD applications. 713 full-time HD channels were operational at year-end 2007, up from 106 the previous year. Approximately 600 of these channels were broadcast in the North American market, 450 of which are local channels. In Europe's main markets, the commercial HD offer doubled in 2007.

New terrestrial video distribution networks in 2007 inaugurated a new level of opportunities for services provided by the FSS industry. As cable and telecom operators launch triple or quadruple play offerings combining TV, broadband internet access, fixed and mobile telephony, the FSS industry positions itself as a complementary service provider to the telecom and cable operators, especially in North America and in developed Asia. The development of these distribution platforms such as satellite-delivered IPTV services (television in IP format) continued to progress in 2007, and revealed positive development potential for the FSS industry.

In some European markets, digital terrestrial television (DTT) networks are establishing their presence, especially in France, the U.K. and Spain. Beside enhancing competition for FSS operators in the distribution of regional content, these networks also present business opportunities for FSS operators to feed content into the DTT networks.

In the segment of satellite broadband services, the 'direct to user' services experienced similar growth rates as the video transmission/distribution segment. Ka-band based satellite solutions for direct access are starting to take off in North America, complementing existing terrestrial networks. VSAT (Very Small Aperture Terminal) solutions have established their position as attractive communications service solutions in the enterprise and government markets. Other growth sectors are GSM backhaul, mainly in Africa and Asia.

In the government and institutional segment, the FSS industry has significantly developed its position over the past years, as civil and military government agencies increasingly complement their proprietary satellite communications systems with commercial satellite communications capacity. In addition, administrations of smaller countries have become almost entirely reliant on commercial satellite capacity. This growth trend was pursued in 2007, as the FSS industry provided an increased proportion of the communications infrastructure mix of governments and administrations.

Operations review

Key corporate developments

Fleet development
By mid-February 2008, SES had ten satellites under procurement.

Organic growth across the group's entire operational base was led by the strong performances at SES ASTRA across all its European key markets and at SES NEW SKIES which delivered particularly good results, demonstrating our ability to deliver not only cost synergies, but also revenue synergies from acquisitions.

GE split-off transaction leads to optimisation of portfolio of assets, elimination of share overhang and to simplification of shareholder structure

SES concluded a significant EUR 1.2 billion split-off transaction with major shareholder GE. This transaction, in which SES contributed assets and cash in exchange for GE's entire shareholding in SES, focused our activities onto 100% owned operations and enabled an exit from minority participations where we had overlapping assets in wholly-owned companies. It also enabled an exit from non-core activities and, through the repurchase and cancellation of the GE shares in SES, removed a share overhang which had been perceived to represent a 'cap' on the share price.

In this split-off transaction, SES contributed the AMC-23 satellite and its related business, 100% of SATLYNX, 49.5% of Bowenvale (representing a 34.1% interest in Asia Satellite Telecommunications Holding – AsiaSat), 19.99% of Star One, 5.5% of Orbcomm, as well as cash, in exchange for GE's 103,149,900 shares in SES. Following the completion of the transaction in March 2007, 103.1 million shares were cancelled. The shares of class C no longer exist, simplifying our shareholder structure.

In parallel, we have been executing our share buyback programme. In addition to the 103.1 million shares cancelled in March 2007, we bought a further 7.7 million FDRs for cancellation during the rest of the year.

New group-wide engineering division to achieve additional operational synergies

SES created a new division – SES ENGINEERING – to consolidate all of the group's satellite operations, procurement, engineering and operational services. Based at SES facilities in Europe and in the U.S., SES ENGINEERING manages all satellite and ground infrastructure-related activities for the SES companies. This mission includes satellite operations and fleet management, satellite procurement and launch scheduling. The division is staffed by employees of the SES operating companies and became fully operational in January 2008. The reorganisation results from SES' commitment to achieve greater operational synergies, while ensuring the highest levels of service quality and reliability in satellite fleet operations and development.

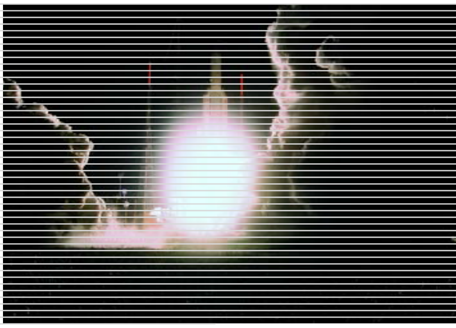
Innovative multiple launch contracts ensure secured access to space

In a groundbreaking move, SES contracted multiple launch vehicles covering the majority of the SES companies' satellite launch requirements for the period 2009–2013. SES signed agreements with Arianespace and ILS for a total of ten satellite launches; options for additional launches are also included.

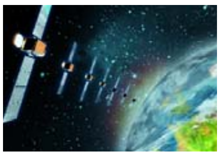
Through these multiple launch contracts, SES enhances its access to space on schedule, by extending the launch options available for each satellite. The agreement facilitates the continuous development and replacement of the SES satellite fleet and represents a significant commercial advantage while launch vehicles are in high demand.

New approach to in-orbit insurance contributes to cost reduction

SES introduced a new approach on a group basis to the procurement of in-orbit insurance, which resulted in favourable premium rates. Combined with our limited self-insurance undertakings, the new approach generated a significant and ongoing cost reduction.



Successful launch
An Ariane 5 rocket successfully launched ASTRA 1L on May 4, 2007.



Insured in orbit
A new approach to in-orbit insurance allowed for cost reduction.

Secured access to space
Multiple launch contracts enhance SES' access to space.

Satellite fleet developments

Investing to replace and expand our satellite fleet

SES companies consistently maintain and develop their satellite fleets in order to further enhance their performance. Our fleet development plan ensures that SES' satellite infrastructure fulfils current and future customer requirements and remains at the cutting edge of satellite technology.

SES' ambitious procurement programme focuses on the replacement of ageing satellites and on the opportunities to create expansion capacity serving new markets. This programme is based on our long-term vision of the satellite market. Currently, it represents the largest infrastructure investment plan in the satellite industry.

By mid-February, 2007, SES had ten satellites under procurement, for launch between 2008 and 2010. These new spacecraft, including SIRIUS 4 which was taken into commercial service in early 2008, will add 287 incremental transponders to the fleet. This is equivalent to a 27% increase of the commercially available capacity compared to year-end 2007.

Successful satellite launches in 2007: ASTRA 1L and SIRIUS 4

In February 2007, SES AMERICOM brought the AMC-18 satellite into commercial operation. AMC-18, launched in December 2006, provides 24 additional transponders of C-band capacity for America's leading high definition neighbourhood, HD PRIME.

In May 2007, SES ASTRA successfully launched ASTRA 1L, an all-Ku-band satellite providing replacement capacity for direct-to-home broadcasting at SES ASTRA's prime European position 19.2° East. The satellite reinforced the comprehensive inter-satellite back-up system at ASTRA's flagship orbital slot for Continental Europe and allowed for the move of ASTRA 2C to 28.2° East, adding 16 transponders for services to the U.K. and Ireland.

In November 2007, SES SIRIUS successfully launched SIRIUS 4, a multi-mission Ku/Ka-band satellite with coverage over the Nordic and Baltic countries, Eastern and Central Europe, as well as Sub-Saharan Africa. The satellite provides replacement and expansion capacity at 5° East, and entered operational service at the end of December 2007.

In January 2007, SES suffered a setback when the failure of the launch of the NSS-8 satellite onboard a Zenith-3SL launch vehicle resulted in the total loss of the satellite. NSS-8 was scheduled to provide replacement capacity at 57° East for the Asian market. SES NEW SKIES reconfigured substantial capacity onboard NSS-703 which continues to be commercialised. Due to the flexible management of existing in-orbit capacity, the launch failure did not impact existing customers or revenues. A replacement satellite, NSS-12, was ordered during 2007.

Increasing transponder utilisation rate

The utilisation rate of the satellite fleet increased from 75.0% on December 31, 2006 (restated for GE transaction and inter-segmental asset transfer) to 76.5% on December 31, 2007. The number of utilised transponders increased by 49 to 802.

During the year, the total number of available transponders on SES satellites increased by 44 to 1,048 at the end of 2007.

20 transponders were added in the SES ASTRA segment (16 at 28.2° East following the move of ASTRA 2C; one at 23.5° East following the re-deployment of ASTRA 1E to this orbital position; and three at 5.0° East as a result of improved power management on SIRIUS 2).

24 transponders were added in the SES AMERICOM segment following the successful launch of AMC-18.

Transponder utilisation

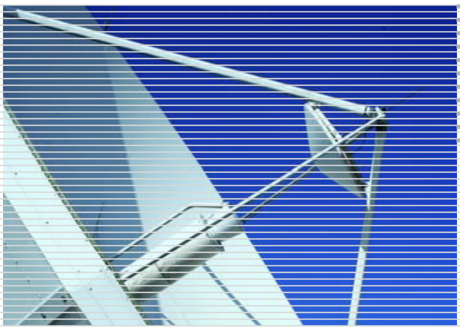
As at December 31, 2007	Utilised	%	Available
ASTRA segment	242	85.5	283
AMERICOM segment	339	75.8	447
NEW SKIES segment	221	69.5	318
SES group	**802**	**76.5**	**1,048**

As at December 31, 2006*	Utilised	%	Available
ASTRA segment	228	86.7	263
AMERICOM segment	328	77.5	423
NEW SKIES segment	197	61.9	318
SES group	**753**	**75.0**	**1,004**

* After restating for the GE transaction and intersegmental asset transfer.

Operations review

Key corporate developments



Ten new satellites
Will add 287 incremental transponders to the fleet between 2008 and 2010.

Future launches

AMC-14, a high-powered Ku-band BSS satellite, is expected to be launched in Q1 2008. The satellite's mission is to support the expansion of the EchoStar Dish Network services in the U.S.

ASTRA 1M, scheduled for launch in Q2 2008, will replace ASTRA 1H at 19.2° East. Its Ku and Ka-band payload will also support SES ASTRA's inter-satellite back-up programme.

AMC-21, planned for launch in Q2 2008, will operate at SES AMERICOM's 125° West orbital position to provide comprehensive 50-state coverage and high-power coverage of the Gulf of Mexico, Central America and the Caribbean.

Ciel-2, scheduled for launch in Q4 2008, will be operated by the Ciel Satellite Group of Canada at the 129° West position. Ciel-2, an all Ku-band satellite providing services throughout North America, will be the largest BSS[5] satellite planned for this region.

NSS-9, scheduled for launch in Q1 2009, is an all C-band satellite with three interconnecting beams to provide coverage in the Pacific Ocean region. This SES NEW SKIES satellite is to replace NSS-5 at 183° East.

NSS-12, scheduled for launch in Q2 2009, will replace NSS-8 which was destroyed in a launch failure in January 2007. A hybrid C/Ku-band satellite, NSS-12 will be positioned at 57° East and will provide replacement and additional capacity to serve markets in Africa, the Middle East and India.

AMC-1R will be a hybrid Ku-band, C-band spacecraft with forty-eight 36MHz transponders, six of which will be cross-strapped. The satellite will serve a number of alternate purposes in addition to its role in replacing AMC-1.

ASTRA 3B, to be launched in Q4 2009, will further develop SES ASTRA's 23.5° East orbital slot and is designed as a Ku- and Ka-band satellite, for both direct-to-home broadcasting and two-way broadband services across Europe.

AMC-5R will be a hybrid Ku-band and Ka-band satellite providing replacement capacity for AMC-5. The satellite will carry 48 transponders of 36 MHz each. A portion of each frequency payload will be cross-strapped, thus providing additional flexibility.

NSS-14, a powerful C/Ku-band satellite, is expected to be launched in Q4 2010. The satellite will provide extensive C-band coverage of the Eastern hemisphere of Europe and Africa, full Americas coverage as well as a global beam supporting mobile and maritime customers. The satellite will also have regional Ku-band coverage of Europe and the Middle East, West Africa, North America and South America, cross-strapped with the C-band capacity.

SES satellite procurement programme

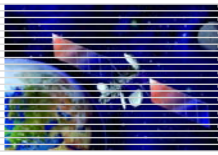
Satellites	Expected launch date	Incremental transponders
SES ASTRA		
ASTRA 1M	Q2, 2008	–
ASTRA 3B	Q4, 2009	32
SES AMERICOM		
AMC-14	Q1, 2008	32
AMC-21	Q2, 2008	24
Ciel-2	Q4, 2008	22[6]
AMC-1R	Q3, 2009	7
AMC-5R	Q2, 2010	32
SES NEW SKIES		
NSS-9	Q1, 2009	–
NSS-12	Q2, 2009	30
NSS-14	Q4, 2010	24+47

Satellites added in 2007	Operational service date	Incremental transponders
AMC-18	February 2007	24
ASTRA 1L	July 2007	18–24
SIRIUS 4	January 2008	13

[5] Broadcast Satellite Service.

[6] Ciel-2 will feature 32 transponders. The above calculation reflects SES' 70% participation in Ciel.

[7] At December 31, 2006, 228 of 263 available transponders were utilised. The available capacity excludes the satellite capacity transferred to SES NEW SKIES on January 1, 2007.



Strong position in the French market
The capacity agreement concluded with Canal+ enhances SES ASTRA's position in the French market.

With 1,961 services on ASTRA and 334 on SIRIUS, the total number of services transmitted via SES satellites in Europe approached the 2,300 mark by year-end 2007.

2,300

Satellite fleet developments

At year-end 2007, the SES ASTRA segment consisted of the ASTRA satellite fleet (13 satellites) at the prime orbital positions of 19.2°, 23.5° and 28.2° East. In addition, the ASTRA segment includes SIRIUS 2, SIRIUS 3 and SIRIUS 4 at the orbital location of 5° East.

In 2007, SES ASTRA again achieved an outstanding, industry-leading space segment availability of 99.9998% on the ASTRA satellite fleet.

The number of commercially available transponders increased by 20 to 283.

The ASTRA 1L satellite was successfully launched in May 2007 and brought into commercial service at ASTRA's prime orbital position 19.2° East in September. This allowed the re-location of ASTRA 2C to 28.2° East, which added 16 transponders for services to the U.K. and Ireland.

ASTRA 1E replaced ASTRA 1D at 23.5° East and increased the available capacity to 37 transponders at this orbital position. With ASTRA 3A and ASTRA 1E operating at this orbital position, 23.5° East is being developed into a new hot spot for direct-to-home reception for the dynamic markets of Benelux, Central and Eastern Europe.

Improved power management on the SIRIUS 2 satellite enabled three transponders to be returned to commercial use at 5.0° East.

SIRIUS 4 was successfully launched in November 2007 and entered operational service at 5.0° East in December 2008. As well as providing replacement capacity for SIRIUS 2 and SIRIUS 3, the new spacecraft added seven transponders for services to the Nordic market, the Baltic states and Central and Eastern Europe. It also added six transponders for the African market.

Of the transponders commercially available on the satellite fleet of the SES ASTRA segment (including SES SIRIUS), 242 – or 85% – were commercially utilised at December 31, 2007, representing a net increase of 14 transponders compared to the end of the previous year[7].

The procurement programmes of ASTRA 1M and ASTRA 3B were maintained within budget and to specification with the launches in Q2 2008 and Q4 2009 on schedule.

SES ASTRA is developing the 23.5° East orbital position into a new hot spot for direct-to-home reception, focusing on the Benelux countries and on the markets of Central and Eastern Europe. Today, more than 330 TV and radio channels are transmitted via ASTRA at 23.5° East.

2,295 broadcast services

SES ASTRA achieved solid results and strong growth in all its key European markets.

This development was driven by growing demand for transmission capacity for both standard and high definition video services.

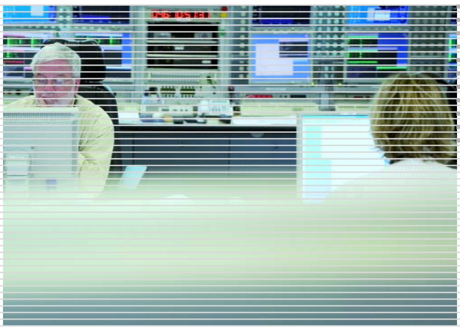
In 2007, the total number of broadcast services transmitted via the ASTRA satellites at the19.2°, 28.2° and 23.5° East orbital positions increased from 1,864 to 1,961 video, audio and interactive services.

With the SIRIUS satellites at 5° East carrying an additional 334 channels, the total number of services transmitted via SES satellites in Europe approached the 2,300 mark by year-end 2007.

ASTRA transmits a growing number of HD channels. With 28 HD services (a net increase of two compared to 2006), the ASTRA fleet represented Europe's largest HD platform at year-end 2007.

Operations review

SES ASTRA segment – satellite infrastucture business



Growing utilisation rate
85% of the commercially available transponders on the ASTRA fleet were commercialised at year-end 2007.

Main commercial contracts

SES ASTRA concluded an agreement with Canal+ group, France's leading pay-TV operator, to provide additional satellite capacity at ASTRA's prime orbital position 19.2° East to transmit the full programming line-up of the Canal+ group via one orbital position. The long-term multi-transponder contract accommodates the capacity requirements following the merger of Canal+ pay-TV operations with TPS and significantly enhances SES ASTRA's position in the French market.

Other major contracts included:

- an agreement on additional capacity for the British broadcaster ITV;
- long-term contracts with German public broadcasters ARD and ZDF for additional transponder capacity to allow for the expansion of their digital services;
- capacity agreements with the Dutch satellite TV operator CanalDigitaal covering two transponders, and with the Dutch regional broadcaster ROOS, strengthening the 23.5° East position as a new prime direct-to-home position;
- an agreement concluded with the Spanish pay-TV operator Sogecable covering one additional transponder.

SES SIRIUS

SES SIRIUS is the owner and operator of the SIRIUS satellites and provides transmission capacity for the distribution of TV and radio channels and for a wide range of telecommunications and broadband services. SES SIRIUS primarily serves the Nordic countries and the Baltic states, as well as Eastern European countries. Majority-owned by SES[8], SES SIRIUS is integrated into SES ASTRA from an operational point of view.

In 2007, SES SIRIUS signed an agreement with Ukrainian TV operator Vision TV, the holder of the country's first DTH licence, to provide pay-TV services via SIRIUS 4 starting in early 2008. Other major capacity contracts were signed with the Danish TV2 channels and three Finnish MTV3 channels in the Nordic market, as well as the Latvian public services channel LTV7 and Lithuanian LTV World in the Baltic States. All public and most of the commercial channels in the Baltic States are now broadcast via SIRIUS.

Continued audience growth

The ASTRA and SIRIUS satellite systems experienced continued audience growth in the 35 countries[9] within their footprint. In early 2008, 117.2 million homes received audiovisual broadcast and broadband services via ASTRA at 19.2°, 23.5°, 28.2° East or SIRIUS at 5.0° East[10].

The ASTRA/SIRIUS system consolidated its position as the top European satellite fleet for direct-to-home (DTH) reception. By end of 2007, 50.3 million homes received ASTRA or SIRIUS services directly via satellite.

An additional 66.9 million homes received ASTRA or SIRIUS services via cable.

Almost 100 million European TV homes are now digital

The growing choice of digital TV and radio channels boosted total digital reception (via satellite, DSL, cable and terrestrial) to 98.0 million homes in Europe, an increase of 17.3 million compared to the prior year. Satellite is the most popular digital reception mode: 56.8 million homes, representing a market share of 58.0%, received digital satellite broadcasts.

The overall audience growth of ASTRA/SIRIUS reflects the ongoing increase of digital DTH reception. At year-end 2007, 41.1 million homes received digital services via ASTRA at 19.2°, 23.5°, 28.2° East or SIRIUS at 5.0° East.

ASTRA/SIRIUS confirmed its strong position in the digital marketplace. More than seven out of ten digital satellite homes within their footprint received services transmitted via ASTRA or SIRIUS satellites.

In addition, ASTRA retained a reception base of 9.1 million exclusively analogue satellite homes. 79.7% of these homes (7.3 million) are in the German-language countries, where a wide choice of analogue channels subsists.

[8] At year-end 2007, SES owned 75% of SES SIRIUS. On January 31, 2008, SES increased its shareholding interest in SES SIRIUS to 90%.

[9] Algeria, Austria, Belarus, Belgium, Bosnia, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Morocco, Netherlands, Norway, Poland, Portugal, Romania, Serbia, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Tunisia, Ukraine and UK.

[10] Preliminary figures.

SES ASTRA segment – services business development

Blucom
The service combines broadcast technologies with the mobile phone environment.

ASTRA2Connect, the two-way satellite broadband service provided by SES ASTRA, offers a unique possibility for households in regions without terrestrial broadband connection to access broadband services such as high-speed internet and IP telephony (VoIP). The total addressable market for the satellite broadband service in Europe is estimated at five to ten percent of all European households.

Astra2Connect
A fully satellite-based solution for broadband access.

Services business developments

ASTRA2Connect, the two-way satellite broadband service, was launched in March 2007 to strong market demand and take-up. Contracts were signed with service providers in major European markets, including Germany, Poland, Austria, Ireland, France and Italy.

ASTRA2Connect is a fully satellite-based solution for broadband access that delivers dual- and triple-play services via wholesalers and internet service providers to the residential market. The innovative infrastructure offers a very reliable, always-on, two-way broadband internet access for flat service fees.

For its interactive TV service Blucom, SES ASTRA signed additional contracts with HSE24, MTV, Viva and tv.gusto, and expanded the service into the Arab world. Blucom combines broadcast technologies with the mobile phone environment and enhances revenue models customer retention for TV broadcasters.

In 2007, SES ASTRA launched the *entavio* digital platform in Germany. A first framework contract to use *entavio* was signed with Premiere, Germany's leading pay-TV operator. The platform was launched on September 1, 2007 on time and within the expected budget. Following a modest take-up in the market during the initial launch phase, *entavio* continues to work with its customers to optimise the offering.

SES ASTRA segment – services business development


ESA contract
SES ASTRA TechCom will operate the Redu ground station under a ten-year agreement with ESA.

E.ON, the world's largest investor-owned energy company, implemented a satellite solution for communication between its headquarters and its approximately 100 hydroelectric power stations in Sweden. SES SIRIUS provides the satellite capacity. With greater bandwidth, better security and enhanced cost efficiency, the satellite solution also allows camera surveillance and IP telephony.

Remote site monitoring
Satellite solutions offer greater flexibility and bandwidth to E.ON for communicating with its hydroelectric plants.

ND SatCom

ND SatCom, a 100%-owned SES company, is a leading global supplier of satellite-based broadband VSAT, broadcast, government and defence communication network and ground station solutions.

In 2007, the company enhanced its leading position in the international VSAT sector, concluding several major contracts for mobile Satellite News Gathering technology, and strengthening its leadership as a technology provider and system integrator in the European market.

SES ASTRA TechCom

SES ASTRA TechCom, a 100%-owned SES company, provides operational services, technical consultancy and high-tech products as well as integrated solutions to the satellite industry around the world.

In 2007, SES ASTRA and VERHAERT SPACE of Belgium secured a ten-year service agreement with the European Space Agency to maintain and operate the Belgian satellite ground station in Redu. Ground control and in-orbit testing of satellites for ESA missions will be provided by SES ASTRA TechCom and VERHAERT SPACE.

APS, ASTRA Platform Services

APS, ASTRA Platform Services GmbH, operates a broadcasting centre in Unterföhring near Munich/Germany and provides play-out, multiplexing, encryption and satellite uplinks to broadcasters.

In 2007, APS launched 21 new digital TV channels. By year-end, APS broadcasted more than 220 TV and radio programmes and more than 30 data services in analogue and digital, as well as all HDTV channels in Germany.

Operations review

SES AMERICOM segment – satellite infrastructure business

Connecting at the edge of space
NASA renewed a contract for video feed capacity during the missions of the space shuttle.

Infrastructure business developments

Satellite fleet developments

At year-end 2007, SES AMERICOM operated a fleet of 15 spacecraft at 12 orbital locations covering North America, including Hawaii and the Caribbean.

During the year, the AMERICOM satellites and the supporting ground network operated with an outstanding degree of reliability and featured an availability rate of 99.9997% (6.4 sigma) in the space segment, and of 99.99% on the ground network.

SES AMERICOM brought its newest satellite, AMC-18, into service in February 2007, adding new capacity to service the growing requirements of America's leading high definition neighbourhood, HD PRIME.

At year-end 2007, SES AMERICOM's transponder utilisation rate had increased to 76% – or 339 out of 447 commercially available transponders – up from 71.4% at the end of 2006[11].

Main commercial developments

Comcast, an anchor customer on the new AMC-18 satellite, signed a long-term contract for high definition broadcast capacity.

ION Media Networks, the largest television station group in the U.S., extended its channel distribution agreement with SES AMERICOM.

NASA renewed a multi-year contract with AMERICOM Government Services to provide Space Shuttle video feed during pre-launch, launch and mission operations, and to broadcast the multiple digital channels of NASA TV.

SES AMERICOM concluded a five-year contract with AR-SAT, the Argentinian satellite operator, for the use of five Ku-band transponders on the AMC-6 satellite.

Other contracts included:
_ capacity to support HNS' two-way residential broadband offering; and
_ Turner Broadcasting Systems' satellite news gathering (SNG) requirements.

In early 2008, SES AMERICOM concluded an agreement with Comcast for the extension of their high definition offering and the provision of future capacity requirements. As a result, the new AMC-18 satellite is now fully booked.

[11] Year-end 2006 data include the capacity on spacecraft which were transferred to SES NEW SKIES on January 1, 2007.

Operations review

SES AMERICOM segment – satellite services business

End-to-end solution
At year-end 2007, IP-PRIME offered more than 390 video channels.

In 2007, the IP-PRIME system proved its flexibility by delivering 24 channels of linear video to hand-held devices and mobile phones in a Las Vegas trial. Late in the year, IP-PRIME HD-4 was announced, a 32 HD channel overlay solution for telcos currently providing IPTV services; HD-4 can be deployed in less than 60 days.

Telcos in the queue
More than a dozen U.S. telcos were in the queue for the commercial deployment of IP-PRIME at year-end 2007.

State-of-the-art
A large simulsat antenna installed at the IP-PRIME broadcast center in Vernon Valley, New Jersey enables the reception of hundreds of television channels from multiple satellites.

Services business developments
SES AMERICOM launched IP-PRIME®, the most comprehensive MPEG-4 based IPTV platform for telecommunications companies and other local networks. IP-PRIME offers an end-to-end, cost-effective, turnkey solution for operators providing high quality television in an IP format. IP-PRIME minimises the risk of complex technical integration, simplifies difficult programme acquisition challenges and lowers the financial risks associated with launching an IPTV service.

The IP-PRIME service offers 392 TV channels, including 29 channels in high definition. In the course of the year, the IP-PRIME programming line-up expanded by 60%; IP-PRIME signed an agreement with AT&T to deliver international channels to their U-verse system.

Through the agreement with NRTC, four member rural telcos completed beta tests of IP-PRIME, and in the fourth quarter of 2007, two of the four, BEK in North Dakota and WK in Kentucky, launched commercial services. By year's end, more than a dozen telcos were signed and in the queue for commercial installation and deployment of IP-PRIME.

AMERICOM Government Services

AMERICOM Government Services, Inc. (AGS), an independent corporation and wholly-owned subsidiary of SES AMERICOM, Inc., is exclusively serving the satellite communication needs of the U.S. government.

In 2007, AGS was awarded the GSA SatCom II contract which equips the company with a vehicle to provide satellite services and end-to-end custom network solutions to the U.S. government. Over the course of the year, AGS implemented a global, dedicated and secure network for the U.S. Marine Corps and was awarded new work with the Defense Intelligence Agency for the growth of a communications network into Europe, Middle East, Africa and South America.

Operations review
SES NEW SKIES segment


Growth across the board
Important transponder agreements were concluded with Antrix Corporation of India, and the Office des Postes of French Polynesia.

In 2007, SES NEW SKIES generated strong new business growth, increasing by 20% on a like-for-like basis.

Satellite fleet development
At year-end 2007, SES NEW SKIES operated a fleet of seven satellites providing satellite communication services to a range of customers including telecommunications providers, broadcasters, corporations and governments around the world. SES NEW SKIES focuses on the markets of South America, the Middle East, India, Africa, Asia and the Pacific region, and also provides connectivity within and between those regions, Europe and North America.

In 2007, SES NEW SKIES expanded its capacity through the incorporation into its fleet of spacecraft hitherto operated by other SES companies: NSS-10 (previously known as AMC-12/ASTRA 4A), NSS-11 (formerly AAP-1), the West Africa beam on ASTRA 2B, and AMC-23. In the course of the year, AMC-23 and its related business were contributed to GE in the context of the GE split-off transaction.

SES NEW SKIES' fleet development plans suffered a setback in January 2007 when the failure of the launch of NSS-8 onboard a Zenith-3SL launch vehicle resulted in the total loss of the satellite[12]. The satellite was scheduled to provide replacement and expansion capacity at the 57° East orbital position. Following the launch failure, SES NEW SKIES reconfigured substantial capacity aboard NSS-703, which continues to be commercialised at this orbital position. A replacement satellite, NSS-12, has been ordered and is expected to be launched in the second quarter of 2009.

During the year, the SES NEW SKIES' fleet operated with an outstanding degree of reliability, featuring an availability rate of 99.9973%

SES NEW SKIES' utilisation rate at the end of the year was 69%, or 221 out of 318 commercially available transponders.

[12] The utilisation rate reported at December 31, 2006 was 78% or 328 out of 423 commercially available transponders. These excluded the satellite capacity transferred to SES NEW SKIES on January 1, 2007, and the capacity related to the sale of AMC-23 to GE.

Commercial activities
SES NEW SKIES enjoyed a very favourable development during 2007, with new business levels well ahead of plan. Growth was achieved across the full range of activities served by the company – from direct-to-home broadcasting to VSAT networks, GSM and Internet trunking.

Major contracts concluded during the period included the following:

- SES NEW SKIES concluded a nine transponder, multi-year agreement with Antrix Corporation, the commercial arm of the Indian Space Research Organisation. This agreement expanded and extended the provision of Ku-band capacity for India's leading DTH operator, currently serving over 2.6 million customers;
- SES NEW SKIES also executed separate multi-year agreements with Antrix Corporation for the provision of ten transponders of capacity for the VSAT market in India;
- Spectrum Group, Cameroon's leading media company, contracted capacity to launch two free-to-air channels, STV1 and SVT2 in Cameroon;
- French Polynesia's Office des Postes et Télécommunications contracted two transponders in a multi-year deal to provide internet trunking to the 118 islands of French Polynesia;
- AfSat, one of Africa's largest VSAT companies, concluded a five-year contract for multiple transponder capacity to provide satellite broadband services in West Africa and Southern Africa;
- Telikom PNG, the premier operator of voice and data services in Papua New Guinea, concluded a five-year contract for capacity to be used for GSM backhaul services;
- Impsat, a wholly-owned subsidiary of Global Crossing, contracted for capacity to support its growing Single Channel per Carrier and VSAT IP network in Latin America; and
- France 24, the French 24/7 international news channel, selected SES NEW SKIES to reach television audiences in Africa.

The members of the Executive Committee

As of January 1, 2008

Romain Bausch
Born 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, SES ASTRA Services Europe, and SES SIRIUS, as well as of the Special Shareholder Committee of SES NEW SKIES. 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 is also a member of the Board of Directors of BIP Investment Partners and of Sal. Oppenheim S.A. He graduated with a degree in economics (specialisation in business administration) from the University of Nancy.

Robert Bednarek
Born October 6, 1957, and appointed Executive Vice President, Corporate Development as of January 2002. From November 1, 2006, Mr Bednarek took over as President and CEO of SES NEW SKIES. Mr Bednarek came to SES 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 technology consulting firm based in Washington D.C. where he was a partner from 1984 to 1990, and served as the Deputy Chief Scientist for the U.S. 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 U.S. patents related to GPS (Global Positioning Systems). Mr Bednarek is also a member of the Board of SES ASTRA, SES AMERICOM, SES ASTRA Services Europe and a member of the Special Shareholder Committee of SES NEW SKIES. Mr Bednarek is also a member of the Board of the Space Foundation.

Martin Halliwell
Born April 20, 1959, and appointed President of the newly created SES ENGINEERING S.A. as of January 01, 2008. Prior to this assignment, Martin Halliwell held the position of SVP and Chief Technology Officer at SES ASTRA where he was responsible for all engineering and operation activities. In the course of his career at SES ASTRA, Mr Halliwell held a number of positions, including General Manager Global Multimedia Networks, Technical Director of SES Multimedia and Deputy to the Technical Director of SES ASTRA. Prior to joining SES, Martin Halliwell worked for Cable & Wireless and for Mercury Communications. Mr Halliwell holds a BA in Mathematics and Mechanical Engineering and an MBA specialising in external environment and strategic management from the Open University. Martin Halliwell serves as a member of the Board of Directors within various affiliates of the SES group.

Edward D. Horowitz
Born November 16, 1947, and appointed President and Chief Executive Officer of SES AMERICOM as of May 2005. Mr Horowitz is a member of the Board of SES AMERICOM, SES ASTRA, SES ASTRA Services Europe, and of the Special Shareholder Committee of SES NEW SKIES. Mr Horowitz joined SES from EdsLink LLC, a venture fund providing strategic financial operations and technology consulting services.
From 1997 through 2001 Mr Horowitz served at Citigroup, a provider of banking, insurance and investment services, as an Executive Vice President and as Founder and Chairman of the e-Citi business unit of Citigroup. Formerly, Mr Horowitz was Senior Vice President, Viacom Inc., and a member of the Viacom Executive Committee.
Mr Horowitz also serves on advisory boards and as a Director of a number of companies, including Eagle Pitcher, The Tennis Channel and One Laptop Per Child (OLPC). He is a member of the Board of Trustees of the Kenan Institute for Ethics at Duke University and the New York Hall of Science. Mr Horowitz received an MBA from the Columbia University School of Business and a BS in Physics from the City College of New York.

Ferdinand Kayser
Born July 4, 1958, and appointed President and Chief Executive Officer of SES ASTRA as of January 2002. Mr Kayser came to SES 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.
Mr Kayser is a member of the Boards of SES ASTRA, SES AMERICOM, SES ASTRA Services Europe and SES SIRIUS, and a member of the Special Shareholder Committee of SES NEW SKIES.

Mark Rigolle
Born April 11, 1965, and appointed Chief Financial Officer of SES in August 2004. Mr Rigolle joined SES from Belgacom, the Brussels-based telecommunications company, where he held the positions of Chief Strategy and Business Development Officer, and of CFO. Prior to joining Belgacom, he worked for ABN AMRO and for Sanwa Bank. Mr Rigolle holds a degree in Economic Science from the University of Leuven, Belgium.
He is a member of the Boards of SES ASTRA, SES AMERICOM, SES ASTRA Services Europe and SES SIRIUS, and is a member of the Special Shareholder Committee of SES NEW SKIES.

Pictured left to right
Romain Bausch, Edward D. Horowitz, Ferdinand Kayser, Martin Halliwell, Mark Rigolle and Robert Bednarek

Contents

Corporate governance – SES shareholders[1]

	Number of shares	% Voting shareholding	% Economic participation
A shares			
Sofina Group	18,600,000	3.49%	4.36%
Luxempart S.A.	11,538,264	2.16%	2.70%
Santander Telecommunications S.A.	11,149,735	2.09%	2.61%
Fortis Banque Luxembourg S.A.	4,504,034	0.84%	1.06%
Other shareholders	9,016,930	1.70%	2.11%
BCEE FDRs (Free float)	300,773,307	56.39%	70.49%
Total A shares	**355,582,270**	**66.67%**	**83.33%**
B shares			
BCEE	58,024,174	10.88%	5.44%
SNCI	58,016,937	10.88%	5.44%
Etat du Grand-Duché de Luxembourg	61,750,024	11.58%	5.79%
Total B shares[2]	**177,791,135**	**33.33%**[3]	**16.67%**
Total			
Total shares (actual)	**533,373,405**		
Total shares (economic)	**426,698,724**		

[1] Significant shareholdings as at January 18, 2008.

[2] A share of Class B carries 40% of the economic rights of an A share.

[3] These figures have been rounded up to the second decimal, as a result of which the Class B shareholders appear to hold a total of 33.34% of the voting interest in the company. The actual total voting interest of the Class B shareholders is, however, one-third.

Chairman's report on corporate governance and internal control procedures

Objective
In accordance with the 'Ten Principles of Corporate Governance' adopted by the Luxembourg Stock Exchange and which became applicable on January 1, 2007, SES increased its information flow towards investors, shareholders and analysts, mostly through the use of the company's website (www.ses.com).

In this context, SES decided to publish on its website the minutes of the shareholders' meetings as well as the results of the votes taken during these meetings. The section on corporate governance also contains the latest version of the main governance documents such as the articles of incorporation, the corporate governance charter (including the charters of the various committees set up by the Board) as well as separate sections on the composition and the powers of the Board, the Board's committees and the Executive Committee.

SES meets all the recommendations of the 'Ten Principles', except recommendation 3.9 insofar as in some cases the Board delegated its decision power to the Remuneration Committee.

As Euronext Paris is the main stock exchange on which SES Fiduciary Depositary Reports (FDRs) are being traded, SES also complies with the French corporate governance requirements, except where these deviate from the rules contained in the 'Ten Principles'. This is the case for the disclosure of the individual remuneration of the members of the Executive Committee. In this case SES follows the recommendation 8.14 of the 'Ten Principles' and publishes in the present annual report the aggregate amount of the direct and indirect remuneration of the members of the Executive Committee, with the fixed and the variable components of the benefits being separately identified.

Organisation principles
Created on March 16, 2001, SES is incorporated in Luxembourg. Following the completion of the acquisition of GE Americom on November 9, 2001, SES became the management company of SES ASTRA, originally created in 1985. The Board of Directors approved a set of internal regulations to complement the legal and regulatory obligations as well as the articles of incorporation of SES. A copy of SES' articles of incorporation, as amended most recently on June 28, 2007 is available on the company's website, together with the latest version of the 'SES Corporate Governance Charter' adopted by the Board of Directors.

The annual general meeting of shareholders
Under Luxembourg company law, the company's annual or extraordinary general meetings represent the entire body of shareholders of the company. They have the widest powers, and resolutions passed by such meetings are binding upon all shareholders, whether absent, abstaining from voting or voting against the resolution.

The meetings are presided by the Chairman or, in case of his absence, by one of the Vice Chairmen of the Board or, in their absence, by any other person hereto appointed by the meeting. Any shareholder who is recorded in the company's shareholder register at least eight business days before the meeting is authorised to attend and to vote at the meeting. A shareholder may act at any meeting by appointing a proxy who does not need to be a shareholder.

Following the latest modifications to the company's articles of incorporation, the company has issued two classes of shares: Class A and Class B shares.

Although they constitute separate classes of shares, Class A and Class B shares have the same rights except that the shares of Class B, held by the state of Luxembourg and by two entities wholly owned by the state of Luxembourg, entitle their holders to 40% of the dividend, or in case the company would be dissolved, to 40% of the net liquidation proceeds, paid to shareholders of Class A. Class B shares are not freely traded.

Each share, whether of Class A or B, is entitled to one vote. In accordance with the company's articles of incorporation, no shareholder of Class A may hold, directly or indirectly, more than 20%, 33% or 50% of the company's shares, unless he has obtained prior approval from the meeting of the shareholders. Such limit is calculated by taking into account the shares of all classes held by a shareholder of Class A.

A shareholder or a potential shareholder who envisages to acquire by whatever means, directly or indirectly, more than 20%, 33% or 50% of the shares of the company must inform the Chairman of the Board of such intention. The Chairman will then inform the government of Luxembourg of the envisaged acquisition which may be opposed by the government within three months from such information, should the government determine that such acquisition is against the general public interest.

In case of no opposition from the government, the Board shall convene an extraordinary meeting of shareholders which may decide at a majority provided for in article 67-1 of the law of August 10, 1915, as amended, regarding commercial companies, to authorise the demanding party to acquire more than 20%, 33% or 50% of the shares.

Each registered shareholder will receive written notice of the annual general meeting, including the time of the meeting, the agenda as well as the draft resolutions which will be proposed for approval to the meeting, by registered mail at least 20 days prior to the meeting. At the same time, he will receive a copy of the annual accounts and the consolidated accounts, including the balance sheets and the income statements of the company.

Holders of the company's FDRs will be represented at the meeting by Banque et Caisse d'Epargne de l'Etat acting as Fiduciary. Each FDR will represent one Class A share. If a holder of FDRs wants to attend the annual general meeting of shareholders in person, he needs to convert at least one FDR into an A share. In order to facilitate the attendance of the meeting by FDR holders, the company will support the applicable charge for a conversion of up to 10,000 FDRs in the period prior to the annual general meeting.

Notice of the meeting and of the proposed agenda is given in the press. The Fiduciary circulates the draft resolutions to both international clearing systems, allowing FDR holders to give their voting instructions to the Fiduciary in time for the meeting. At the same time, the draft resolutions are made available on the company's website. Unless the Fiduciary has received specific instructions, the Fiduciary will vote in favour of the proposals submitted by the Board.

The meeting may deliberate validly only if at least half of the shares of Class A and at least half of the shares of Class B are represented. In the event that the required quorum is not reached, the meeting will be reconvened in accordance with the forms prescribed by the articles of incorporation. It may then validly deliberate without consideration of the number of represented shares.

All the resolutions of the meeting are adopted by a simple majority vote except if otherwise provided for by law.

The annual general meeting of shareholders is held on the first Thursday in April at 10.30 am. The meeting held in April was attended by 99.95% of the company's shareholders. However, as 103,149,900 shares of Class C (a class which has since been abolished by the shareholders in an extraordinary general meeting on June 28, 2007) were held by a trustee in favour of SES, only 83.62% of the company was voting in the annual general meeting. All the proposals submitted by the Board of Directors were carried by an overwhelming majority of shareholders, including the proposed increase in the directors' fees. The shareholders further approved the 2006 financial results and the allocation of the 2006 profits, granted discharge to the external auditor and the directors and elected Ernst & Young as the company's external auditor for another year.

During 2007, SES held two extraordinary general meetings of shareholders on March 15 and on June 28. Both meetings were held at the company's registered office at Château de Betzdorf in the Grand-Duchy of Luxembourg and were attended by 96.82% respectively by 99.94% of the company's shareholders.

The sole purpose of the March 15 meeting was to receive the shareholders' approval to buy back the shares held under the form of shares of Class C by General Electric (GE) and the relevant number of shares of Class B so as to respect at all times the provisions of article 9 of the company's articles of incorporation setting out an 1:2 ratio between the number of B shares and the other shares composing the company's share capital. The main resolution was unanimously approved, while for the second resolution separate votes were taken by each class of shares in accordance with Luxembourg law. The proposal which granted a mandate to the Board to buy back and cancel up to 25% of the company's shares in the form of B and C shares was approved unanimously by the B and C shareholders and by 99.9981% of the A shareholders.

SES convened its shareholders for an extraordinary meeting on June 28, 2007 to elect two new Board members to replace Charles Alexander and John Connelly who resigned when the transaction with GE closed. The shareholders overwhelmingly elected Bob Ross and Dr. Ashok Ganguly, the two candidates proposed by the Nomination Committee and the Board of Directors.

At the same meeting, the shareholders modified the articles of incorporation to bring them in line with the new concession agreement signed between SES ASTRA and the state of Luxembourg. The shareholders also overwhelmingly approved a modification to the articles of incorporation resulting from the buyback and the cancellation of B and C shares by the Board of Directors on April 5, as approved by the shareholders on March 15.

Copies of the minutes of both shareholder meetings as well as the information on the detailed number of the votes expressed during these meetings are available on the company's website.

The Board of Directors and its committees

Mission

The Board of Directors is responsible for defining the company's strategic objectives as well as its overall corporate plan. The Board approves, upon proposal from the Executive Committee, the annual consolidated accounts of the company and the appropriation of results, the group's medium-term business plan, the consolidated annual budget of the company, and the management report to be submitted to the meeting of shareholders. It also approves major investments and is responsible vis-à-vis shareholders and third parties for the management of the company, which it delegates to the Executive Committee.

Composition

At the end of 2007, the Board of SES was composed of 17 directors, all of them non-executive directors. In accordance with the company's articles of association, eleven Board members represent holders of Class A shares and FDRs and six Board members represent holders of Class B shares. The mandates of the current directors will expire at the annual general meeting of shareholders in April 2008. The Chairman of the Board of Directors, René Steichen, was elected by the members of the Board in its meeting on May 6, 2005 which followed the annual general meeting. René Steichen is currently assisted by two Vice Chairmen, François Tesch and Jean-Paul Zens, one each elected on the basis of proposals submitted by directors representing shareholders of Class A, and of Class B.

In the event of a vacancy in the Board, the remaining directors may, upon a proposal from the Nomination Committee and on a temporary basis, fill such a vacancy by a majority vote. In this case, the next annual general meeting of shareholders will definitively elect the new director who will complete the term of the director whose seat became vacant. Following the vacancy left by the resignations of Charles Alexander and John Connelly on March 29 and as an extraordinary meeting of shareholders was held on June 28, 2007, Bob Ross and Dr Ashok Ganguly were elected to finish the mandates of Charles Alexander and John Connelly.

In accordance with internal regulations, at least one third of the Board members must be independent directors. A Board member is considered independent if he has no relationship of any kind with the company or management, which may impact his judgment. 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.

Ten of the seventeen Board members are considered independent: Messrs Marcus Bicknell, Hadelin de Liedekerke Beaufort, Jacques Espinasse, Ashok Ganguly, Bob Ross, Christian Schaack, Terry Seddon, Marc Speeckaert, Gerd Tenzer and François Tesch.

Corporate governance

Rules of functioning

The Board of Directors meets when required by the company's business, and at least once in a quarter. It can only validly deliberate if a majority of the directors are present or represented. The resolutions of the Board are passed by a simple majority of votes of the voting directors present or represented, not considering abstentions. Any material contract that is proposed to be signed by the company or any of its wholly controlled operating subsidiaries with a shareholder owning, directly or indirectly, at least 5% of the shares of the company is subject to a prior authorisation by the Board. On February 15, 2007, the Board of Directors decided to convene an extraordinary meeting of shareholders for March 15 to ask for approval of the buyback and the cancellation of B and C shares resulting from the contemplated transaction with GE.

Activities of the Board of Directors in 2007

The Board of Directors held six meetings in 2007, with an average attendance rate of more than 89%. Upon endorsement by the Audit Committee, the Board approved the 2006 audited accounts as well as the results for the first half of 2007. During 2007 the Board approved an update to the company's strategic plan as well as a business plan for the period 2007–2014 which served as the basis for the 2008 budget approved by the Board in December.

In its February 14 meeting, the Board decided a new share buyback programme, which was launched on Euronext Paris on March 10 with the objectives to buy back the company's own shares for its executive stock option plan as well as within the framework of a liquidity contract signed with Banque Rothschild & Cie. The Board later extended the purpose of the share buyback programme to the cancellation of the shares bought under the programme as well as to the purpose of buying the shares for a possible external transaction. Weekly notices on the shares bought by the company are filed with the regulatory authorities in Luxembourg and in France and are posted on the SES website.

In its meeting of April 5 and in the presence of the notary public, Me Joelle Baden, the Board bought back 103,149,900 C shares, converting 17,191,650 of them into FDRs to pay for 42,979,125 B shares and cancelled the B shares as well as the remaining C shares, thus implementing a decision taken by the shareholders on March 15.

During the year 2007, the Board approved the procurement of several new satellites including NSS-12, and NSS-14. The Board decided to increase the existing EMTN programme to EUR 4 billion and adopted an update to the executive stock option plan to make the plan compliant with new U.S. tax legislation.

Finally, within the context of an internal reorganisation, which resulted in the creation of SES ENGINEERING, the Board approved the nomination of Martin Halliwell, President SES ENGINEERING as a member of the Executive Committee and amended the charters of both the Remuneration and the Nomination Committees to reflect the increase in the Committees' membership from five to six members.

The Board was regularly informed by the Executive Committee on the group's activities and financial situation. At each meeting, the Executive Committee briefs the Board on ongoing matters as well as on possible upcoming investment or divestment decisions. At each Board meeting, the Chairmen of the three Committees set up by the Board present a report on the latest developments discussed in the respective Committee.

The Board and each of its Committees also proceeded with a self-evaluation exercise, the results of which confirmed that the directors are generally satisfied with the way the company handles corporate governance. No major changes were decided with regard to the results from the survey.

Following the extraordinary general meeting on June 28, 2007, the members of the Board of Directors are:

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 in Luxembourg. He is also a member of the Board of directors of SES ASTRA, SES AMERICOM, SES ASTRA Services Europe, the Special Shareholder Committee of SES NEW SKIES, Dexia-Banque Internationale à Luxembourg, CLT Group and Luxempart. Mr Steichen studied law and political science in Aix-en-Provence and Paris. He holds a doctorate in law and also earned the final degree in economics and finance from the Institut d'Etudes Politiques of Paris.

Mr Steichen is the Chairman of the Board as well as of the company's Nomination and Remuneration Committees. As he represents an important shareholder, he is not an independent director.

François Tesch

Born January 16, 1951. Mr Tesch became a director on April 15, 1999. He is also a director of Foyer S.A., and Managing Director of Luxempart. Mr Tesch sits also on the boards of several non-listed companies such as Société de la Bourse de Luxembourg and BNP Paribas Luxembourg. He graduated in economics from the Faculté d'Aix-en-Provence and holds an MBA from INSEAD (Institut Européen d'Administration des Affaires).

Mr Tesch is Vice Chairman of the Board of SES and a member of its Audit Committee. He may attend the meetings of the Remuneration Committee and the Nomination Committee as an observer. Mr Tesch is an independent director.

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, SES ASTRA Services Europe, the Special Shareholder Committee of SES NEW SKIES, and Entreprise des Postes et Télécommunications, Luxembourg. 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.

Mr Zens has recently been appointed to both the Remuneration and the Nomination Committee of SES. He is not an independent director because he represents an important shareholder.

Marcus Bicknell

Born February 28, 1948. Mr Bicknell was appointed to the Board of Directors of SES on May 6, 2005. Mr Bicknell is a director of New Media Foundry Ltd, a non-listed company in the United Kingdom, and a Board member of the UK chapter of the Society of Satellite Professionals International. From 1986 to 1990 he was Commercial Director of Société Européenne des Satellites. Mr Bicknell holds an MA Honours Degree in Physical Anthropology from Cambridge University.

Mr Bicknell is a member of both the Remuneration and the Nomination Committee. He is an independent director.

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 Santander Telecommunications, 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.

Mr de Liedekerke Beaufort is a member of both the Remuneration and the Nomination Committee of SES. He is an independent director.

Jacques Espinasse
Born May 12, 1943. Mr Espinasse has been appointed a director of SES by the annual general meeting of May 6, 2005. In May 2007, after five years of duty, he retired as a member of the Management Board and Chief Financial Officer of Vivendi Universal. Mr Espinasse is the former Chief Operations Officer of TPS. He is a member of the Supervisory Boards of Maroc Telecom, LBPAM, Axa Belgium, Axa Holdings Belgium and Hammerson Plc and holds a BBA and an MBA from the University of Michigan.

Mr Espinasse is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee. He is an independent director.

Jean-Claude Finck
Born January 22, 1956. Mr Finck became a director on May 31, 2001. Mr Finck is Chief Executive Officer of Banque et Caisse d'Epargne de l'Etat, a member of the Boards of Directors of Bourse de Luxembourg, Luxair, Cargolux, insurance companies La Luxembourgeoise, La Luxembourgeoise Vie, Paul Wurth and of Compagnie de Banque Privée. Mr Finck graduated with a degree in economics from the University of Aix/Marseille.

Mr Finck is a member of the Audit Committee of SES. He is not an independent director, because he represents an important shareholder.

Ashok Ganguly
Born July 28, 1935. Dr Ganguly became a member of the SES Board on June 28, 2007. He is currently the Chairman of Firstsource Solutions Ltd and ABP Pvt Ltd (Ananda Bazar Patrika Group) and has been a director on the Central Board of the Reserve Bank of India since November 2000. Dr Ganguly also currently serves as a non-executive director of Mahindra & Mahindra, Wipro Ltd and Tata AIG Life Insurance Co Ltd. and a director on the Advisory Board of Microsoft Corporation (India) Pvt Ltd. He is a member of the Prime Minister's Council on Trade and Industry as well as of the Investment Commission and the India-USA CEO Council, set up by the Prime Minister of India and the President of the USA. He is also a member of the National Knowledge Commission to the Prime Minister. He is a former member of the Board of British Airways Plc (1996–2005).

Mr Ganguly is an independent director.

Gaston Reinesch
Born May 17, 1958. Mr Reinesch became a director on July 1, 1998. Mr Reinesch is invited Professor at the University of Luxembourg. He is Chairman of the Société Nationale de Crédit et d'Investissement, and of the Board of Directors of Entreprise des Postes et Télécommunications. He is also, among others, a member of the Board of Directors of Cegedel, Banque et Caisse d'Epargne de l'Etat and the European Investment Bank. Mr Reinesch is General Administrator of the Ministry of Finance, Luxembourg, and graduated with a Master of Science in economics from the London School of Economics.

Mr Reinesch is a member of the Audit Committee of SES. He is not an independent director because he represents an important shareholder.

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 Vice Chairman of the Conseil d'Etat of Luxembourg. Mr Rod graduated with a degree in law from the University of Nancy.

Mr Rod is not an independent director, because he represents an important shareholder.

Mr Bob Ross
Born January 8, 1941, Mr Ross became a director of SES on June 28, 2007. He has had a long career in the field of media and telecommunications in which he has held senior executive and director positions. He retired as CEO of New Skies in January 2002 but continued to serve as advisor to the company until July 2004. He is a member of the Board of SES AMERICOM. Mr Ross graduated from Brown University and holds MA and JD degrees from Boston University in the United States.

Mr Ross is an independent director.

Luis Sanchez-Merlo
Born October 10, 1947. Mr Sanchez-Merlo became a director on April 17, 2000. Mr Sanchez-Merlo is the Chairman of the Board of ASTRA Iberica S.A., Lantana Capital S.A., Comsamer SL, Lauralia SL and Martellina SL as well as a member of the Board of Abantia SA. Mr Sanchez-Merlo graduated with a degree in law and economics from the Universidad Comercial de Deusto. He also holds a master's in law from the College of Europe and a master's in economics from the University of Louvain.

Mr Sanchez-Merlo is not an independent director because he has a material relationship with the company.

Christian Schaack
Born March 21, 1958. Mr Schaack became a director on December 7, 2000. Mr Schaack is Country Management Coordinator of Fortis and Managing Director of Fortis Banque Luxembourg. He sits on the Board of Directors of BIP Investment Partners and Fortis Bank Turkey. Mr Schaack graduated from the Massachusetts Institute of Technology with a PhD in Operations Research and an SM in Management.

Mr Schaack is an independent director.

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 Director General for Enterprise, Economic development and Foreign trade at the Ministry of the Economy and Foreign Trade, Luxembourg. He is Vice Chairman of the Board, a member of the Executive Committee of National Credit and Investment Corporation and Vice Chairman of the Board of Entreprise des Postes et Télécommunications, Luxembourg. He is also a director of ArcelorMittal, Banque et Caisse d'Epargne de l'Etat, Luxembourg, Paul Wurth and CTI Systems. Mr Schmit graduated with a degree in economics from the University of Louvain and an MA in Economics from the University of Michigan.

Mr Schmit is not an independent director because he represents an important shareholder.

Terry Seddon

Born February 14, 1941. Mr Seddon joined the Board of Directors of SES in 2005. He is a member of the Special Shareholder Committee of SES NEW SKIES. He has had a long international career in the field of telecommunications, in which he held several senior executive and director positions. More recently he was Chairman of New Skies Satellites Ltd. and was the founding CEO of AsiaSat. He has also held several non-executive directorships of UK manufacturing and operating companies. Mr Seddon graduated from Blackburn Polytechnic and Leeds University of the UK.

Mr Seddon is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee. He is an independent director.

Marc Speeckaert

Born May 23, 1951. Mr Speeckaert is the General Manager of Sofina S.A. and a director of several non-listed corporations and of Rapala which is listed on the Helsinki Stock Exchange. Mr Speeckaert graduated with a degree in Applied Economics and holds a Master in Business and Administration from the Université Catholique de Louvain (UCL). He also holds an Advanced Management Program from Wharton, University of Pennsylvania (USA).

Mr Speeckaert is the Chairman of the Audit Committee. He is an independent director.

Gerd Tenzer

Born August 4, 1943. Mr Tenzer became a director on March 11, 1999, and was Vice Chairman from May 2002 until April 2006. From January 1990 to November 2002, Mr Tenzer was a member of the Board of Management of Deutsche Telekom AG where he was responsible for networks, purchasing, environmental protection, wholesale services for carriers, broadband cable and broadcasting services. He was special adviser to the CEO of Deutsche Telekom AG from December 2002 until December 2004. He also sits on the Board of SES ASTRA and of SES ASTRA Services Europe in Luxembourg. He is Chairman of the Advisory Board of Sutter Verzeichnisverlag GmbH&Co.KG in Germany. Mr Tenzer graduated with a degree in Communications Engineering (Dipl. Ing.) from the Technical University in Aachen.

Mr Tenzer is an independent director.

Committees of the Board of Directors

The Chairman's Office

The Chairman and the two Vice Chairmen are members of the Chairman's Office. The Chairman's Office prepares the agenda for the Board meetings, allowing the Vice Chairmen to coordinate the preparation of the Board meetings with the directors of their share class.

Current members are:
René Steichen
François Tesch
Jean-Paul Zens.

The Chairman's Office met six times during 2007 with a members' attendance rate of 100%.

The Remuneration Committee

In accordance with general corporate governance standards, the company's 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 at each meeting through its Chairman. Following a decision by the Board in its August 2 meeting, the Remuneration Committee is now composed of the following six members, a majority of whom are independent Board members in line with the SES internal regulations:

René Steichen
Marcus Bicknell (independent)
Jacques Espinasse (independent)
Hadelin de Liedekerke Beaufort (independent)
Terry Seddon (independent)
Jean-Paul Zens

The Remuneration Committee was chaired in 2007 by the Chairman of the Board. Mr François Tesch in his capacity as Vice-Chairman, may attend the meetings of the Remuneration Committee as an observer.

The Remuneration Committee held seven meetings with an attendance rate of 100%. Matters addressed related to the determination of the 2007 stock option grant and the 2007 bonus for members of the Executive Committee. The Remuneration Committee further determined the number of performance shares allocated to the members of the Executive Committee for their performance in 2006 and agreed on changes to the employment contracts of the members of the Executive Committee. In order to comply with recent changes in the U.S. tax laws, the Remuneration Committee proposed to the Board to increase the strike price of both the stock options and the STARs granted in 2007 to U.S.-tax payers from EUR 14.54 to EUR 15.80 and to compensate the beneficiaries by paying them a cash amount of EUR 1.26 per share payable on the day that the stock options are vesting. The process to determine the strike price for future grants has also been changed to make these compliant with the new U.S. tax laws.

The Remuneration Committee adopted the 2007 business objectives which will be used as one element in the determination of the bonus to be paid to the members of the Executive Committee for 2007.

It also discussed the results from the self-evaluation exercise made in 2007.

The Audit Committee
As part of its overall corporate governance, 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. The Audit Committee is composed of six members, four of whom are independent Board members.

The current members of the Audit Committee are:

Marc Speeckaert, Chairman of the Audit Committee, (independent)
Jacques Espinasse (independent)
Jean-Claude Finck
Gaston Reinesch
Terry Seddon (independent)
François Tesch (independent).

The Audit Committee held five meetings with a members' attendance rate of 96.7%. The meetings were dedicated in particular to the review of the 2006 financial results before their submission to the Board and their subsequent approval by the shareholders at the statutory annual general meeting, and to the results of the first half of 2007. Members of the Board also had the opportunity to channel any comments they had on the company's quarterly results through the Chairman of the Audit Committee prior to the publication of these results.

The Audit Committee reviewed the company's statement on internal control systems prior to its inclusion in the annual report, as well as the Internal audit budget. It approved the Internal audit plan and decided to proceed with an external quality assessment of the Internal audit function. The results of that assessment were discussed at the last meeting of the Audit Committee. In October, the Audit Committee dedicated a full meeting to the discussion of the business continuity management in SES AMERICOM, the group's U.S.-based operating company. The meeting was followed by a visit of the SES AMERICOM earth station in Woodbine.

The Audit Committee also discussed the results from the self-evaluation made by the members of the Audit Committee.

The Nomination Committee
In line with best practice in corporate governance, the Board established a Nomination Committee whose role is to identify and nominate suitable candidates for the Board of Directors, for election 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.

Following the decision taken by the Board in August 2007, the Nomination Committee is now composed of the following six members, a majority of whom are independent Board members in line with the SES internal regulations:

René Steichen
Marcus Bicknell (independent)
Jacques Espinasse (independent)
Hadelin de Liedekerke Beaufort (independent)
Terry Seddon (independent)
Jean-Paul Zens.

The Nomination Committee was chaired in 2007 by the Chairman of the Board. Mr François Tesch in his capacity as Vice Chairman, may attend the meetings of the Nomination Committee as an observer.

The Nomination Committee met four times with an attendance rate of 100 %. The purpose of the first two meetings was to agree on replacements for Charles Alexander and John Connelly on the Board of SES. The two chosen candidates, Dr Ashok Ganguly and Bob Ross were elected by the shareholders on June 28 with an overwhelming majority of more than 99% of the votes.

The Nomination Committee also decided to nominate Martin Halliwell, President SES ENGINEERING, for membership to the SES Executive Committee, a decision which was taken by the Board of Directors in October 2007 and became effective on January 1, 2008. The purpose of the fourth and final meeting of 2007 was to prepare the renewal of the Board of Directors in April 2008.

The Executive Committee
Mission
The Executive Committee is in charge of the daily management of the group. It functions as a collegial body.

The Board also mandated the Executive Committee with the preparation and planning of overall policies and strategies of the company as well as of decisions reaching beyond the daily management for discussion and decision by the Board.

The Executive Committee may approve specific transactions for an amount up to EUR 10 million per project. It informs the Board at its next meeting on each such transaction, it being understood that the aggregate amount for such projects can at no time be higher than EUR 30 million.

The Executive Committee submits to the Board those measures which it deems necessary to be taken in order to meet the purposes of the company. Prior to the beginning of each fiscal year, the Executive Committee submits to the Board a consolidated budget for approval.

The Executive Committee is in charge of implementing all decisions taken by the Board and by the Committees specially mandated by the Board. The Executive Committee may, in the interest of the company, sub-delegate part of its powers and duties to its members acting individually or jointly.

The Chairman of the Executive Committee organises the work of the Executive Committee and coordinates the activities of its members, who report directly to him. In order to facilitate the implementation by the Board of its overall duty to supervise the affairs of the company, the Chairman of the Executive Committee informs the Chairman of the Board on a regular basis. The latter receives the agenda and the minutes of all meetings of the Executive Committee in due time.

During 2007 the Executive Committee met 40 times with an attendance rate of 98%. Pierre Margue, Vice President Legal and Corporate Affairs, the secretary of the Board of Directors, also acted as secretary to the Executive Committee.

Composition

The following persons are members of the Executive Committee: the President and CEO of SES who assumes the chairmanship of the Executive Committee, the Chief Financial Officer of SES, the President and CEO of SES ASTRA, the President and CEO of SES AMERICOM, the President and CEO of SES NEW SKIES as well as with effect from January 1, 2008 the President of SES ENGINEERING.

Members of the Executive Committee are nominated by the Board of Directors upon proposal from the Nomination Committee.

The members of the Executive Committee are presented on pages 30 and 31.

Remuneration

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. In 2007 the shareholders approved the proposal to increase the fees paid to the directors to EUR 28,000 per year. Vice Chairmen receive an annual fixed fee of EUR 33,600, whereas the Chairman receives EUR 70,000 per year. The Chairman of the Audit Committee receives an additional EUR 5,600 per year for chairing the Audit Committee.

The shareholders also decided that each member of the Board of Directors, (including the Vice Chairmen and the Chairman) will receive a fee of 1,600 for each meeting of the Board or of a Committee of the Board they attend. Half of that fee will be paid if the director participates via telephone or videoconference in the meeting.

All these fees are net of any Luxembourgish withholding taxes.

The total net remuneration fees paid for the year 2007 to the members of the Board of Directors (net of the Luxembourgish withholding tax) amounted to EUR 772,842.50 of which EUR 305,305 were paid as variable fees, with the remaining EUR 467,537.50 representing the fixed part of the Board fees. The gross overall figure for the year 2007 was EUR 966,053.13.

Company stock owned by members of the Board of Directors

On December 31, 2007 the members of the Board of Directors owned a combined total of 626,000 shares and FDRs (representing 0.12% of the company's share capital), and 9,320 options. These options were granted at the time of the company's IPO in 1998. No additional options have been granted to directors since.

Remuneration of the members of the Executive Committee

The remuneration of the five members of the Executive Committee is determined by the Remuneration Committee. It is composed of a fixed and a variable part. The total gross remuneration paid to the five members of the Executive Committee relative to the year 2007 amounted to EUR 4,311,455.47, of which EUR 2,417,628.21 represented the fixed part and EUR 1,893,827.26 the variable part.

The direct remuneration paid to the members of the Executive Committee amounted to EUR 4,092,824.08 whereas the indirect remuneration was EUR 218,631.39 .

Members of the Executive Committee also participate in the company's executive stock options plan established by the Board of Directors on January 31, 2002. During 2007 the members of the Executive Committee were awarded a combined total of 250,933 options to acquire company FDRs at an exercise price of EUR 14.54, the price being based on the average of the closing price on the Luxembourg Stock Exchange of the first 20 trading days after the annual general meting. For U.S. tax payers, the exercise price has been increased to EUR 15.80. A quarter of those options vested on January 1, 2008, the remaining quarters vesting on January 1, 2009, 2010 and 2011. In 2007 members of the Executive Committee were granted 85,187 restricted shares as part of the company's long term incentive plan as well as 30,344 performance shares to match the restricted shares granted in 2006. These shares will vest after three years.

During 2007, none of the members of the Executive Committee exercised any options.

Company stock owned by members of the Executive Committee

On December 31, 2007 the members of the Executive Committee owned a combined total of 78,870 shares and FDRs, and 1,417,675 options. Transactions made by members of the Executive Committee or members of the Management Committees of SES ASTRA, SES AMERICOM and SES NEW SKIES are published on the company's website.

External auditor

In accordance with the Luxembourg law on commercial companies, the company's annual and consolidated accounts are certified by an external auditor appointed by the annual general meeting of shareholders. On April 5, 2007, the shareholders retained Ernst & Young for another year and approved its remuneration, with a majority of 99.99%. The mandate of Ernst & Young will expire at the annual general meeting on April 3, 2008.

Internal control procedures

Objective

The Board of Directors has overall responsibility for ensuring that the SES group maintains a sound system of internal controls, including financial, operational and compliance controls. Such a system is an integral part of the corporate governance strategy of the group.

Internal control procedures help to ensure the proper management of risks and provide reasonable assurance that the business objectives of the company can be achieved.

The internal control procedures are designed to ensure:

- the efficiency and effectiveness of operations;
- the integrity and reliability of financial and operational information, both for internal and external use;
- the safeguarding of assets; and
- the compliance of actions and decisions with applicable laws, regulations, standards, internal rules and contracts.

Like all control systems, internal controls cannot provide an absolute guarantee that risks of misstatement, losses or human error have been totally mitigated or eliminated.

Organisational principles

The Board of Directors has delegated the design, implementation and maintenance of a rigorous and effective system of internal controls to the Executive Committee of SES, who in turn works closely with the Management Committees of SES ASTRA, SES AMERICOM and SES NEW SKIES in establishing control policies and procedures.

Each operating company of the group applies two levels of internal control policies and procedures:

_ common policies formalised by several coordination committees or cross-functional teams to apply to the employees, officers and directors of the group company, its subsidiaries and other controlled affiliates as the general framework for their own business process design; and

_ the policies and procedures specific to each company and adapted to their activity, size and organisation, and to their relevant legal and regulatory environment.

The organisation, application and monitoring of these policies and procedures, and therefore, risk management, are the responsibility of each operating company's management.

Internal control procedures

The group has adopted a robust internal control framework based on a set of guidelines prepared by a recognised body, the COSO (Committee of Sponsoring Organisations). This framework provides reasonable assurance that the internal control objectives are being achieved and is consistent with the reference framework proposed by the French securities regulator, Autorité des Marchés Financiers (AMF).

The control environment is an essential element of the company's internal control framework as it sets the tone for the organisation. This is the foundation of the other components of internal control, providing discipline and structure.

A 'Code of Conduct and Ethics' applicable to all employees, officers and directors of the company, its subsidiaries or other controlled affiliates has been established to reinforce the corporate governance principles and control environment.

The policies outlined in this code are designed to ensure that all employees, officers and directors act at all times in accordance with the applicable laws, regulations and norms of conduct, and with the highest standards of integrity. The code was submitted to the Audit Committee and has been approved by the Board of Directors.

Employees and officers in all entities of the group have been informed of the content of the code of conduct and its applicable principles. The Executive Committee of SES has initiated a project supported by a cross-functional group to ensure a consistent implementation of the code of conduct in all the entities of the group.

Regarding the internal controls in the area of accounting and financial reporting, the following should be noted:

_ staff involved in the group's accounting and financial reporting are regularly updated concerning relevant changes in International Financial Reporting Standards. This is augmented by specific written guidance on particular matters where needed and a group reporting handbook is available which summarises the group's accounting and financial reporting guidelines and policies;

_ controls have been established in the processing of accounting transactions to ensure appropriate authorisations for transactions, effective segregation of duties, and the complete and accurate recording of financial information;

_ activities with a significant potential risk, for instance financial derivative transactions, take place within a clearly defined framework set by the Board, or are brought to the Board for specific approval;

_ any weaknesses in the system of internal controls identified by either internal or external auditors are promptly and fully addressed;

_ the group relies on a comprehensive system of financial reporting. Strategic plans, business plans, budgets and the interim and full-year consolidated accounts of the company are drawn up and brought to the Board for approval. The Board of Directors also approves major investments. The Board receives detailed monthly financial reporting comparing the group's financial performance to the approved budget and prior year figures; and

_ the external auditors perform a limited review of the group's half-year financial statements and a full audit of the group's full-year financial statement.

Regarding the internal controls in the area of treasury management, the following should be noted:

_ in order to ensure the efficiency of the operations of this function in the implementation of a strategy to hedge the group's risk associated with interest rate and foreign currency fluctuations, a specific treasury software package has been implemented. A clear segregation of duties between members of the treasury and accounting departments has been defined;

_ a comprehensive treasury policy giving detailed guidance on derivative instruments used and the appropriate accounting treatment has been defined and approved by the Audit Committee; and

_ the activities of the group Treasurer, and in particular the hedging activities engaged during the year, are authorised within the framework approved by the Board of Directors.

The group Treasurer reports on a formal basis every quarter to the Board of Directors.

Regarding the internal controls in the area of tax management, the following should be noted:

_ the tax management department aims to seek upfront tax clearance with relevant local tax authorities with regard to the tax ramifications of main business ventures, corporate reorganisations and financing structures of the group. Absent the possibility to secure advance confirmation from tax authorities, the tax treatment is analysed based on best authoritative interpretations and laid down in tax opinions from external tax consultancy firms;

_ in order to ensure full coordination with regard to developments of important financing and group structures after implementation, the SES internal 'tax programmes review platform', consisting of corporate and operating company support functions is instigated and meets periodically;

_ the transfer pricing team is responsible for continuously improving and fine-tuning the required contemporaneous transfer pricing documentation (in accordance with local regulations) underpinning all inter-company transactions of the group; and

_ in the context of the external audit of the group, the tax risk position of the group is subject of discussion with the external auditors (and their local tax specialists) semi-annually on the basis of a 'tax risk memo' as prepared by tax management department. In the event any residual tax risk is identified, it can be determined to form a tax provision to cover potential P/L impacts on an entity or group basis.

Regarding the internal controls in the area of satellite operations, the following should be noted:

_ a satellite operations risk management process is in place to monitor and assess sources of technical risks and to develop qualitative, quantitative and statistical methods which allow the mitigation of risk at the satellite fleet level; and

_ crisis management systems and supporting infrastructure and tools have been designed in order to address satellite in-orbit anomaly situations at the appropriate level of responsibility.

Regarding the internal controls in the area of information and communication technology, the following should be noted:

_ management is committed to ensure that data, infrastructure and information technology systems are as secure as is reasonably practicable. Security controls, policies and procedures are in place to prevent unauthorised access to premises, computer systems, networks and data;

_ regular back-up of electronic information is ensured and copies are stored off-site; and

_ for non-satellite related business applications, disaster recovery plans exist and are regularly tested.

Evaluation of the internal control procedures

The SES group Internal Audit function was established in 2000. Internal Audit evaluates the relevance of, and compliance with internal control procedures.

The mission of the Internal audit function is to provide independent and objective assistance and assurance regarding the effectiveness and efficiency of business operations, the reliability of financial and operational reporting, and the group's compliance with legal and regulatory requirements. In this context, Internal audit is also tasked with identifying, preventing and minimising risks, as well as with the safeguarding of the group's assets.

Under its charter, which was revised in 2006, the Internal audit function reports to the President and CEO of SES, but may also report directly to the Audit Committee.

The activities of the Internal audit function are executed in accordance with an annual audit plan which is reviewed and approved by the Audit Committee. This annual plan is derived from a three-year strategic audit plan established using a risk assessment methodology based on a risk mapping exercise. This exercise is undertaken every three years by the Internal audit function. It involves identifying the inherent risks relative to all business processes and then assessing the levels of residual risks after consideration of specific mitigating controls.

Internal audit monitors the implementation of internal control recommendations and regularly reports on effective compliance to the President and CEO of SES and to the Audit Committee.

Internal audit also regularly coordinates audit planning and exchanges relevant information with the group's external auditors.

During the course of the year, the Internal audit department completed an external quality review based on a self-assessment with independent external validation. The review confirmed that the Internal audit department generally conforms to all of the Institute of Internal Auditors (IIA) professional standards.

Human resources

Human resources strategy

SES is positioning itself as the employer of choice in the industry. The company identifies, secures, engages, develops and retains the best talent to further expand SES' technological reach and business objectives.

SES respects and trusts its people, embraces diversity and lives by its values. Its leaders role model the behaviours outlined in the SES leadership competencies.

SES employees are engaged, committed and proud to be associated with their company.

To leverage the employees' full potential, SES focuses on competency development, alignment of objectives and knowledge sharing.

SES ensures that every employee has the necessary resources and support to be successful in his or her career within the context of our performance management system. Human resources is the catalyst to drive organisational and cultural initiatives leading to sustainable stakeholders' value creation.

SES employees

At year end 2007, SES employed a total of 1,550 staff [1]. The detail is shown in the table below.

	2007
SES	58
SES ASTRA	368
SES AMERICOM	414
SES NEW SKIES	169
APS	148
SES SIRIUS	41
ND SatCom	330
Other participations	22
Total	**1,550**

[1] Full-time equivalents

SES values and culture

The SES companies 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. SES' values are primarily focused on providing highest-quality customer service.

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.

Remuneration

The SES companies apply a performance-based compensation philosophy. Remuneration includes: salaries, performance bonuses, stock options, stock appreciation rights, long-term incentives and fringe benefits that are continuously reviewed in line with best market practices.

Stock-related compensation schemes

SES applies an equity incentive compensation plan. The purpose of the plan is to attract and retain highly qualified leadership level staff. This policy applies to executive-level employees of SES. 1,756,320 options were granted in 2007 to 165 executive participants.

Long-term incentive scheme for executives

Our long-term incentive scheme for executives is based on restricted shares (restricted for a vesting period of three years), and, in the case of senior executives, on restricted shares and on performance shares (shares which are only granted in case the company and the executive meet or exceed a certain performance threshold). 203,365 restricted shares and 69,768 performance shares were granted in 2007.

Stock appreciation rights plan

SES operates 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. 863,041 STARs were granted in 2007.

A variety of awards are being used to acknowledge and reinforce the contributions of our employees. These mechanisms include management awards, spot awards, deal attainment bonuses, SES ASTRA Awards and the AMERICOM President's Award.

The Human resources (HR) function

SES was supported at year end by a team of HR staff spread through all SES companies. An HR council ensures the operational coordination on a regular basis.

Additionally, a Human resources coordination committee ensures that the HR strategy and objectives are aligned within the group and with the business objectives, decisions and guidance of SES' Executive Committee.

Employee satisfaction is being periodically monitored by an employee survey, internally called 'Voice of the Employee' (VoE). A VoE survey was conducted at the end of 2006, and dedicated follow-up actions were planned and implemented in 2007.

A strong focus is placed on employee communications through a variety of instruments, such as employee meetings, breakfast talks, and forums pertaining to specific topics. The company's intranet was significantly enhanced and remains a preferred vehicle for successful employee communications.

Additionally, the company's vision and business strategy are conveyed successfully to all employees to strengthen awareness and engagement.

A learning organisation

Employee satisfaction is consistently monitored and measured and we strive to make improvements based on employee feedback. In line with its vision of being a continuous learning organisation, SES has further developed the AMERICOM University and the SES Training and Education Programme (STEP) in 2007.

In 2007, core and functional competencies were introduced to provide SES with the necessary capabilities and know-how for the future.

Corporate governance

Building outstanding leadership talent

SES focuses on identifying and developing high-potential leadership talent by means of succession planning. This includes participation in executive development programmes, coaching and stretch assignments. A talent inventory process and a global succession plan for critical positions was conducted in 2007.

SES implemented a global 'Developing Tomorrow's Leaders' programme in 2007. The first class involved 36 executives from all SES operating companies and segments. The programme will be extended in 2007 to include approximately 25 additional leaders.

SES has a 'Global Development Programme' which is used for cross-functional and cross-continent talent exchange. The first SES expanded Executive and Management Committee meeting was held in Berlin, Germany in October 2007.

Social dialogue within SES

In its dealings with their employees and associates, SES 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 and a mixed committee.

The personnel delegation consists of seven members who are elected for a five-year term. Their mandate consists in protecting the interests of the workforce with regard to working conditions, job security and social matters. The personnel delegation is informed on the developments affecting the company and advises on amendments to work rules.

The mixed committee consists 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.

At SES S.A. the legal framework provides for a personnel delegation, which currently consists of one member.

In other SES companies, the social dialogue is conducted according to the rules laid out in the local legal frameworks, for instance by means of works councils in SES NEW SKIES, APS and ND SatCom.

Investor relations

SES has a dedicated Investor relations function reporting to the Chief Financial Officer and working closely with the President and CEO. Its purpose is to develop and coordinate the group's external financial communications and interactions with equity and debt investors, investment analysts, credit rating agencies, financial journalists and other external audiences, to monitor stock market developments and to provide feedback and recommendations to the SES Executive Committee.

Investor relations is responsible for the definition and execution of SES' active Investor relations programme and participation in investor conferences and similar events. Investor relations also ensures that the group's external communications comply with applicable legal and regulatory requirements.

Our corporate social responsibility policy

In 2007, SES implemented a corporate social responsibility programme aligned with the company's values. Global reputation is born out of local action. SES' corporate social responsibility (CSR) programme has been elaborated to reflect this approach by deploying CSR projects and activities in those areas of the world in which the SES group has activities or provides communications services.

Our CSR programme is aimed primarily at supporting educational projects, which are directed towards the development of a knowledge and communications-based society. We believe that this is a key element in the emergence of a model for sustainable development. Our CSR programme attempts to reflect SES' positioning in the field of global communications infrastructure and services provision.

SES is a signatory to the 'Corporate Social Responsibility Charter', elaborated jointly by a number of Luxembourg-based companies, which commits its signatories to promote the principles of CSR and to reflect and implement these in their everyday operations.

In 2007, SES supported the 'One Laptop per Child' project (OLPC), a worldwide non-profit initiative aimed at improving the communication and education infrastructure in developing countries by launching a low-cost, web-connected laptop. Both SES ASTRA and SES AMERICOM are corporate partners of the scheme, together contributing know-how for the conceptual development of the project and US$ 2 million of financial support. OLPC is managed through a spin-off of the Massachusetts Institute of Technology, and is supported by a range of corporate partners. Further information on OLPC can be found at www.laptop.org.

In 2007, SES continued to support the scholarship programme of the Society of Satellite Professionals International, a U.S.-based non-profit association for the professional development of satellite industry professionals worldwide.

We also pursued our cooperation with the International Space University in Strasbourg, France, financing student scholarships for advanced studies of space applications.

SES supported Luxembourg's 'Business Initiative 123-GO' aimed at advancing the development of innovative business projects, and provided financial support for Institut St. Joseph of Betzdorf, Luxembourg, a home for mentally handicapped persons.

In 2007, SES NEW SKIES supported the NEPAD (The New Partnership for African Development) e-schools initiative which aims to develop ICT skills in Africa by equipping all African primary and secondary schools with computers, networks and other equipment and connect them to the internet. SES NEW SKIES is providing satellite capacity and teleport services and, together with equipment partners, it has committed to provide a total satellite solution to 35 schools. NEPAD has received endorsements of support from the U.N. and the G8.

The company also continued its financial support for the activities of Action Medical Research.

SES AMERICOM made a financial donation to support Habitat for Humanity, which builds homes for families in low income situations and to the Susan G. Komen's 'Race for the Cure', which benefits breast cancer research and awareness. SES AMERICOM matched donations made by its employees (to the rate of one dollar for each two dollars donated) to a number of colleges and universities. The company also matched OLPC laptop donations made by employees. Employees also participated in the 'Race for the Cure' in Virginia and in New Jersey, and worked on homes for 'Habitat for Humanity'.

Cultural sponsorships

In 2007, SES was an official partner of 'Luxembourg and Greater region – European capital of culture 2007', an all-year regional culture festival focusing on Luxembourg and the neighbouring regions of Belgium, France and Germany, as well as on the region of Sibiu in Romania.

SES supported the Steichen Foundation, an organisation named after photographer Edward Steichen. SES' support goes toward a scholarship awarded every second year and which enables artists from the 'Greater Luxembourg' region (including neighbouring areas of Belgium, France and Germany) to temporarily live and work in the city of New York.

SES continued its financial support of 'Musek am Syrdall', a local music festival in Luxembourg.

Caring for the environment

The SES companies are committed to respecting the world's natural environment, and to aligning the companies' and the staff's 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, should comply with the highest standards of environmental protection.

Compliance is benchmarked against the legal rules and regulations applied in the countries in which the SES companies operate, as well as against industry-wide best practices. Our objective is to continuously improve our environmental performance and to further reduce the environmental impact of our activities.

The activities of SES 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 cogeneration power wherever possible, in order to make maximum use of energy. 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 apply best practices in minimising the 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.

Financial review by management

All amounts are in millions of euro unless stated otherwise

Summary financial information

	2007	2006	Variance	Variance %
Revenue	**1,610.7**	1,615.2	–4.5	–0.3%
Operating expenses	**(520.4)**	(534.8)	+14.4	+2.7%
EBITDA	**1,090.3**	1,080.4	+9.9	+0.9%
Depreciation	**(435.7)**	(438.6)	+2.9	+0.7%
Amortisation	**(41.5)**	(36.5)	–5.0	–13.7%
Operating profit	**613.1**	605.3	+7.8	+1.3%
Net financing charges	**(130.0)**	(80.8)	–49.2	–60.9%
Profit before tax	**483.1**	524.5	–41.4	–7.9%
Income tax expense	**(78.3)**	(99.4)	+21.1	+21.2%
Share of associates' result	**0.3**	10.5	–10.2	–97.1%
Minority interests	**(1.1)**	0.2	–1.3	–
Net profit	**404.0**	435.8	(31.8)	–7.3%
Earnings per A share (in euro)	**0.91**	0.82	0.09	11.0%
EBITDA margin	**67.7%**	66.9%	+0.8 % pts.	–
Net income margin	**25.1%**	27.0%	–1.9% pts.	–
Net operating cash flow	**1,192.7**	1,060.1	+132.6	+12.5%
Free cash flow	**672.8**	(17.5)	+690.3	–
Net debt	**3,217.9**	2,903.2	+314.7	+10.8%
Net debt/EBITDA	**2.95**	2.68	+0.27	+10.1%
Net debt/Total equity	**199.7%**	95.3%	+ 104.4% pts	–

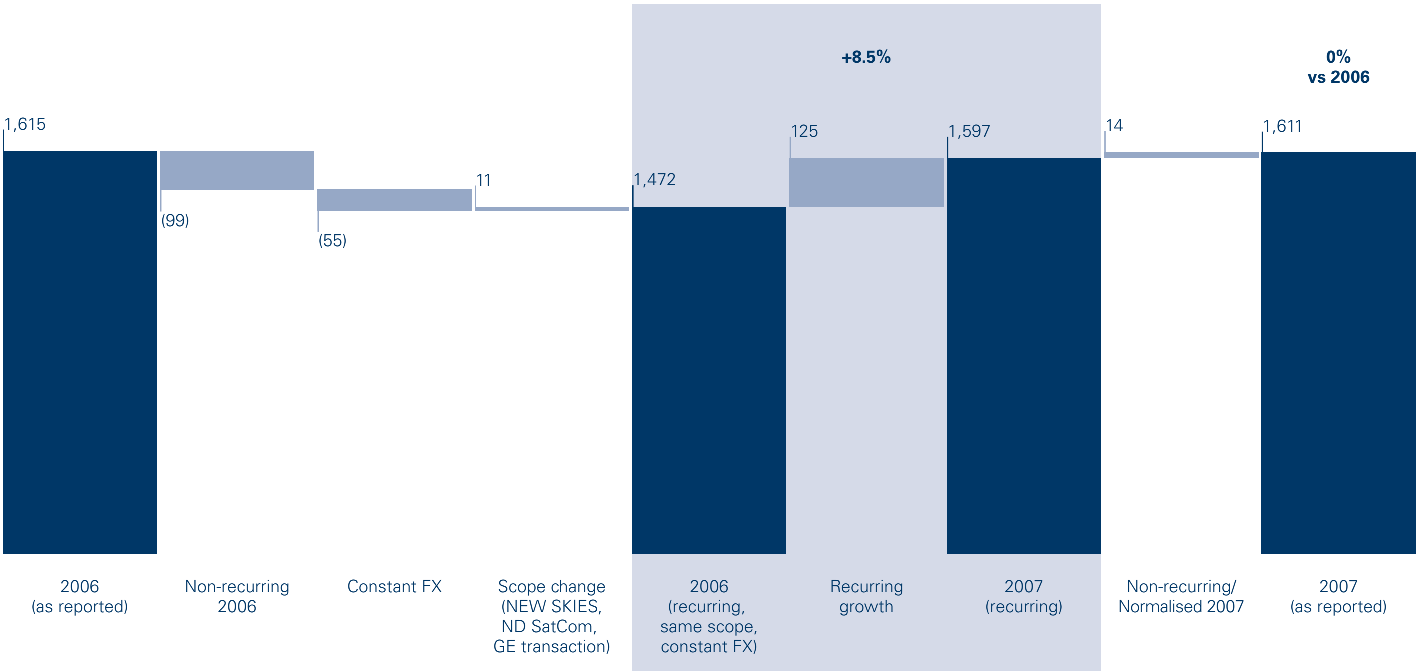
Operating profit development

	Q1	Q2	Q3	Q4	YTD
Revenue	399.5	389.6	406.9	414.7	1,610.7
Operating expenses	(124.3)	(116.6)	(123.7)	(155.8)	(520.4)
EBITDA	275.2	273.0	283.2	258.9	1,090.3
Depreciation	(127.5)	(102.4)	(97.4)	(108.4)	(435.7)
Amortisation	(9.8)	(9.7)	(9.9)	(12.1)	(41.5)
Operating profit	137.9	160.9	175.9	138.4	613.1

Revenue

	2007	2006	Variance	Variance %
Revenue	**1,610.7**	1,615.2	–4.5	–0.3%

As reported, SES group revenues remain stable versus the prior year despite the absence of major non-recurring items, the impact of the weakening U.S. dollar and the assets sold as part of the GE transaction. This favourable development is driven by organic growth and the full year contribution from SES NEW SKIES and ND SatCom. The components of the one-off items, the U.S. dollar and scope change impact in 2006, as well as the strong recurring growth in revenue in 2007 are illustrated below.



The recurring growth of EUR 125 million or 8.5% is driven by SES NEW SKIES and SES ASTRA. SES NEW SKIES was able to take advantage of the growing market demand for both its original satellites and those transferred from SES AMERICOM and SES ASTRA, resulting in an overall increase of its utilisation rates. SES ASTRA saw a strong growth for transponder capacity in all of its key European markets, with services businesses also growing as planned.

Operating expenses and EBITDA

	2007	2006	Variance	Variance %
Operating expenses	(520.4)	(534.8)	+14.4	+2.7%
EBITDA	1,090.3	1,080.4	+9.9	+0.9%

Operating expenses declined by EUR 14.4 million, or 2.7%, with the increase from the change in consolidation scope (full year impact of SES NEW SKIES and ND SatCom) and an increase in cost of sales based on the higher revenue contribution from the services businesses, being more than offset by lower transponder rental and in-orbit insurance costs and by synergies linked to the integration of SES NEW SKIES. This favourable development was augmented by a weaker U.S. dollar and continued effective cost management.

All amounts are in millions of euro unless stated otherwise

EBITDA slightly improved versus 2006, driven by the reduction of operating expenses. The EBITDA margin of 67.7% is well ahead of the prior year (66.9%), due to a step-up in profitability of the infrastructure segment from 78.8% to 81.5%, supported by a continued improvement of the services businesses (excluding start-up activities). In the following analysis, the financial performance of start-up initiatives and one-off items are separately disclosed to provide better transparency over the revenue and profitability of on-going operations.

	Infrastructure	Services	Start-up initiatives	Elimination/ Unallocated	Total
2007					
Revenue	1,378.2	314.1	6.1	(87.7)	1,610.7
EBITDA	1,123.4	36.5	(35.1)	(34.5)	1,090.3
EBITDA margin %	81.5%	11.6%	–	–	67.7%
2006					
Revenue	1,416.7	271.7	–	(73.2)	1,615.2
EBITDA	1,116.6	28.5	(13.4)	(51.3)	1,080.4
EBITDA margin %	78.8%	10.5%	–	–	66.9%

Operating profit

	2007	2006	Variance	%
Depreciation	**(435.7)**	(438.6)	+2.9	+0.7%
Amortisation	**(41.5)**	(36.5)	–5.0	–13.7%
Operating profit	**613.1**	605.3	+7.8	+1.3%

The charge for depreciation in 2007 was in line with the 2006 charge, with the impact of the weakening U.S. dollar on depreciation at SES AMERICOM and SES NEW SKIES more than offsetting the net increase in the group's depreciable fleet and the impact of the EUR 15.9 million charge taken in the first quarter due to the launch failure of the NSS-8 satellite. The changes in the depreciable fleet were: the sale of the AMC-23 satellite to GE in March 2007; the taking into service of ASTRA 1KR (June 2006), AMC-18 (February 2007), and ASTRA 1L (July 2007). The SIRIUS 4 satellite, launched on November 18, 2007, entered operational service and started being depreciated on December 30, 2007. The satellite entered commercial service after the year end on January 29, 2008.

Operating profit was ahead of 2006 levels despite the lower non-recurring revenue contributions outlined above.

Net financing charges
The charges can be analysed as follows:

	2007	2006	Variance	%
Net interest expense	**(181.7)**	(129.9)	–51.8	–39.9%
Capitalised interest	**27.7**	22.7	+5.0	+22.0%
Net foreign exchange gains	**21.3**	14.7	+6.6	+44.9%
Dividend income	**–**	1.5	–1.5	–100.0%
Gain on disposal of a subsidiary	**2.7**	15.0	–12.3	–82.0%
Value adjustments	–	(4.8)	+4.8	+100.0%
Net financing charges	**(130.0)**	(80.8)	–49.2	–60.9%

Net financing charges rose by 60.9% year-on-year driven by the increased net interest charge. This was a result of higher average net debt levels (see below) prevailing in 2007 due to the substantial capital expenditure spent in combination with the EUR 638.8 million paid to GE capital in the framework of the GE split-off transaction. Furthermore, the average weighted interest rate prevailing on the group's borrowings increased from 4.58% in 2006 to 4.90% in 2007.

The interest charge also includes certain one-off items including an amount of EUR 11.1 million, representing the financing element of upfront payments made by certain customers, and EUR 3.0 million interest provided in connection with a provision for the settlement of potential withholding tax liabilities.

Income tax expense

	2007	2006	Variance	%
Income tax expense	**(78.3)**	(99.4)	+21.1	+21.2%

The tax charge for the year stood at EUR 78.3 million, representing a reported tax rate of 16.2% compared to 19.0% for 2006. The rate was favourably impacted by the releasing of tax provisions made in previous periods but no longer required. Excluding these one-time impacts the effective tax rate was 19.2%.

Net profit

	2007	2006	Variance	%
Net profit of the group	**404.0**	435.8	–31.8	–7.3%
Earnings per share (euro)	**0.91**	0.82	+0.09	+11.0%

Net profit attributable to equity holders of the parent is lower than in 2006 reflecting the impact of the higher net interest charges. Earnings per share however, at EUR 0.91, increased by 11.0% compared to the prior year level, reflecting the favourable impact of the cancellation of the Class C shares and the weighted impact of the group's share buyback programme in 2006 and 2007.

Cash flow

	2007	2006	Variance	%
Net operating cash flow	**1,192.7**	1,060.1	+132.6	+12.5%
Free cash flow	**672.8**	(17.5)	+690.3	–

Net operating cash flow rose strongly in 2007, with the increase of EUR 132.6 million being generated both directly from business operations (EUR 77.3 million), and through the effective management of working capital which released a further EUR 55.3 million. The positive working capital reflects the receipt of substantial customer upfront payments during the year.

Free cash flow, defined as net operating cash flow less cash applied to investing activities, stood at EUR 672.8 million in 2007. This was despite net cash outflows of EUR 628.3 million relating to the acquisition and disposal of tangible asset, and cash balances of EUR 69.6 million leaving the group as a consequence of the GE split-off transaction. Of this free cash flow, EUR 638.8 million was applied to the repurchase of the Class C shares acquired from GE in the framework of the split-off transaction.

Net debt

	2007	2006	Variance	%
Cash and cash equivalents	**–197.1**	–393.4	196.3	+49.9%
Loans and borrowings	**3,415.0**	3,296.6	118.4	+3.6%
Net debt	**3,217.9**	2,903.2	314.7	+10.8%
Net debt/EBITDA	**2.95**	2.68	0.27	+10.1%

The average level of net debt in 2007 was significantly higher than in 2006, and this contributed to the increase in the group's net interest charge noted above. In 2006 net debt rose from EUR 2,107.1 million at the start of the year to EUR 2,903.2 million at the close. In 2007 net debt was raised to EUR 3,217.9 million in line with the guidance on leveraging issued by management.

Contract backlog

	2007	2006	Variance	%
Fully protected contract backlog	**5,846.4**	6,497.3	–650.9	–10.0%

The reduction in backlog is due in part to the impact of the strengthening of the euro on non-euro-denominated contracts, and to the group's disposal of its interests in AsiaSat and SATLYNX during the year. Together, these impacts account for more than half of the reduction in the reported backlog. The balance is reflecting the normal business development in a phase where no major long-term contracts await their renewal.

Consolidated financial statement

Report of the independent auditor

To the shareholders of
SES Société Anonyme
Betzdorf

Report on the consolidated financial statements
Following our appointment by the Annual General Meeting of the shareholders dated April 5, 2007, we have audited the accompanying consolidated financial statements of SES, which comprise the consolidated balance sheet as at December 31, 2007 and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of Directors' responsibility for the consolidated financial statements
The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the E.U. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Responsibility of the 'réviseur d'entreprises'
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted by the 'Institut des Réviseurs d'Entreprises'. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the judgement of the 'réviseur d'entreprises', including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the 'réviseur d'entreprises' considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements give a true and fair view of the financial position of SES as at December 31, 2007, and of the consolidated results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the E.U.

Report on other legal and regulatory requirements
The consolidated management report, which is the responsibility of the Board of Directors, is in accordance with the consolidated financial statements.

Ernst & Young
Société Anonyme
Réviseur d'Entreprises
Thierry BERTRAND
February 14, 2008

Consolidated income statement

For the year ended December 31, 2007

	Note	2007 EUR million	2006 EUR million
Revenue [2]	6	**1,610.7**	1,615.2
Cost of sales [3]	8	**(164.9)**	(159.2)
Staff costs [3]	8	**(187.9)**	(181.7)
Other operating expenses [3]	8	**(167.6)**	(193.9)
Depreciation expense [3]	13	**(435.7)**	(438.6)
Amortisation expense [3]	15	**(41.5)**	(36.5)
Operating profit	6	**613.1**	605.3
Finance revenue [3]	9	**51.7**	92.0
Finance costs [3]	9	**(181.7)**	(172.8)
Profit before tax [4]		**483.1**	524.5
Income tax expense [5]	10	**(78.3)**	(99.4)
Profit after tax [6]		**404.8**	425.1
Share of associates' result		**0.3**	10.5
Profit for the year		**405.1**	435.6
Attributable to:			
Equity holders of the parent		**404.0**	435.8
Minority interests		**1.1**	(0.2)
		405.1	435.6
Earnings per share (in euro) [1]	11,23		
Class A shares		**0.91**	0.82
Class B shares		**0.37**	0.33
Class C shares		**0.91**	0.82

[1] Earnings per share are calculated by dividing the net profit attributable to ordinary shareholders for the period by the weighted average number of shares outstanding during the year as adjusted to reflect the economic rights of each class of share. Fully diluted earnings per share are insignificantly different from basic earnings per share.

[2] Revenues include continuing operations amounting to EUR 1,592.9 million and EUR 1,555.2 million – and discontinued operations amounts of EUR 17.8 million and EUR 60.0 million – for 2007 and 2006 respectively.

[3] Operating expenses, depreciation, amortisation and net financing charges include continuing operations amounting to EUR 1,111.0 million and EUR 1,046.7 million – and discontinued operations of EUR 16.6 million and EUR 44.0 million – 2007 and 2006 respectively.

[4] Pre-tax profit includes continuing operations amounting to EUR 481.9 million and EUR 508.5 million – and discontinued operations of EUR 1.2 million and EUR 16.0 million – for 2007 and 2006 respectively.

[5] Income tax expense includes continuing operations amounting to EUR 77.8 million and EUR 96.4 million – and discontinued operations of EUR 0.5 million and EUR 3.0 million – for 2007 and 2006 respectively.

[6] Profit for the year after tax includes continuing operations amounting to EUR 404.1 million and EUR 412.1 million – and discontinued operations of EUR 0.7 million and EUR 13.0 million – for 2007 and 2006 respectively.

The notes are an integral part of the consolidated financial statements.

Consolidated financial statements

Consolidated balance sheet

As at December 31, 2007

	Note	**2007 EUR million**	2006 EUR million
Non-current assets			
Property, plant and equipment	13	**2,723.6**	3,067.7
Assets in the course of construction	14	**765.4**	695.0
Total property, plant and equipment		**3,489.0**	3,762.7
Intangible assets	15	**2,774.8**	3,382.6
Investments in associates	16	**1.6**	88.6
Other financial assets	17	**15.6**	19.7
Deferred income tax assets	10	**20.6**	37.6
Total non-current assets		**6,301.6**	7,291.2
Current assets			
Inventories		**15.6**	23.3
Trade and other receivables	18	**289.6**	288.5
Prepayments		**25.2**	42.3
Valuation of financial instruments	19	**20.6**	2.6
Short-term investments	21	**–**	24.8
Cash and short-term deposits	22	**197.1**	393.4
Total current assets		**548.1**	774.9
Total assets		**6,849.7**	8,066.1
Equity			
Attributable to equity holders of the parent	23	**1,578.2**	3,012.2
Minority interest		**33.6**	32.9
Total equity		**1,611.8**	3,045.1
Non-current liabilities			
Interest-bearing loans and borrowings	25	**2,766.0**	2,947.3
Provisions and deferred income	26	**335.2**	210.4
Deferred tax liabilities	10	**779.7**	806.0
Total non-current liabilities		**3,880.9**	3,963.7
Current liabilities			
Interest-bearing loans and borrowings	25	**649.0**	349.3
Trade and other payables	27	**315.4**	310.1
Valuation of financial instruments	19	**15.8**	22.1
Income tax payable		**158.0**	144.1
Deferred income		**218.8**	231.7
Total current liabilities		**1,357.0**	1,057.3
Total liabilities		**5,237.9**	5,021.0
Total liabilities and equity		**6,849.7**	8,066.1

The notes are an integral part of the consolidated financial statements.

Consolidated statement of cash flow

For the year ended December 31, 2007

	2007 EUR million	2006 EUR million
Profit before taxes	**483.1**	524.5
Taxes paid during the year	**(36.8)**	(69.8)
Net financing charges paid on non-operating activities	**75.1**	43.4
Depreciation and amortisation	**477.2**	475.1
Amortisation of client upfront payments	**(27.7)**	(65.1)
Other non-cash items in consolidated income statement	**25.1**	10.6
Consolidated operating profit before working capital changes	**996.0**	918.7
Changes in operating assets and liabilities		
(Increase)/decrease in inventories	**8.1**	(1.7)
(Increase)/decrease in trade and other debtors	**(0.4)**	(19.2)
(Increase)/decrease in prepayments and deferred charges	**0.5**	(7.6)
Increase/(decrease) in trade and other creditors	**(3.8)**	3.4
Increase/(decrease) in payments received on account	**17.7**	(7.4)
Increase/(decrease) in upfront payments and deferred income	**174.6**	173.9
Net cash (absorbed)/generated by operations	**196.7**	141.4
Net operating cash flow	**1,192.7**	1,060.1
Cash flow from investing activities		
Purchase of intangible assets	**(20.6)**	(7.0)
Purchase of tangible assets	**(638.0)**	(456.5)
Disposal of tangible assets	**9.7**	29.7
Acquisition of New Skies Satellites, net of cash acquired (Note 4)	**–**	(579.2)
Acquisition of further ND SatCom shareholdings, net of cash acquired (Note 4)	**–**	(40.8)
Disposal of SES Re	**–**	(15.6)
Disposal of subsidiaries sold in GE transaction, net of cash (Note 4)	**(69.6)**	–
Acquisition of Glocom, net of cash acquired	**(3.4)**	–
Realised proceeds on settlement of swap transactions	**205.7**	(2.1)
Investment in non-consolidated financial assets	**(3.7)**	(6.0)
Net cash (absorbed)/generated by investing activities	**(519.9)**	(1,077.5)
Cash flow from financing activities		
Net increase (decrease) in borrowings	**161.9**	735.0
Dividends paid on ordinary shares, net of dividends received	**(184.5)**	(215.3)
Net financing paid on non-operating activities	**(75.1)**	(43.4)
Treasury shares acquired in GE transaction (Note 4)	**(638.8)**	–
Net proceeds of other Treasury shares (acquired)/sold	**(145.3)**	(266.1)
Dividends from equity investments	**10.2**	17.4
Other financing activities	**0.7**	(1.5)
Net cash generated/(absorbed) by financing activities	**(870.9)**	226.1
Net foreign exchange movements	**1.8**	(12.1)
Net increase/(decrease) in cash	**(196.3)**	196.6
Net cash at beginning of the year	**393.4**	196.8
Net cash at end of the year	**197.1**	393.4

The notes are an integral part of the consolidated financial statements.

Consolidated financial statements

Consolidated statement of changes in shareholders' equity

For the year ended December 31, 2007

	Issued capital EUR million	Share premium EUR million	Treasury shares EUR million	Retained earnings EUR million	Other reserves EUR million	Foreign currency translation EUR million	Total EUR million	Minority interest EUR million	Total equity EUR million
At January 1, 2006	**859.1**	**2,369.7**	**(55.9)**	**384.9**	**380.9**	**(489.7)**	**3,449.0**	**34.5**	**3,483.5**
Result for the year	–	–	–	435.8	–	–	435.8	(0.2)	435.6
Impact of currency translation	–	–	–	–	–	(447.3)	(447.3)	(1.4)	(448.7)
Net loss on hedge of net investment	–	–	–	–	–	46.5	46.5	–	46.5
Net loss on cash flow hedges	–	–	–	–	–	(8.2)	(8.2)	–	(8.2)
Total income and expense for the year				435.8		(409.0)	26.8	(1.6)	25.2
Allocation of 2005 results	–	–	–	(166.6)	166.6	–	–	–	–
Cancellation of preferred C shares	–	–	–	–	7.6	–	7.6	–	7.6
Dividends [1]	–	–	–	(215.3)	–	–	(215.3)	–	(215.3)
Movement on treasury shares	–	–	(26.6)	–	–	–	(26.6)	–	(26.6)
Share-based payment adjustment	–	3.9	–	–	–	–	3.9	–	3.9
Cancellation of share capital	(31.2)	(202.0)	–	–	–	–	(233.2)	–	(233.2)
At December 31, 2006	**827.9**	**2,171.6**	**(82.5)**	**438.8**	**555.1**	**(898.7)**	**3,012.2**	**32.9**	**3,045.1**

	Issued capital EUR million	Share premium EUR million	Treasury shares EUR million	Retained earnings EUR million	Other reserves EUR million	Foreign currency translation EUR million	Total EUR million	Minority interest EUR million	Total equity EUR million
At January 1, 2007	**827.9**	**2,171.6**	**(82.5)**	**438.8**	**555.1**	**(898.7)**	**3,012.2**	**32.9**	**3,045.1**
Result for the year	–	–	–	404.0	–	–	404.0	1.1	405.1
Impact of currency translation	–	–	–	–	–	(358.0)	(358.0)	(0.4)	(358.4)
Net gain on hedge of net investment	–	–	–	–	–	269.7	269.7	–	269.7
Net loss on cash flow hedges	–	–	–	–	–	(5.7)	(5.7)	–	(5.7)
Total income and expense for the year	–	–	–	404.0	–	(94.0)	310.0	0.7	310.7
Allocation of 2006 results	–	–	–	(254.3)	254.3	–	–	–	–
Dividends paid [1]	–	–	–	(184.5)	–	–	(184.5)	–	(184.5)
Movement on treasury shares	–	–	(131.2)	–	–	–	(131.2)	–	(131.2)
Share-based payment adjustment	–	6.8	–	–	–	–	6.8	–	6.8
Acquisition of GE shares [2]	–	–	(1,474.0)	–	–	–	(1,474.0)	–	(1,474.0)
Cancellation of GE shares [2]	(161.1)	(1,312.9)	1,474.0	–	–	–	–	–	–
Impact of disposal of GE split off assets	–	–	–	–	(59.6)	98.5	38.9	–	38.9
At December 31, 2007	**666.8**	**865.5**	**(213.7)**	**404.0**	**749.8**	**(894.2)**	**1,578.2**	**33.6**	**1,611.8**

[1] Dividends are shown net of dividends received on treasury shares.
[2] Shares acquired and cancelled in the framework of the GE split-off transaction.

The notes are an integral part of the consolidated financial statements.

Note 1 – Corporate information

The consolidated financial statements of SES, or 'the company', for the year ended December 31, 2007 were authorised for issue in accordance with a resolution of the Board of Directors on February 14, 2008. Under Luxembourg law the financial statements are approved by the shareholders at the Annual General Meeting. SES 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 trades under 'SESG' on the Luxembourg Stock Exchange and Euronext, Paris.

Note 2 – Summary of significant accounting policies

Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments and available-for-sale financial assets that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged items in fair value hedges, and are otherwise carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged.

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') adopted by the International Accounting Standards Board, and endorsed by the European Union, as at the balance sheet date.

Basis of consolidation

The consolidated financial statements comprise the financial statements 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 and affiliates are prepared for the same reporting period as the company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. For details regarding the subsidiaries included see Note 3.

Application of IFRS 1

The group adopted IFRS on January 1, 2004 and applied the provisions of IFRS 1 for this transition. In particular, goodwill arising on business combinations (IFRS 3) that occurred before January 1, 2004 has not been restated. In accordance with IFRS 1, the group has elected not to apply IAS 21 (as revised in 2003) retrospectively to fair value adjustments and goodwill arising in business combinations that occurred before January 1, 2004.

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The group has adopted the following new and amended IFRS and IFRIC interpretations during the year. Adoption of these revised standards and interpretations did not have any effect on the financial performance or position of the group. They did however give rise to additional disclosures, including in some cases, revisions to accounting policies:

_ IFRS 7 – Financial Instruments: Disclosures
_ IAS 1 Amendment – Presentation of Financial Statements
_ IFRIC 8 – Scope of IFRS 2
_ IFRIC 9 – Reassessment of Embedded Derivatives
_ IFRIC 10 – Interim Financial Reporting and Impairment

The principal effects of these changes are as follows:

IFRS 7 Financial Instruments: Disclosures

This standard requires disclosures that enable users of the financial statements to evaluate the significance of the group's financial instruments and the nature and extent of risks arising from those financial instruments. The new disclosures are included throughout the financial statements.

IAS 1 Presentation of Financial Statements

This amendment requires the group to make new disclosures to enable users of the financial statements to evaluate the group's objectives, policies and processes for managing capital. These new disclosures are shown in Notes 19 and 20.

IFRIC 8 Scope of IFRS 2 – share-based payments

This interpretation requires IFRS 2 to be applied to any arrangements in which the entity cannot identify specifically some or all of the goods received, in particular where equity instruments are issued for consideration which appears to be less than fair value. As equity instruments are only issued to employees in accordance with the employee share scheme, the interpretation had no impact on the financial position or performance of the group.

IFRIC 9 Reassessment of Embedded Derivatives

IFRIC 9 states that the date to assess the existence of an embedded derivative is the date that an entity first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows. This adoption of this interpretation had no impact on the financial position or performance of the group.

IFRIC 10 Interim Financial Reporting and Impairment

The group adopted IFRIC Interpretation 10 as of January 1, 2007, which requires that an entity may not reverse an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost. The adoption of this interpretation had no impact on the financial position or performance of the group.

Interests in joint ventures
The group has interests in joint ventures which are jointly controlled entities. A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venturer has an interest. The group recognises its interest in the joint venture using proportional consolidation. The group combines its share of each of the assets, liabilities, income and expenses of the joint venture with the similar items, line by line, in its consolidated financial statements. The financial statements of the joint venture are prepared for the same reporting year as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

When the group contributes or sells assets to the joint venture, any portion of gain or loss from the transaction is recognised based on the substance of the transaction. When the group purchases assets from the joint venture, the group does not recognise its share of the profits of the joint venture from the transaction until it resells the assets to an independent party. The joint venture is proportionately consolidated until the date on which the group ceases to have joint control over the joint venture.

Investments in associates
The group has investments in associates which are accounted for under the equity method. An associate is an entity in which the group has significant influence and which is neither a subsidiary nor a joint venture.

Under the equity method, the investment in the associate is carried in the balance sheet at cost plus post-acquisition changes in the group's share of net assets of the associate. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After application of the equity method, the group determines whether it is necessary to recognise any additional impairment loss with respect to the group's net investment in the associate. The income statement reflects the share of the results of operations of the associate. Where there has been a change recognised directly in the equity of the associate, the group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity.

In general the financial statements of associates are prepared for the same reporting year as the parent company, using consistent accounting policies. Adjustments are made to bring in line any dissimilar accounting policies that may exist. Where differences arise in the reporting dates the group adjusts the financial information of the associate for significant transactions in the intervening period.

Significant accounting judgements and estimates
1) Judgements
In the process of applying the group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Treatment of orbital slot licence rights
The group's operating companies have obtained rights to operate satellites at certain orbital locations and using certain frequency bands. These licences are obtained through application to the relevant national and international regulatory authorities, and are generally made available for a defined period. On the expiry of such agreements, the operating company will generally be in a position to re-apply for the usage of these positions and frequency rights. Where the group has obtained such rights through the acquisition of subsidiaries and associates, the rights have been identified as an asset acquired and recorded at the fair value attributed to the asset at the time of the acquisition as a result of purchase accounting procedure. Such assets are deemed to have an indefinite life where the group has a high probability that it will be able to successfully re-apply for these rights as and when they expire. Hence these assets are not amortised, but rather are subject to regular impairment reviews to confirm that the carrying value in the group's financial statements is still appropriate.

GE split-off transaction
As explained in Note 4, the company agreed to repurchase GE's entire holding of 103,149,900 Class C shares in exchange for certain assets and cash. Since this is a transaction with a shareholder, linked to shares of the company, it has been deemed appropriate to recognise the difference between the fair value of the assets exchanged and their carrying value directly in equity.

2) Estimation uncertainty
The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of goodwill
The group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. More details are given in Note 15.

Business combinations

In the event of a business combination, the group initially measures the identifiable assets, liabilities and contingent liabilities acquired at their fair value as at the acquisition date. Any minority interest in the acquiree is accordingly stated at their proportion of the net fair values of the acquired assets, liabilities and contingent liabilities. In the event of the acquisition of an additional interest in a subsidiary, any resultant goodwill arising on the increase in ownership is recognised directly in equity.

Property, plant and equipment

Property, plant and equipment is initially recorded at acquisition or manufacturing cost and is depreciated over the expected useful economic life. The manufacturing cost of internally generated property, plant and equipment includes directly attributable costs as well as appropriate overheads. Costs for the repair and maintenance of these assets are recorded as expense. Relevant finance charges arising during the construction period of satellites are capitalised.

Property, plant and equipment is depreciated using the straight-line method, generally based on the following useful lives:

Buildings	25 years
Space segment assets	10 to 16 years
Ground segment assets	3 to 15 years
Other fixtures, fittings, tools and equipment	3 to 15 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any loss or gain arising on derecognition of the asset is included in the profit and loss account in the year the asset is derecognised.

The asset's residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

Assets in the 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.

Intangible assets

1) 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. The carrying value of acquisition goodwill is reviewed for impairment annually, or more frequently if required to establish whether the value is still recoverable. The recoverable amount is defined as the higher of fair value less costs to sell and value in use. Impairment charges are taken as charges against net profit where a non-recoverable component is identified. Impairment losses relating to goodwill cannot be reversed in future periods. The group estimates value in use on the basis of the estimated discounted cash flows to be generated by a cash-generating unit which are based upon business plans approved by management. Beyond a five-year period, cash flows may be estimated on the basis of stable rates of growth or decline. Goodwill is stated in the balance sheet at cost less any impairment charges recorded.

2) Other intangibles

Intangible assets, consisting principally of rights of usage of orbital frequencies and acquired transponder service agreements, are reviewed at acquisition to establish whether they represent assets with a definite or indefinite life. Those assessed as being definite life assets are amortised on a straight-line basis over a period not exceeding 21 years. Indefinite life intangible assets are held at cost in the balance sheet but are subject to impairment testing in line with the treatment outlined for goodwill above. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Impairment of non-financial assets

The group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the group makes an estimate of the recoverable amount.

The group's long-lived assets and definite-life intangible assets, including its in-service satellite fleet, 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. The estimated discounted cash flows are based on the most recent business plans. If impairment is indicated, the asset value will be written down to fair value based upon discounted cash flows using an appropriate discount rate.

Borrowing costs
Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Investments and other financial assets
Financial assets in the scope of IAS 39 are classified as one of: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; or available-for-sale financial assets; as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

All regular purchases and sales of financial assets are recognised on the trade date i.e. the date that the group is committed to the purchase or sale of the asset.

The following categories of financial asset as defined in IAS 39 are relevant in the group’s financial statements.

1) Financial assets at fair value through profit or loss
Financial assets classified as held for trading are included in the category ‘financial assets at fair value through profit or loss’. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated and effective hedging instruments. Gains or losses on investments held for trading are recognised in income.

2) Held-to-maturity investments
Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the group has the positive intent and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process.

3) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

4) Available-for-sale financial assets
Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial recognition available-for-sale financial assets are measured at fair value with gains and losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the income statement totally or partially.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm’s length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models.

Inventories
Inventories primarily consist of work-in-progress, related accessories and network equipment spares and are stated at the lower of cost or market value, with cost determined on an average-cost method and market value based on the estimated net realisable value.

Trade and other receivables
Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Provision is made when there is objective evidence that the group will not be able to collect the debts. Bad debts are written off when identified.

Treasury shares
Acquired own equity instruments (treasury shares) are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the group’s own equity instruments.

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash on hand and in banks and short-term deposits which are held to maturity are carried at cost. For the purposes of the consolidated statement of cash flow, 'Net cash' consists of cash and cash equivalents net of outstanding bank overdrafts.

Revenue recognition

The group enters into contracts to provide high-quality satellite transponder capacity and broadcasting services through which television, radio and data broadcasting make available programming services to the general public. 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, at the fair value of the consideration received or receivable, 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. Interest is accrued on advance payments received using the incremental borrowing rate of the group at the time the advance payments are received. Payments of receivables in arrears are accrued and included in trade debtors.

The group also has a number of long-term construction contracts. Revenue is recognised on these contracts by reference to the stage of completion of the contract where the outcome can be estimated reliably.

Dividends

The company declares dividends after the financial statements for the year have been approved. Accordingly dividends are recorded in the subsequent year's financial statements.

Provisions

Provisions are recognised when the group has a present obligation as a result of a past event and 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.

Current taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred taxes

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Translation of foreign currencies

The consolidated financial statements are presented in euro (EUR), which is the company's functional and presentation currency. Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using the functional currency. Transactions in foreign currencies are initially recorded in the functional currency ruling at the date of transaction. 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 consolidated income statement.

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. In accordance with IFRS 1, the group has elected not to apply IAS 21 'The Effects of Changes in Foreign Currency Exchange Rates' (as revised in 2003) retrospectively to fair value adjustments and goodwill arising in business combinations that occurred before the date of transition to IFRS.

Subsidiary companies and joint ventures keep their accounts in their respective functional 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. On disposal of a foreign subsidiary or joint venture, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the income statement.

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

EUR 1 =	Average rate for 2006	Closing rate for 2006	Average rate for 2007	Closing rate for 2007
United States dollar	USD 1.25	USD 1.32	USD 1.37	USD 1.47
Swedish krona	SEK 9.28	SEK 9.04	SEK 9.23	SEK 9.44

Basic and diluted earnings per share

The company's capital structure consists of Class A, Class B and, until April 5, 2007, Class C shares 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 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.

Derivative financial instruments and hedging

The group recognises all derivatives as assets and liabilities on the balance sheet at fair value. Changes in the fair value of derivatives are recorded in the income statement or in accordance with the principles below where hedge accounting is applied. 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 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 a hedging derivative instrument is entered into, the group designates the derivative as one of the following:

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.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

1) Fair value hedges

In relation to fair value hedges (interest rate swaps on fixed-rate debt) which meet the conditions for hedge accounting, any gain or loss from re-measuring the hedging instrument at fair value is recognised immediately in the income statement. 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 income statement as finance revenue or cost.

2) Cash flow hedges

In relation to cash flow hedges (forward foreign currency contracts and interest rate swaps) to hedge firm commitments or forecasted transactions which meet the conditions for 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 the income statement as finance revenue or cost.

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.

3) Hedge of a net investment in a foreign operation

Changes in the fair value of a derivative or non-derivative instrument 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 the income statement as finance revenue or cost.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, the hedge no longer qualifies for hedge accounting, or the group revokes the designation. 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.

Derecognition of financial assets and liabilities

1) Financial assets

A financial asset is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of that asset.

Where the group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset continues to be recognised to the extent of the group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of the consideration that the group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including cash-settled options or similar provision) on the transferred asset, the extent of the group's continuing involvement is the amount of the transferred asset that the group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

2) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

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 by 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 income statement as incurred on an accruals basis.

Share-based payments

Employees (including senior executives) of the group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ('equity-settled transactions').

1) Equity-settled transactions

The cost of equity-settled transactions is measured by reference to the fair value at the date on which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in Note 24. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the company's shares, if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting date'). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the group's best estimate of the number of equity instruments that will ultimately vest. The income statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 11).

2) Cash-settled transactions
The cost of cash-settled transactions is measured initially at fair value at the grant date using a binomial model taking into account the terms and conditions upon which the instruments were granted (see Note 23). This fair value is expensed over the period until settlement with recognition of a corresponding liability. The liability is remeasured at each balance sheet date up to and including the settlement date with changes in fair value recognised in the consolidated income statement.

The group has taken advantage of the transitional provisions of IFRS 2 in respect of equity-based awards and has applied IFRS 2 only to equity-based awards granted after November 7, 2002 that had not vested on January 1, 2004.

Leases
The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. For arrangements entered into prior to January 1, 2005, the date of inception is deemed to be January 1, 2005 in accordance with the transitional requirements of IFRIC 4.

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 directly to expense. 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 income statement on a straight-line basis over the lease term.

IFRS standards and interpretations not yet effective
The following IFRS and IFRIC interpretations have been issued with an effective date for financial periods beginning on or after January 1, 2008 and are relevant to the activity of the group. The group has chosen not to early adopt these standards and interpretations.

IFRS 8 ‘Operating Segments’ is applicable for annual periods beginning on or after January 1, 2009. This standard requires disclosure of information concerning the group’s operating segments and replaces the requirement to determine primary (geographical) and secondary (business) reporting segments of the group. The group plans to adopt this standard at its effective date. This adoption will only impact disclosures in the financial statements.

IFRIC 11 IFRS 2 – ‘Group and Treasury Share Transactions’ is applicable for annual periods beginning on or after March 1, 2007. This interpretation requires arrangements whereby an employee is granted rights to an entity’s equity instruments to be accounted for as an equity-settled scheme, even if the entity buys the instruments from another party, or the shareholders provide the equity instruments needed. The group plans to adopt this interpretation, insofar as it applied to consolidated financial statements, at its effective date or at the date of endorsement by the European Union, if later, and does not anticipate any significant impact on its financial statements.

IFRIC 14 IAS 19 – ‘The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction’ is applicable for annual periods beginning on or after January 1, 2008. The interpretation provides guidance on how to assess the limit on the amount of the surplus in a defined benefit scheme that can be recognised as an asset under IAS 19 ‘Employee Benefits’. The group plans to adopt this interpretation at its effective date or at the date of endorsement by the European Union, if later, and does not anticipate any significant impact on its financial statements.

IAS 23 ‘Amendment – Borrowing costs’ is applicable for annual periods beginning on or after January 1, 2009. This amendment eliminates the option of expensing all borrowing costs and requires borrowing costs to be capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. The group plans to adopt this revised standard at its effective date or at the date of endorsement by the European Union, if later, and does not anticipate any significant impact on its financial statements as the current accounting policy on borrowing costs is already compliant with this amendment.

IFRS 3R ‘Business Combinations’ is applicable prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after July 1, 2009. IFRS 3R introduces a number of changes in accounting for business combinations that will impact the amount of goodwill to be recognised, accounting for step-acquisitions and the treatment of contingent consideration. In addition all acquisition related costs will be required to be expensed at the time the services are received. The group plans to adopt this revised standard at its effective date or at the date of endorsement by the European Union, if later.

IAS 27R ‘Consolidated Financial Statements’ is applicable for annual periods beginning on or after July 1, 2009 and must be adopted simultaneously with the adoption of IFRS 3R. The revised IAS 27 will require entities to account for changes in the ownership of a subsidiary, which does not result in the loss of control, as an equity transaction and therefore will not give rise to a gain or loss in income. In addition losses incurred by a subsidiary will be required to be allocated between the controlling and non-controlling interests, even if the losses exceed the non-controlling equity investment in the subsidiary. Finally on loss of control of a subsidiary, entities will be required to re-measure to fair value any retained interest, which will impact the gain or loss recognised on the disposal linked to the loss of control. The group is in the process of assessing the impact on their financial statements of the adoption of this standard.

Note 3 – Consolidated subsidiaries, joint ventures and affiliates
The consolidated financial statements include the financial statements of the material subsidiaries, joint ventures and associates listed below:

	Effective interest (%) 2007	Effective interest (%) 2006	Method of consolidation
Held directly by SES:			
SES ASTRA S.A., Luxembourg	**100.00**	100.00	Full
SES GLOBAL-Americas Inc., USA	**100.00**	100.00	Full
SES GLOBAL-Americas Finance Inc., USA	**100.00**	100.00	Full
SES Europe S.A., Luxembourg [1]	**–**	100.00	Full
SES GLOBAL Africa S.A., Luxembourg	**100.00**	100.00	Full
SES Participations S.A., Luxembourg	**100.00**	100.00	Full
SES GLOBAL Gibraltar Ltd., Gibraltar	**100.00**	100.00	Full
SES Finance S.à r.l., Switzerland	**100.00**	100.00	Full
Betzdorf Holdings Ltd, Ireland	**100.00**	100.00	Full
SES Holdings (Netherlands) BV	**100.00**	100.00	Full
SES Subsidiary 1 S.A., Luxembourg	**100.00**	100.00	Full
SES Subsidiary 2 S.A., Luxembourg	**100.00**	100.00	Full
SES ASTRA Services Europe S.A., Luxembourg	**100.00**	100.00	Full
SES Latin America S.A., Luxembourg	**100.00**	100.00	Full
SES Digital Distribution Services S.à r.l. [2], Luxembourg	**100.00**	100.00	Full
Held through SES Digital Distribution Services S.à r.l. [2]:			
SES Capital Belgium S.A., Belgium	**100.00**	100.00	Full
ND SatCom GmbH [3]	**100.00**	100.00	Full
ND SatCom Defence GmbH, Germany	**100.00**	100.00	Full
ND SatCom Inc, USA	**100.00**	100.00	Full
ND SatCom Services GmbH, Germany	**100.00**	100.00	Full
ND SatCom Managed Networks GmbH, Germany	**100.00**	100.00	Full
ND Satcom FZE (UAE)	**100.00**	–	Full
ND SatCom Satellite Communications Systems (Beijing) Co. Ltd	**100.00**	100.00	Full
Bosphocom Ltd, Turkey	**100.00**	100.00	Full
ND SatCom Grintex Communications Ltd, India	**50.00**	50.00	Full
ND SatCom ooo, Russia	**100.00**	100.00	Full
Milsat Services GmbH, Germany	**25.10**	25.10	Equity
ASTRA Platform Services GmbH, Germany	**100.00**	100.00	Full
5cast GmbH, Germany	**51.00**	51.00	Full
SES Digital Distribution Services GmbH [4]	**100.00**	100.00	Full
Held through SES ASTRA Services Europe S.A., Luxembourg:			
Glocom (Communications and Images) Limited (IoM)	**51.00**	–	Full
SES Managed Services S.A., Luxembourg [14]	**–**	100.00	Full
SES International Teleport (Switzerland) AG, Switzerland [14]	**–**	100.00	Full
SATLYNX GmbH, Germany [14]	**–**	100.00	Full
SES ASTRA TechCom S.A., Luxembourg	**100.00**	100.00	Full
SES ASTRA TechCom Belgium S.A., Belgium	**100.00**	100.00	Full
Astralis S.A., Luxembourg	**51.00**	51.00	Full
SES GLOBAL Europe Subsidiary 2 GmbH, Germany	**100.00**	100.00	Full
ASTRA Broadband Services S.A., Luxembourg	**100.00**	100.00	Full
SES Digital Distribution Services AG, Switzerland	**100.00**	100.00	Full
Redu Operations Services S.A.	**48.00**	–	Equity
Redu Space Services S.A.	**52.00**	–	Full
Entavio GmbH, Germany	**100.00**	100.00	Full
SES Capital Luxembourg S.A., Luxembourg	**100.00**	100.00	Full
Held through SES ASTRA S.A.:			
ASTRA GmbH, Germany	**100.00**	100.00	Full

[1] In December 2007 SES Europe merged with SES S.A.
[2] Formerly SES Digital Distribution Services S.A., Luxembourg
[3] Formerly ND SatCom AG, Germany
[4] Formerly SES Managed Services GmbH, Germany

Notes to the consolidated financial statements

December 31, 2007

	Effective interest (%) 2007	Effective interest (%) 2006	Method of consolidation
ASTRA Ltd, United Kingdom	**100.00**	100.00	Full
ASTRA Marketing Iberica S.A., Spain	**100.00**	100.00	Full
ASTRA France S.A., France	**100.00**	100.00	Full
ASTRA Polska Sp. z o.o., Poland	**100.00**	100.00	Full
ASTRA CEE GmbH, Austria	**100.00**	100.00	Full
ASTRA (GB) Limited[5]	**100.00**	100.00	Full
ASTRA Benelux B.V.	**100.00**	–	Full
SES ASTRA CEE Sp. z o.o, Poland	**100.00**	100.00	Full
SES ENGINEERING (Luxembourg) S.à r.l.[6]	**100.00**	100.00	Full
SES SIRIUS AB, Sweden	**75.00**	75.00	Full
Sirius Satellite Services SIA, Latvia	**75.00**	75.00	Full
SES ASTRA 1KR Satellite Company S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 1L Satellite Company S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 1M Satellite Company S.à r.l., Luxembourg	**100.00**	100.00	Full
SES ASTRA 3B Satellite Company S.à r.l., Luxembourg	**100.00**	100.00	Full
Held through SES Finance S.à r.l.:			
SES Re International (Bermuda) Ltd., Bermuda[7]	**100.00**	100.00	Full
SES Satellite Leasing Ltd, Isle of Man	**100.00**	100.00	Full
Held through SES GLOBAL Africa S.A.:			
Accelon Ltd, South Africa	**43.55**	43.55	Equity
SES Africa (Proprietary) Ltd., South Africa	**100.00**	100.00	Full
Held through SES GLOBAL-Americas Inc.:			
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 PAC, Inc, USA	**100.00**	100.00	Full
Worldsat LLC, USA	**100.00**	100.00	Full
Communications Satellite Int. Marketing Inc., USA	**100.00**	100.00	Full
SES AMERICOM International Holdings, Inc., USA	**100.00**	100.00	Full
SES AMERICOM Canada, Inc, Canada	**100.00**	100.00	Full
SES AMERICOM (Brazil) Holdings, LLC, USA	**100.00**	100.00	Full
SES AMERICOM do Brasil Servicos de Telecommunicacoes, Ltda., Brazil	**100.00**	100.00	Full
SES AMERICOM (Singapore) Pty., Ltd., Singapore	**100.00**	100.00	Full
AMERICOM Government Services, Inc., USA	**100.00**	100.00	Full
Sistemas Satelitales de Mexico S. de R.L. de C.V., Mexico	**49.00**	49.00	Equity
Socios Aguila S.de R.L de C.V., Mexico	**49.00**	49.00	Equity
Columbia Communications Corporation, USA	**100.00**	100.00	Full
Columbia/WIGUSA Communications, Inc., USA	**100.00**	100.00	Full
SES Satellites International, Inc., USA	**100.00**	100.00	Full
SES Satellites (Gibraltar) Ltd., Gibraltar	**100.00**	100.00	Full
SES AMERICOM Colorado, Inc., USA	**100.00**	100.00	Full
AMC-1 Holdings LLC, USA	**100.00**	100.00	Full
AMC-2 Holdings LLC, USA	**100.00**	100.00	Full
AMC-3 Holdings LLC, USA	**100.00**	100.00	Full
AMC-5 Holdings LLC, USA	**100.00**	100.00	Full
AMC-6 Holdings LLC, USA	**100.00**	100.00	Full
AMC-8 Holdings LLC, USA	**100.00**	100.00	Full

[5] Formerly SES AMERICOM UK Ltd., United Kingdom
[6] Formerly New Skies Satellites Holdings (Luxembourg) S.à.r.l., Luxembourg
[7] Formerly SES GLOBAL Re International (Bermuda) Ltd., Bermuda

	Effective interest (%) 2007	Effective interest (%) 2006	Method of consolidation
AMC-9 Holdings LLC, USA	**100.00**	100.00	Full
AMC-10 Holdings LLC, USA	**100.00**	100.00	Full
AMC-11 Holdings LLC, USA	**100.00**	100.00	Full
SES AMERICOM (Asia 1A) LLC, USA	**100.00**	100.00	Full
AMERICOM Asia Pacific LLC, USA	**100.00**	100.00	Full
AMC-12 Holdings LLC, USA	**100.00**	100.00	Full
AMC-23 Holdings LLC, USA	**100.00**	100.00	Full
SES AMERICOM California, Inc., USA	**100.00**	100.00	Full
AMC-4 Holdings LLC, USA	**100.00**	100.00	Full
AMC-7 Holdings LLC, USA	**100.00**	100.00	Full
AMC-15 Holdings LLC, USA	**100.00**	100.00	Full
AMC-16 Holdings LLC, USA	**100.00**	100.00	Full
Starsys Global Positioning Inc., USA	**100.00**	80.00	Full
Ciel Satellite Holdings Inc., Canada	**100.00**	100.00	Full
Ciel Satellite Communications Inc., Canada	**100.00**	100.00	Full
Ciel Satellite Limited Partnership, Canada	**70.00**	70.00	Proportional
Quetzsat Directo, S. de R.L. de C.V., Mexico	**49.00**	49.00	Equity
Safe Sat of New York Inc., USA	**100.00**	100.00	Full
SES ENGINEERING (United States) Inc[8]	**100.00**	–	Full
AMC-14 Holdings LLC, USA	**100.00**	100.00	Full
Northern Americas Satellite Venture, Inc., Canada	**100.00**	100.00	Full
ISAT Inc., USA	**100.00**	100.00	Full
SES AMERICOM Holdings (South America) LLC, USA	**100.00**	100.00	Full
HiWire LLC, USA	**50.00**	50.00	Proportional
Held through SES Latin America S.A.:			
Quetzsat S. de R.L. de C.V.	**49.00**	49.00	Equity
Satellites Globales S. de R.L. de C.V.	**49.00**	–	Equity
SES Satelites Directo Ltda[9]	**100.00**	100.00	Full
SES DTH do Brasil Ltda[10]	**100.00**	100.00	Full
Held through SES Holdings (Netherlands) BV:			
New Skies Satellites Intermediate Holdings Ltd., Bermuda	**100.00**	100.00	Full
New Skies Satellites Holdings (US) LLC, USA	**100.00**	100.00	Full
New Skies Investments Holding BV, The Netherlands	**100.00**	100.00	Full
New Skies Holding BV, The Netherlands	**100.00**	100.00	Full
New Skies Satellites BV, The Netherlands	**100.00**	100.00	Full
New Skies Investments (Ireland) Unltd., Ireland	**100.00**	100.00	Full
SES Holdings (Bermuda) Ltd., Bermuda	**100.00**	100.00	Full
New Skies Investments Sarl, Luxembourg	**100.00**	100.00	Full
New Skies Holdings Ireland Unlimited, Ireland	**100.00**	100.00	Full
New Skies Satellites Ireland Unlimited, Ireland	**100.00**	100.00	Full
New Skies Satellites, Inc., USA	**100.00**	100.00	Full
New Skies Satellites (UK) Ltd., UK	**100.00**	100.00	Full
New Skies Satellites de Mexico S.A. de CV, Mexico	**49.00**	49.00	Equity
New Skies Satellites Mar BV, The Netherlands	**100.00**	100.00	Full
New Skies Satellites Ltda., Brazil	**100.00**	100.00	Full
Morharras BV, The Netherlands	**100.00**	100.00	Full
New Skies Networks, Inc., USA	**100.00**	100.00	Full
New Skies Networks (UK) Ltd., UK	**100.00**	100.00	Full
SES ENGINEERING (Netherlands) B.V.[11]	**100.00**	100.00	Full

[8] Formerly SES AMERICOM Enterprise Solutions Inc., USA
[9] Formerly SES AMERICOM do Brasil Multimidia, Ltda, Brasil
[10] Formerly SES AMERICOM do Brasil Multimidia Holdings, Ltda, Brasil
[11] Formerly New Skies Satellites Netherlands Licensee BV, The Netherlands

	Effective interest (%) 2007	Effective interest (%) 2006	Method of consolidation
New Skies Asset Holdings, Inc., USA	**100.00**	100.00	Full
New Skies Carrier Services, Inc., USA	**100.00**	100.00	Full
New Skies Satellites China BV, The Netherlands	**100.00**	100.00	Full
SES NEW SKIES Marketing B.V.[12]	**100.00**	100.00	Full
New Skies Satellites, India BV, The Netherlands	**100.00**	100.00	Full
New Skies Satellites Argentina BV, The Netherlands	**100.00**	100.00	Full
New Skies Networks Australia BV, The Netherlands	**100.00**	100.00	Full
New Skies Networks Australia Pty Ltd., Australia	**100.00**	100.00	Full
New Skies Satellites Australia Pty Ltd., Australia	**100.00**	100.00	Full
New Skies Satellites Licensee BV, The Netherlands	**100.00**	100.00	Full
New Skies Satellites Singapore BV, The Netherlands	**100.00**	100.00	Full
NSS Latin America Holdings S.A., Luxembourg	**100.00**	100.00	Full
SES GLOBAL South Americas Inc., USA	**100.00**	100.00	Full
SES do Brasil Ltda., Brazil	**100.00**	100.00	Full
SES Asia S.A., Luxembourg	**100.00**	100.00	Full
SES Finance Services AG, Switzerland[13]	**100.00**	100.00	Full
Star One S.A., Brazil[14]	–	19.99	Equity
Bowenvale Ltd, British Virgin Islands[14]	–	49.50	Proportional
Asia Satellite Telecommunications Holdings Ltd, Bermuda[14]	–	34.10	Proportional
AsiaSat BVI Limited, British Virgin Islands[14]	–	34.10	Proportional
Asia Satellite Telecommunications Company Ltd., Hong Kong[14]	–	34.10	Proportional
Skywave TV Company Limited, Hong Kong[14]	–	27.28	Proportional
Beijing Asia Sky Telecommunications Technology Co. Ltd., China[14]	–	16.71	Equity
SpeedCast Holdings Ltd., Cayman Islands[14]	–	16.15	Equity

[12] New Skies Satellites Hong Kong BV, The Netherlands
[13] Formerly SES GLOBAL Holding AG, Switzerland
[14] Disposed of as part of GE split-off transaction (See Note 4)

Note 4 – Business combinations and disposals
1. GE split-off transaction
On February 14, 2007 the company announced that it had agreed with GE a split-off transaction whereby SES contributed certain assets and cash to a new company, SES International Holdings, Inc ('SIH'). Subsequently SES exchanged its 100% shareholding in SIH for GE's entire holding of 103,149,900 SES Class C shares. The agreement was subject to the satisfaction of certain closing conditions which were resolved such that, subject to the matter outlined below, the transaction closed on March 30, 2007. The transfer of the group's 19.99% shareholding in the Brazilian satellite operator StarOne, foreseen under the agreement, could not be executed on March 30 for Brazilian regulatory reasons. These clearances were received on June 29, and this final part of the transaction closed on that date. In the second half of 2007 the accounting for the transaction was finalised following the liquidation of the intermediate parent company of Star One and the resolution of certain contingencies linked to the cash portion of the transaction.

Based on the EUR 14.29 market price of the SES shares as at the date of closing, the fair value of the 103,149,900 C-shares received in exchange for the assets transferred amounted to EUR 1,474.0 million.

The assets transferred to GE in the framework of this transaction are set out below:

	Preliminary net result of disposal EUR million	Impact of completion of StarOne disposal EUR million	Final net result of disposal EUR million
Carrying value on disposal:			
The AMC-23 satellite and its related business	297.7	–	297.7
49.50% of Bowenvale Ltd.*	381.6	–	381.6
19.99% shareholding in StarOne	106.3	–	106.3
100.00% of SATLYNX	13.9	–	13.9
5.50% of OrbComm	–	–	–
Orbital slot rights for the AMC-23 satellite	–	–	–
Cash	653.8	(15.0)	638.8
Adjustment to tax impact of above disposals	–	(3.2)	(3.2)
Total	1,453.3	(18.2)	1,435.1
Recycling of currency exchange reserve balance	–	98.5	98.5
Fair value of C-shares received in exchange	1,474.0	–	1,474.0
Net gain (loss) on the sale of the above assets	20.7	(80.3)	(59.6)

* Representing a 34.1% effective interest in Asia Satellite Telecommunications Holdings Ltd ('AsiaSat').

On disposal of the interests in Bowenvale and SATLYNX, an aggregated cash balance of EUR 69.6 million left the group. Since this transaction was with a shareholder, the result arising on the disposal of the individual business assets has been taken directly to equity. Pursuant to a shareholders' resolution at an Extraordinary General Meeting held on March 15, 2007, the company cancelled the Class C shares acquired under this transaction on April 5, 2007 such that no dividend was declared on these shares at the SES Annual General Meeting on the same day.

Of the assets transferred to SIH, only the interests in AsiaSat and in SATLYNX were 'components of an entity' in the sense of IFRS 5 ('Non-current Assets Held for Sale and Discontinued Operations'). For these discontinued operations, the contribution to consolidated net income and to the consolidated cash flows of the group are set out below:

	12 months to December 31, 2007 EUR million	12 months to December 31, 2006 EUR million
Contribution to consolidated net income:		
Revenue	17.8	60.0
Expenses	(16.6)	(44.0)
Profit for the year before tax	1.2	16.0
Income tax expense	(0.5)	(3.0)
Profit for the year after tax	0.7	13.0
Contribution to consolidated cash flows:		
Net operating cash flow	1.1	10.3
Cash flow for investing activities	(7.0)	(9.0)
Cash flow for financing activities	–	(4.4)

2. Acquisition of New Skies Satellites

On March 30, 2006, the group acquired a 100% shareholding in NSS Bermuda Holdings Limited, the owner of New Skies Satellites ('NSS') based in The Hague, The Netherlands. The consideration for this acquisition, including EUR 2.1 million of transaction costs was EUR 606.5 million. The following table sets out the final fair value of the assets acquired and the goodwill recorded on the transaction.

	Carrying value on acquisition USD million	Purchase price allocation Fair value recognised on acquisition USD million	Purchase price allocation Fair value recognised on acquisition EUR million
Property, plant and equipment	586.6	586.6	484.6
Intangible assets	28.2	504.5	416.8
Other non-current assets	42.5	57.1	47.2
Receivables and prepayments	33.0	33.0	30.8
Cash	37.3	37.3	27.3
Interest bearing loans and borrowings	(445.7)	(461.0)	(380.9)
Deferred tax provisions	(3.6)	(129.5)	(107.0)
Other non-current liabilities	(39.5)	(39.5)	(32.6)
Trade and other payables	(57.3)	(57.3)	(47.4)
Other current liabilities	(59.4)	(59.4)	(49.0)
Fair value of assets acquired		471.8	389.8
Consideration paid		734.1	606.5
Goodwill arising on the transaction		262.3	216.7

The goodwill arising results from the synergies to be achieved in integrating SES NEW SKIES business operations with those of the existing operating entities. From the date of acquisition to December 31, 2006, SES NEW SKIES has contributed EUR (12.2 million) to the net profit of the group and is reported as a separate geographical market segment.

3. Acquisition of remaining 74.9% shareholding in ND SatCom

On June 29, 2006, SES ASTRA increased its indirect shareholding in ND SatCom from 25.1% to 100%. The company had increased its holding in ND SatCom to 25.1% in April 2005 at which point the group began to account for its interest in ND SatCom using the equity method.

The consideration for the increase to 100%, including transaction costs of EUR 0.8 million and a contingent consideration of EUR 4.2 million which was paid in 2007, amounted to EUR 50.2 million. The goodwill represents the benefits to the group in broadening and deepening the group's engagement in government services activities.

The following table sets out the final fair value of the assets acquired and the goodwill recorded on the transaction.

EUR million	Purchase price allocation of April 2005 transaction Fair value on acquisition	Purchase price allocation of June 2006 transaction Fair value on acquisition	Purchase price allocation of June 2005 transaction Carrying value on acquisition
Property, plant and equipment	1.8	5.5	5.3
Intangible assets	5.4	27.4	7.2
Other non-current assets	10.5	17.2	16.5
Current assets	48.2	66.0	65.9
Non-current liabilities	(24.5)	(31.4)	(22.2)
Current liabilities	(20.6)	(47.7)	(51.8)
Fair value of net assets	20.8	37.0	
Fair value of share of company assets acquired	5.2	27.6	
Consideration paid	6.1	50.2	
Goodwill arising on the transaction	0.9	22.6	

From the date of acquisition to December 31, 2006, ND SatCom contributed EUR 0.1 million to the net profit of the group and is reported as part of the ASTRA segment.

Note 5 – Interest in a joint venture

Until March 30, 2007, the group held a 34.1% interest in AsiaSat, a jointly controlled entity involved in similar business to the group's other main operational entities. The share of assets, liabilities, income and expenses of the jointly controlled entity as at December 31, 2007 and for the year then ended, which are included in the consolidated financial statements, are as follows:

	2007 EUR million	2006 EUR million
Non-current assets	**–**	218.6
Current assets	**–**	81.5
Non-current liabilities	**–**	(6.4)
Current liabilities	**–**	(15.7)
Revenue	**7.4**	32.6
Operating expenses	**(1.7)**	(7.2)
Depreciation and amortisation	**(2.5)**	(10.5)
Finance costs, net	**0.5**	3.2
Income tax expense	**(0.5)**	(1.9)
Share of associate's result/minority interests	**–**	(0.3)
Net profit	**3.2**	15.9

The group has a 70.0% interest in Ciel Satellite Limited Partnership, Canada, a jointly controlled entity which is involved in similar business to the group's other main operational entities.

The share of assets, liabilities, income and expenses of the jointly controlled entity as at December 31 and for the year then ended, which are included in the consolidated financial statements, are as follows:

	2007 EUR million	2006 EUR million
Non-current assets	**68.0**	51.6
Current assets	**0.2**	0.7
Non-current liabilities	**(62.9)**	(50.2)
Current liabilities	**(5.4)**	(1.0)
Revenue	**0.7**	0.8
Operating expenses	**(0.8)**	(1.6)
Depreciation and amortisation	**–**	–
Finance costs	**–**	–
Net loss	**(0.1)**	(0.8)

Note 6 – Segment information: geographical segments

The group's primary basis for segmental reporting is geographic market segments reflecting the internal reporting and responsibility structure of the group. For the year ended December 2006, the group's operations were reported for the following five separately organised and managed areas: 'Europe, Middle East and Africa'; 'Americas'; SES NEW SKIES; 'Asia'; and 'SES GLOBAL & other participations'.

Following the acquisition of SES NEW SKIES in 2006, management responsibilities for certain operations were re-allocated which resulted in a change in the definition of these primary segments effective January 1, 2007. These changes were mainly the following:

1) Responsibility for the management of the former 'Asia' operations, primarily the operations of SES ASIA S.A. and the group's interest in AsiaSat, was assigned to the SES NEW SKIES management team; and

2) The responsibility for the commercial management of certain satellite assets in the ASTRA and AMERICOM fleets, whose footprints were outside Europe and North America respectively, was also re-assigned to the management team of SES NEW SKIES.

Reflecting these changes, SES has amended its internal management and reporting structure – reducing the previous five segments to four. These are, beginning January 2007,: 'ASTRA', 'AMERICOM', 'NEW SKIES', and 'SES S.A. & Other Participations' ('Other').

The group accounts for inter-segment sales and transfers as if the sales or transfers were to third parties at current market prices. Prior period figures have been restated to reflect any material impacts of the changes above.

Notes to the consolidated financial statements
December 31, 2007

For the year ended December 31, 2007 and as at that date:

	ASTRA EUR million	AMERICOM EUR million	NEW SKIES EUR million	Other EUR million	Elimination EUR million	Total EUR million
Segmental results						
External sales	970.5	394.7	245.5	–	–	1,610.7
Inter-segment sales	0.9	6.5	15.8	–	(23.2)	–
Total revenue	971.4	401.2	261.3	–	(23.2)	1,610.7
Operating expenses	(293.6)	(148.9)	(67.3)	(33.8)	23.2	(520.4)
EBITDA [1]	677.8	252.3	194.0	(33.8)	–	1,090.3
Depreciation	(186.4)	(150.2)	(98.6)	(0.5)	–	(435.7)
Amortisation	(38.6)	(2.9)	–	–	–	(41.5)
Operating profit	452.8	99.2	95.4	(34.3)	–	613.1
Share of associates' results	(1.9)	(0.1)	2.3	–	–	0.3
Segmental assets						
Property, plant and equipment	1,340.2	1,514.0	599.1	35.7	–	3,489.0
Intangible assets	574.4	1,631.3	569.0	0.1	–	2,774.8
Allocated non-current assets	1,914.6	3,145.3	1,168.1	35.8	–	6,263.8
Current assets	209.2	30.0	61.7	25.0	–	325.9
Total allocated assets	2,123.8	3,175.3	1,229.8	60.8	–	6,589.7
Non-allocated assets						260.0
Total assets						6,849.7
Segmental liabilities						
Non-current liabilities	137.4	162.5	34.0	0.9	–	334.8
Current liabilities	325.6	78.2	64.4	65.6	–	533.8
Total allocated liabilities	463.0	240.7	98.4	66.5	–	868.6
Non-allocated liabilities						4,369.3
Total liabilities						5,237.9
Capital expenditure	**296.4**	**211.3**	**159.3**	**40.7**	**–**	**707.7**

[1] Earnings before interest, tax, depreciation and amortisation

For the year ended December 31, 2006 and as at that date:

	ASTRA EUR million	AMERICOM EUR million	NEW SKIES EUR million	Other EUR million	Elimination EUR million	Total EUR million
Segmental result						
External sales	886.7	544.9	183.4	0.2	–	1,615.2
Inter-segment sales	8.9	1.5	7.0	14.2	(31.6)	–
Total revenue	895.6	546.4	190.4	14.4	(31.6)	1,615.2
Operating expenses	(234.6)	(223.5)	(71.6)	(36.8)	31.7	(534.8)
EBITDA [1]	661.0	322.9	118.8	(22.4)	0.1	1,080.4
Depreciation	(188.1)	(178.9)	(71.3)	(0.3)	–	(438.6)
Amortisation	(33.3)	(3.2)	–	–	–	(36.5)
Operating profit	439.6	140.8	47.5	(22.7)	0.1	605.3
Share of associates' result	(2.1)	12.7	(0.1)	–	–	10.5
Segmental assets						
Property, plant and equipment	1,357.5	1,921.0	483.5	0.7	–	3,762.7
Intangible assets	590.4	1,991.4	800.8	–	–	3,382.6
Allocated non-current assets	1,947.9	3,912.4	1,284.3	0.7	–	7,145.3
Current assets	183.8	47.3	50.6	73.0	–	354.7
Total allocated assets	2,131.7	3,959.7	1,334.9	73.7	–	7,500.0
Non-allocated assets						566.1
Total assets						8,066.1
Segmental liabilities						
Non-current liabilities	50.0	134.1	25.7	0.6	–	210.4
Current liabilities	290.9	98.6	78.8	73.5	–	541.8
Total allocated liabilities	340.9	232.7	104.5	74.1	–	752.2
Non-allocated liabilities						4,268.8
Total liabilities						5,021.0
Capital expenditure	258.8	206.5	14.4	0.6	–	480.3

[1] Earnings before interest, tax, depreciation and amortisation

Note 7 – Segment information: business segments
The following tables present information regarding the group's business segments for the years ended December 31, 2007 and 2006.

The segment 'Infrastructure' represents the business of owning and operating satellites. It includes transponder leasing and sales deals where only capacity and incidental services (such as uplinking and downlinking) are involved. This includes the transponders leased to the services segment.

The segment 'Services' includes all transponder leasing deals in which transponder capacity is bundled with other services (such as platform services), or other satellite-centric services are offered.

	Infrastructure EUR million	Services EUR million	Eliminations EUR million	Total EUR million
Year ended December 31, 2007				
External sales	1,297.1	313.6	–	1,610.7
Inter-segment sales	81.1	6.6	(87.7)	–
Total revenue	1,378.2	320.2	(87.7)	1,610.7
Allocated assets	6,242.5	347.2	–	6,589.7
Non-allocated assets			–	260.0
Total assets				6,849.7
Capital expenditure	664.5	43.2		707.7
Year ended December 31, 2006				
External sales	1,346.9	268.3	–	1,615.2
Inter-segment sales	69.8	3.4	(73.2)	–
Total revenue	1,416.7	271.7	(73.2)	1,615.2
Allocated assets	7,205.7	294.3	–	7,500.0
Non-allocated assets				566.1
Total assets				8,066.1
Capital expenditure	438.7	41.6	–	480.3

Note 8 – Operating expenses
The operating expense categories disclosed include the following types of expenditure:

1) Cost of sales (excluding staff costs and depreciation) represents cost categories which generally vary directly with revenue development. Such costs include the rental of third-party satellite capacity, the cost of goods sold (for example on the disposal of space segment assets), and costs directly attributable to the facilitation of customer contracts.

2) Staff costs includes gross salaries and employer's social security payments, payments into pension schemes for employees, and charges arising under share-based payment schemes.

3) Other operating expenses are by their nature less variable to revenue development. Such costs include facility costs, in-orbit insurance costs, marketing expenses, general and administrative expenditure, consulting charges, travel-related expenditure and movements on provisions for debtors.

2006 operating expenses included a charge of EUR 28.5 million concerning one-time restructuring costs concerning the integration of SES NEW SKIES activities into the group and the rationalisation of U.S. teleport activities. These were recorded as follows: within 'Staff costs' EUR 15.6 million; within 'Direct cost of sales' EUR 4.5 million; and, within 'Other operating expenses' EUR 8.4 million.

Note 9 – Finance revenue and costs

	2007 EUR million	2006 EUR million
Finance revenues		
Interest income	**27.7**	60.8
Foreign exchange gains	**21.3**	14.7
Dividend income	**–**	1.5
Gain on disposal of subsidiary	**2.7**	15.0
	51.7	92.0
Finance costs		
Interest expense	**(181.7)**	(168.0)
Impairment on available for sale financial asset	**–**	(4.8)
	(181.7)	(172.8)

Note 10 – Income taxes

Taxes on income comprise the taxes paid or owed on income in the individual countries, as well as deferred taxes. Current and deferred taxes can be analysed as follows:

	2007 EUR million	2006 EUR million
Consolidated income statement		
Current income tax		
Current income tax charge	**(76.8)**	(90.8)
Foreign taxes	**–**	6.5
Adjustments in respect of prior periods	**15.3**	–
Deferred income tax		
Relating to origination and reversal of temporary differences	**9.2**	(15.9)
Use of tax losses brought forward	**(26.0)**	0.8
Income tax expense per consolidated income statement	**(78.3)**	(99.4)
Consolidated statement of changes in equity		
Deferred income tax related to items (charged) or credited directly		
Net loss on revaluation of financial instruments – Cash flow hedge	**1.8**	0.4
Unrealised loss on loans and borrowings – Net investment hedge	**(58.4)**	(18.6)
Income taxes reported in equity	**(56.6)**	(18.2)

A reconciliation between tax expenses and the profit before tax of the group multiplied by the theoretical tax rate of 30.38% which corresponds to the Luxembourg domestic tax rate for the years ended 31 December 2007 and 2006 is as follows:

	2007 EUR million	2006 EUR million
Profit before tax	**483.1**	524.5
Multiplied by theoretical tax rate	**146.8**	159.3
Investment tax credits	**(14.1)**	(17.7)
Tax exempt income	**(3.5)**	(8.4)
Foreign taxes	**–**	(6.5)
Effect of different local tax rates	**(54.9)**	(36.1)
Taxes related to prior years	**(13.0)**	–
Non-deductible expenditures	**11.7**	6.2
Effects of change in tax rate	**1.2**	2.6
Reversal of previously recognised deferred tax assets	**1.9**	–
Other	**2.2**	–
Income tax reported in the consolidated income statement	**78.3**	99.4

The accounts related to deferred taxes included in the consolidated financial statements can be analysed as follows:

	Deferred tax assets 2007 EUR million	Deferred tax assets 2006 EUR million	**Deferred tax liabilities 2007 EUR million**	Deferred tax liabilities 2006 EUR million	**Deferred tax in income 2007 EUR million**	Deferred tax in income 2006 EUR million
Loss carried forward	109.5	141.8	–	–	23.9	8.1
Tax-based special depreciation	–	–	15.6	–	4.7	–
Amortisation	–	–	166.9	170.7	25.7	9.6
Depreciation	–	–	529.8	583.8	1.1	30.7
Retirement benefit obligation	7.5	5.5	–	–	(2.0)	(1.6)
Value adjustments on financial asset	–	–	95.2	105.2	(0.2)	(15.0)
Value adjustments on treasury shares	3.5	1.6	–	–	(1.6)	–
Measurement of financial instruments at fair value	–	–	75.1	48.7	(29.7)	–
Receivables	–	–	22.0	4.6	0.5	(2.5)
Payables	23.2	–	–	0.8	(5.3)	(3.2)
Other provisions and accruals	6.4	–	–	3.7	1.1	(11.0)
Other	–	0.2	4.6	–	(1.4)	–
Subtotal	150.1	149.1	909.2	917.5	16.8	15.1
Offset of deferred taxes	(129.5)	(111.5)	(129.5)	(111.5)	–	–
Total	20.6	37.6	779.7	806.0	16.8	15.1

Deferred tax assets have been offset against deferred tax liabilities where they relate to the same taxation authority and the entity concerned has a legally enforceable right to set off current tax assets against current tax liabilities.

In addition to the tax losses for which the group recognised deferred tax assets, the group has tax losses of EUR 250.3 million (2006: EUR 237.4 million) that are available indefinitely for offset against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in the group and they have arisen in subsidiaries that are not expected to obtain taxable profits against which these profits could be offset in the foreseeable future.

Note 11 – Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders of each class of shares by the weighted average number of shares outstanding during the year. Earnings per share calculated on a fully diluted basis are insignificantly different from the basic earnings per share.

The following reflects the income and share data used in the basic earnings per share computation:

For the year 2007, earnings per share of EUR 0.91 per A share (2006: EUR 0.82), EUR 0.37 per B share (2006: EUR 0.33), and EUR 0.91 per C share (2006: EUR 0.82), have been calculated on the following basis:

	2007 EUR million	2006 EUR million
Profit attributable to equity holders of the parent	**404.0**	435.8

Weighted average number of shares, net of own shares held, for the purpose of calculating earnings per share:

	2007 million	2006 million
Class A shares	**342.1**	330.3
Class B shares	**188.9**	225.7
Class C shares	**24.9**	111.4
Total	**555.9**	667.4

The weighted average number of shares is based on the capital structure of the company as described in Note 23.

Note 12 – Dividends paid and proposed

Declared and paid during the year: Equity dividends on ordinary shares.

	2007 EUR million	2006 EUR million
Class A dividend for 2006: EUR 0.44 (2005: EUR 0.40)	**148.9**	142.0
Class B dividend for 2006: EUR 0.18 (2005: EUR 0.16)	**38.8**	36.6
Class C dividend for 2006: – (2005: EUR 0.40)	**–**	41.3
Total	**187.7**	219.9
Proposed for approval at the SES Annual General Meeting (not recognised as a liability as at December 31, 2007)		
Class A dividend for 2007: EUR 0.60	**213.3**	
Class B dividend for 2007: EUR 0.24	**42.7**	
Total	**256.0**	

Note 13 – Property, plant and equipment

	Land and buildings EUR million	Space segment EUR million	Ground segment EUR million	Other fixtures and fittings, tools and equipment EUR million	Total EUR million
Movements in 2006 on cost					
As at January 1	151.9	4,654.0	416.3	104.6	5,326.8
Change of consolidation scope	15.4	545.0	24.0	20.0	604.4
Additions	4.0	–	26.4	19.4	49.8
No claim bonus received	–	(8.4)	–	–	(8.4)
Disposals/retirements	(0.9)	(25.4)	(48.9)	(9.1)	(84.3)
Transfers from assets in course of construction (Note 14)	12.4	381.0	12.8	1.8	408.0
Impact of currency translation	(5.0)	(289.4)	(22.3)	(2.1)	(318.8)
As at December 31	177.8	5,256.8	408.3	134.6	5,977.5
Movements in 2006 on depreciation					
As at January 1	(64.9)	(2,069.3)	(295.6)	(76.6)	(2,506.4)
Change of consolidation scope	(0.7)	(98.1)	(9.6)	(10.4)	(118.8)
Depreciation	(7.9)	(376.0)	(30.6)	(17.6)	(432.1)
Impairment	–	–	(6.5)	–	(6.5)
Depreciation on disposals/retirements	0.4	4.0	50.3	8.5	63.2
Reclassifications	–	0.1	0.4	–	0.5
Impact of currency translation	1.6	73.1	14.1	1.5	90.3
As at December 31	(71.5)	(2,466.2)	(277.5)	(94.6)	(2,909.8)
Net book value as at December 31, 2006	**106.3**	**2,790.6**	**130.8**	**40.0**	**3,067.7**

	Land and buildings EUR million	Space segment EUR million	Ground segment EUR million	Other fixtures and fittings, tools and equipment EUR million	Total EUR million
Movements in 2007 on cost					
As at January 1	177.8	5,256.8	408.3	134.6	5,977.5
Change of consolidation scope	(4.6)	–	–	1.7	(2.9)
Impact of GE transaction (Note 4)	(3.9)	(340.6)	(26.6)	(4.8)	(375.9)
Additions	4.5	20.3	23.9	21.0	69.7
Disposals/retirements	(2.6)	(26.0)	(25.5)	(3.1)	(57.2)
Transfers from assets in course of construction (Note 14)	0.8	456.6	12.5	5.5	475.4
Impact of currency translation	(5.1)	(264.1)	(24.8)	(2.1)	(296.1)
As at December 31	166.9	5,103.0	367.8	152.8	5,790.5
Movements in 2007 on depreciation					
As at January 1	(71.5)	(2,466.2)	(277.5)	(94.6)	(2,909.8)
Change of consolidation scope	0.2	–	–	–	0.2
Impact of GE transaction (Note 4)	0.5	83.8	17.0	4.0	105.3
Depreciation	(7.9)	(373.3)	(30.9)	(23.6)	(435.7)
Depreciation on disposals/retirements	1.6	25.1	25.4	2.8	54.9
Reclassifications	–	(0.1)	0.7	–	0.6
Impact of currency translation	1.4	97.3	16.9	2.0	117.6
As at December 31	(75.7)	(2,633.4)	(248.4)	(109.4)	(3,066.9)
Net book value as at December 31, 2007	**91.2**	**2,469.6**	**119.4**	**43.4**	**2,723.6**

The carrying value of fixed assets held under finance lease contracts as at December 31, 2007 amounts to EUR 0.6 million (2006: EUR 0.9 million).

Note 14 – Assets in the course of construction

	Land and buildings EUR million	Space segment EUR million	Ground segment EUR million	Total EUR million
Cost and net book value as at January 1, 2006	0.1	666.1	28.1	694.3
Movements in 2006				
Change of consolidation scope	–	12.2	1.7	13.9
Additions	–	391.5	39.1	430.6
Disposals	(0.1)	(4.5)	(4.0)	(8.6)
Transfers to assets in use (Note 13)	–	(381.0)	(27.0)	(408.0)
Impact of currency translation	–	(19.8)	(7.4)	(27.2)
Cost and net book value as at December 31, 2006	**–**	**664.5**	**30.5**	**695.0**
Movements in 2007				
Change of consolidation scope	–	–	0.2	0.2
Impact of GE transaction (Note 4)	–	(9.9)	–	(9.9)
Additions	0.3	609.6	28.1	638.0
Disposals	(0.1)	(0.2)	(5.2)	(5.5)
Transfers to assets in use (Note 13)	–	(454.7)	(20.7)	(475.4)
Impact of currency translation	–	(74.3)	(2.7)	(77.0)
Cost and net book value as at December 31, 2007	**0.2**	**735.0**	**30.2**	**765.4**

Borrowing costs of EUR 27.7 million (2006: EUR 22.7 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 5.00% (2006: 5.00%) was used, representing the borrowing cost of the relevant loans.

Note 15 – Intangible assets

	Indefinite life				
	Orbital slot licence rights EUR million	Goodwill EUR million	Other EUR million	Definite life intangibles EUR million	Total EUR million
Book value as at January 1, 2006	**605.3**	**1,912.6**	**–**	**501.3**	**3,019.2**
Movements in 2006 on cost					
As at January 1	605.3	1,912.6	–	652.2	3,170.1
Change of consolidation scope	403.4	240.6	2.8	24.6	671.4
Additions	–	–	–	5.8	5.8
Transfer from current assets	–	–	–	2.2	2.2
Impact of currency translation	(63.5)	(209.3)	–	(7.8)	(280.6)
As at December 31	945.2	1,943.9	2.8	677.0	3,568.9
Movements in 2006 on amortisation					
As at January 1	–	–	–	(150.9)	(150.9)
Amortisation	–	–	–	(36.5)	(36.5)
Impact of currency translation	–	–	–	1.1	1.1
As at December 31	–	–	–	(186.3)	(186.3)
Book value as at December 31, 2006	**945.2**	**1,943.9**	**2.8**	**490.7**	**3,382.6**
Movements in 2007 on cost					
As at January 1	945.2	1,943.9	2.8	677.0	3,568.9
Impact of GE transaction (Note 4)	(203.3)	(123.6)	–	(4.1)	(331.0)
Additions	–	4.4	2.7	15.3	22.4
Transfer from current assets	–	–	–	–	–
Impact of currency translation	(70.6)	(183.9)	–	(6.4)	(260.9)
As at December 31	671.3	1,640.8	5.5	681.8	2,999.4
Movements in 2007 on amortisation					
As at January 1	–	–	–	(186.3)	(186.3)
Amortisation	–	–	–	(41.5)	(41.5)
Impact of currency translation	–	–	–	3.2	3.2
As at December 31	–	–	–	(224.6)	(224.6)
Book value as at December 31, 2007	**671.3**	**1,640.8**	**5.5**	**457.2**	**2,774.8**

Indefinite life intangible assets

The indefinite life intangible assets as at December 31, 2007 have a net book value of EUR 2,317.6 million (2006: EUR 2,891.9 million) made up as set out per cash-generating unit in the table below.

	2007 EUR million	2006 EUR million
SES AMERICOM	**1,596.3**	1,947.2
SES NEW SKIES	**569.1**	582.2
AsiaSat	**–**	218.5
SES SIRIUS	**86.7**	87.5
ASTRA Platform Services	**33.5**	29.2
ND SatCom	**31.4**	26.7
SES ASTRA	**0.6**	0.6
Total	**2,317.6**	2,891.9

1. Orbital slot licence rights
Interests in orbital slot licence rights were acquired in the course of the acquisitions of SES AMERICOM, SES SIRIUS and SES NEW SKIES, as well as through the targeted acquisition of such rights from third parties. The group believes that it has a high probability of being able to achieve the extension of these rights as the current agreements expire and hence these assets are not amortised, but rather are held on the balance sheet at acquisition cost. Impairment procedures are performed at least once a year to assess whether the carrying value is still appropriate.

2. Goodwill
No impairment charges on goodwill were taken during the year (2006: nil).

Impairment procedures are performed at least once a year to assess whether the carrying value is still appropriate. The recoverable amount of the goodwill is determined based on a value-in-use calculation (Note 2) using the most recent business plan information approved by senior management which covers a period of up to seven years. For certain entities, cash flows were extrapolated beyond this period for up to 18 years using growth rates of up to 3% in order to more accurately assess the normalised capital replacement cycle. Discount rates in 2007 are between 6.75% and 8.25% (2006: 6.25% and 10.00%) and were selected to reflect corresponding rates on financial markets, and the capital structure of businesses in the group's business sector. Terminal growth rates used in the valuations are set at 1.0% which can be supported by reference to the trading performance of the companies concerned over a longer period.

Definite life intangible assets
The group's primary definite life intangible assets concern the agreement concluded by SES ASTRA with the Luxembourg government in relation to the usage of the Luxembourg frequencies in the orbital positions of the geostationary arc from 45° West to 50° East for the period of January 1, 2001 to December 31, 2021. Given the finite nature of this agreement, these usage rights – valued at EUR 550.0 million on acquisition – are being amortised on a straight-line basis over the 21-year term of the agreement.

Impairment testing of goodwill and intangibles with indefinite lives
The cash-generating units (CGUs) for impairment testing of goodwill and intangible assets relating to SES AMERICOM, SES NEW SKIES, SES SIRIUS are the smallest identifiable group of satellite assets that are largely independent of the cash flows from other groups of satellites. In identifying these CGUs the group takes into account fleet utilisation considerations, particularly the ability of individual satellites to provide back-up services to other satellites in the light of their available frequency spectrum and geographical footprint. For ASTRA Platform Services and ND SatCom, the companies operations as a whole are treated as a CGU.

The calculations of value in use are most sensitive to:
- movements in the underlying business plan assumptions for the satellites concerned;
- changes in discount rates; and
- the growth rate assumptions used to extrapolate cash flows beyond the business planning period.

Movements in the underlying business plan assumptions: the group's subsidiaries draw up annually a business plan which generally provides an assessment of the expected developments for a seven-year period beyond the end of the year when the plan is drawn up. These business plans reflect both the most up-to-date assumptions concerning the CGU's market and also developments and trends in the business of the CGU. For the provision of satellite capacity business these will particularly take account of the following factors:

- the expected developments in transponder fill rates, including the impact of the launch of new capacity;
- new products and services to be launched during the business plan period;
- any changes in the expected capital expenditure cycle – due to technical degradation of a satellite or through the identified need for additional capacities; and
- any changes in satellite procurement, or launch, cost assumptions.

Changes in discount rates: discount rates reflect management's estimate of the risks specific to each unit. Management uses a weighted average cost of capital as the discount rate for each entity. This reflects the market interest rates on five-year bonds in the market concerned, the capital structure of the group, and other factors, as necessary, applying specifically to the CGU concerned.

Growth rate assumptions used to extrapolate cash flows beyond the business planning period: rates are based on the commercial experience relating to the CGUs concerned and the expectations for developments in the markets which they serve.

As part of standard impairment testing procedures the company assesses the impact of changes in the discount rates and growth assumptions on the valuation surplus, or deficit as the case may be, revealed by the impairment testing. Discount rates are simulated up to 1% below and above the CGU specific rate used in the base valuation. Likewise terminal growth assumptions are simulated at 1% higher and lower than the base assumption in the valuation. In this way a matrix of valuations is generated which reveals the exposure to impairment charges for each CGU based on movements in the valuation parameters which are within the range of outcomes foreseeable at the valuation date.

For all the CGUs tested, in the least favourable case – lower growth rates and higher discount rates combined – there would have been no impairment charge required.

Note 16 – Investment in associates
On December 31, 2007, the group held investments in associates of EUR 1.6 million (2006: EUR 88.6 million). The group disposed of its only material interest in an associate, Star One, during 2007 in the framework of the GE split-off transaction (Note 4).

No goodwill impairment charges on investments in associates were taken during the year (2006: nil). The following table illustrates summarised financial information concerning the group's share of Star One's balance sheet as at December 31, and revenue and profit for the period then ended.

	2007 EUR million	2006 EUR million
Non-current assets	–	75.8
Current assets	–	22.1
Non-current liabilities	–	(34.0)
Current liabilities	–	(9.8)
Revenue	–	30.5
Profit	–	11.9

Note 17 – Other financial assets

	2007 EUR million	2006 EUR million
Loans and receivables		
Amounts receivable from associates after one year	**12.0**	12.0
Other non-current receivables	**0.5**	4.0
	12.5	16.0
Other financial assets		
Sundry financial assets	**3.1**	3.7
Total other financial assets	**15.6**	19.7

Amounts receivable from associates after one year related to a loan made to the group's Mexican affiliate Quetzsat.

Note 18 – Trade and other receivables

	2007 EUR million	2006 EUR million
Net trade debtors	**156.6**	135.0
Unbilled accrued revenue	**68.5**	65.6
Receivable from insurance companies	–	47.9
Other receivables	**64.5**	40.0
Total trade and other receivables	**289.6**	288.5

Unbilled accrued revenue represents revenue for use of satellite capacity under long-term contracts but not billed. Billing will occur based on the terms of the contracts.

An amount of EUR 1.6 million was charged to income in 2007 concerning movement on debtor provisions (2006: EUR 8.7 million). These amounts are disclosed in other operating charges.

Trade debtors and other receivables at December 31, 2007 included EUR 11.7 million (2006: EUR 12.0 million) of amounts becoming due and payable after more than one year.

	Neither Past Due nor impaired EUR million	Less than 1 month EUR million	Between 2 and 3 months EUR million	More than 3 months EUR million	Total EUR million
2007	106.8	12.5	17.6	19.7	156.6
2006	92.9	9.7	17.5	14.9	135.0

As at December 31, 2007, trade receivables with a nominal amount of EUR 25.5 million (2006: EUR 33.1 million) were impaired and fully provided for. Movements in the provision for the impairment of receivables were as follows:

	2007 EUR million	2006 EUR million
As at January 1	**33.1**	28.7
Charge for the year	**1.6**	8.7
Change in scope	**(2.4)**	7.3
Utilised	**(5.5)**	(10.3)
Impact of current translation	**(1.3)**	(1.3)
As at December 31	**25.5**	33.1

Note 19 – Financial instruments

Fair values

Set out below is a comparison by category of carrying amounts and fair values of all of the group's financial instruments that are carried in the financial statements.

	Carrying amount 2007 EUR million	Fair value 2007 EUR million	Carrying amount 2006 EUR million	Fair value 2006 EUR million
Financial assets				
Cash and cash equivalents	**197.1**	**197.1**	393.4	393.4
Loans and receivables	**12.5**	**12.5**	16.0	16.0
Other financial assets (non-current)	**3.1**	**3.1**	3.7	3.7
Forward currency contracts	**20.6**	**20.6**	2.6	2.6
Financial liabilities				
Interest-bearing loans and borrowings				
Floating rate borrowings				
Bilateral multi currency	**694.5**	**700.1**	273.3	273.3
Uncommitted loans	**115.0**	**115.9**	–	–
Eurobond 2009 (EUR 300 million)	**299.9**	**299.3**	299.5	300.0
Bank overdraft	–	–	2.8	2.8
Fixed rate borrowings				
Eurobond 2008 (EUR 500 million)	**489.8**	**497.9**	484.1	501.0
Eurobond 2007 (EUR 300 million)	–	–	299.7	300.2
Eurobond 2013 (EUR 500 million)	**497.9**	**474.7**	495.1	492.5
Eurobond 2011 (EUR 650 million)	**648.1**	**649.0**	647.1	639.0
Series A USD 400 million	**229.6**	**273.4**	298.3	297.1
Series B USD 513 million	**348.0**	**367.2**	388.5	384.2
Series C USD 87 million	**59.5**	**63.2**	66.6	65.7
Series D GBP 28 million	**32.7**	**37.3**	41.6	42.4
Cross currency swaps	–	–	6.9	6.9
Interest rate swaps	**15.8**	**15.8**	14.3	14.3
Forward currency contracts	–	–	0.9	0.9

The fair value of the borrowings has been calculated by discounting the expected future cash flows at prevailing interest rates except for Eurobonds for which the quoted market price has been used. The fair value of foreign currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of the interest rate swap contracts is determined by reference to market values for similar instruments.

All interest-bearing loans and borrowings are at amortised cost with the exception of the EUR 500 million Eurobond 2008 which is carried at fair value for the portion of the loan linked to interest rate risk in accordance with the fair value hedging detailed below.

Hedging activities

Fair value hedges

At December 31, 2007 and 2006 the group had two interest rate swap agreements in place with an aggregate notional amount of EUR 500.0 million, whereby the group receives a fixed rate of interest of 4.5% annually and pays a variable rate quarterly equal to three-month EURIBOR plus a margin on the notional amount. These swaps are being used to hedge the exposure to changes in the fair value linked to interest rates of the EUR 500.0 million Eurobond 2008. The Eurobond and the swaps have the same specific terms concerning notional amount, interest rate and maturity date of November 2008.

As at December 31, 2007 the fair value of these interest rate swaps amounted to a liability of EUR 9.9 million (2006: EUR 14.3 million). The fair value gain on the interest rate swaps of EUR 4.4 million (2006: a loss of EUR 6.2 million) has been recognised in finance income offsetting the loss of EUR 4.3 million (2006: a gain of EUR 6.3 million) on the fair valuation of the Eurobond because of the matching of the critical terms.

Hedge of net investment in foreign operations

As at December 31, 2007 and 2006 certain group borrowings and derivative instruments have been designated as a hedge of the net investments in SES AMERICOM, SES NEW SKIES, and SES Re International to hedge the group's exposure to foreign exchange risk on these investments. Due to the weakening of the U.S. dollar, the net investment hedge was increased from 23.0% in 2006 to 64.6% during 2007.

	December 31, 2007 USD million	December 31, 2006 USD million
Consolidated USD balance sheet exposure:		
SES AMERICOM	**4,808.0**	4,806.7
SES NEW SKIES	**2,304.7**	2,268.7
SES Re International	**167.7**	90.1
Total	**7,208.4**	7,165.5
Hedged with:		
Foreign exchange forward contracts	**3,400.0**	600.0
Private Placement	**943.0**	1,000.0
Bilateral borrowings	**360.0**	50.0
Total	**4,703.0**	1,650.0
Hedged proportion	**64.6%**	23.0%

Gains or losses on the retranslation of the above borrowings and forward foreign exchange contracts are transferred to equity to offset any gains or losses on translation of the net investments in the hedged subsidiaries. The inefficient portion of this hedging relationship in 2007 was nil (2006: nil).

All the forward foreign exchange contracts mature within three months of the year-end. The maturity profile of the US Private Placement and Bilateral multi-currency loans are set out in Notes 20 and 25.

Cash flow hedge of capital expenditure and bilateral multi-currency facility portfolio

At December 31, 2007 and 2006, the group held numerous forward exchange contracts designated as hedges of future contracted commitments to suppliers relating to satellite procurements. The forward currency contracts are used to hedge the foreign currency risk on these commitments, with the terms of the forward currency contracts matching the milestone payment dates of the relevant satellite procurement contracts. Given the weakening of the USD during the current period the group did not enter into any new cashflow hedges for capital expenditure in 2007.

The cash flow hedges were assessed to be highly effective and an unrealised loss of EUR 1.8 million (2006: unrealised loss of EUR 8.3 million) net of deferred tax of EUR 0.6 million (2006: EUR 2.9 million) relating to the hedging instruments is included in equity. During the year, EUR 1.7 million (2006: EUR 1.1 million) was removed from equity and included in the initial carrying value of acquired satellites. As at December 31, 2007 the fair value of the contracts amounted to a liability of EUR 0.5 million (2006: an asset of EUR 1.4 million).

At December 31, 2007, the group held four interest rate swaps which were designated as hedges of expected future interest expenses on USD 240 million of the bilateral multi-currency facilities which are floating rate debt.

The cash flow hedges of the expected future interest expense in February 2008 were assessed to be highly effective and as at December 31, 2007 a net unrealised loss of EUR 4.0 million, stated net of deferred tax of EUR 1.8 million, is included in equity in respect of these hedge instruments.

Set out below are the periods when the cash flows for the capital expenditure programme are expected to occur.

	Within 1 year USD million	Between 1 and 5 years USD million	After 5 years USD million	Total USD million
As at December 31, 2007:				
Cash outflows for procurement	110.1	53.8	–	163.9
Amount covered by cash flow hedges	14.7	–	–	14.7
As at December 31, 2006:				
Cash outflows for procurement	147.6	32.5	–	180.1
Amount covered by cash flow hedges	43.6	14.7	–	58.3

Set out below are the periods when the cash flows for the interest rate payments on the bilateral multi-currency facilities are expected to occur.

	Within 1 year USD million	Between 1 and 5 years USD million	After 5 years USD million	Total USD million
As at December 31, 2007:				
Cash outflows for interest payments (floating)	11.3	14.3	–	25.6
Cash inflow from interest rate swap (floating)	10.6	13.2	–	23.8
Cash outflow from interest rate swap (fixed)	12.5	18.8	–	31.3

Note 20 – Financial risk management objectives and policies
The group's financial instruments, other than derivatives, comprise bilateral multi currency credit facilities with banks, Eurobonds, U.S.-dollar borrowings under a Private Placement issue, euro-denominated Commercial Papers, cash and short-term deposits. The main purpose of these financial instruments is to raise cash to finance the day-to-day activities of the group's operations. The group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The group also enters into derivative transactions, principally interest rate and cross currency swaps as well as forward currency contracts, in order to manage the interest rate and exchange rate exposure on the group's assets, liabilities and finance operations.

The main risks arising from the group's financial instruments are liquidity risks, foreign currency risks, cash flow interest rate risks and credit risks. The general policies are reviewed and approved by the Board, and are summarised below.

The risks are managed on a weekly basis through a review of the risks and hedges in place. This review includes a market update and forecasting of interest and exchange rates which are important for the portfolio of the group. The risk analysis is reviewed on a quarterly basis by the Board of Directors.

The group's accounting policies in relation to derivatives and other financial instruments are set out in Note 2.

Liquidity risk
The group's objective is to efficiently use cash generated so as to maintain short-term debt and bank loans at a low level. In case of liquidity needs, the group can call on committed bilateral credit facilities. In addition, if deemed appropriate based on prevailing market conditions, the group can access additional funds through the European Medium Term Note or Commercial Paper programmes.
The group's debt maturity profile is tailored to allow the company to cover repayment obligations as they fall due.

The group operates a centralised treasury function which manages the liquidity of the group in order to optimise the funding costs. This is supported by a daily cash pooling mechanism.

Liquidity risk is monitored on a weekly basis through a review of the drawn and issued amounts and the availability of additional funding under credit lines or the Commercial Paper programme.

The table below summarises the projected contractual undiscounted cash flows based on the maturity profile of the group's financial liabilities as at December 31.

	Within 1 year EUR million	Between 1 and 5 years EUR million	After 5 years EUR million	Total EUR million
Maturity profile:				
As at December 31, 2007	659.3	1,961.0	812.5	3,432.8
As at December 31, 2006	349.3	1,988.6	976.4	3,314.3

Foreign currency risk

The group's balance sheet can be highly affected by movements in the USD/EUR exchange rate as the group has significant operations whose functional currency is the U.S. dollar (SES AMERICOM, SES NEW SKIES). The group mitigates this exposure through the use of the U.S. dollar-denominated borrowings. The group also enters into forward foreign exchange contracts to hedge the remaining exposure on the net assets (see Note 19).

The group is also subject to currency exposure in the Income Statement due to the significant contribution by entities whose functional currency is other than euro. Approximately 42.5% (2006: 45.6%) of the group's sales and 43.3% (2006: 55.2%) of the group's operating expenses are denominated in a non-euro currency. The group does not enter into any hedging derivatives to cover this currency exposure.

The group uses forward currency contracts to eliminate or reduce the currency exposure on single deals, such as satellite procurements, tailoring the maturities to each milestone payment. The forward contracts are in the same currency as the hedged item and can cover up to 100% of the total value of the contract. It is the group's policy not to enter into forward contracts until a firm commitment is in place, and to match the terms of the hedge derivatives to those of the hedged item to maximise effectiveness.

As at December 31, 2007 the group had significant U.S. dollar-denominated borrowings. The following table demonstrates the sensitivity to a reasonably possible change in the U.S. dollar exchange rate on the nominal amount of the group's U.S. dollar borrowings, with all other variables held constant. These changes would not have any impact on the Income Statement since the exchange movement is taken to reserves under the net investment hedge.

	Amount in USD million	Amount converted at closing rate of 1.4721 EUR million	Amount at rate of 1.4400 EUR million	Amount at rate of 1.500 EUR million
Private Placement	943.0	640.6	654.9	628.7
Bilateral borrowings	360.0	244.5	250.0	240.0
Total	1,303.0	885.1	904.9	868.7

Interest rate risk

The group's exposure to risk of changes in market interest rates relates primarily to the group's floating rate borrowings. The group carefully monitors the mix between fixed and floating rate debt and adjusts it from time to time following market conditions. The group also uses interest rate swaps to help manage this mix. The terms of the hedge derivatives are negotiated to match the terms of the hedged item to maximise hedge effectiveness.

The table below summarises the split of the nominal amount of the group's debt between fixed and floating rate.

	At fixed rates EUR million	At floating rates EUR million	Total EUR million
Excluding the impact of interest rate swaps:			
Borrowings at December 31, 2007	2,323.2	1,109.5	3,432.7
Borrowings at December 31, 2006	2,751.0	573.3	3,324.3
Including the impact of interest rate swaps:			
Borrowings at December 31, 2007	1,986.2	1,446.5	3,432.7
Borrowings at December 31, 2006	2,251.0	1,073.3	3,324.3

During the year the group reimbursed the EUR 500 million Eurobond and two tranches of the U.S. Private Placement – USD 57 million and GBP 4 million. Both were fixed rate obligations.

The average weighted interest rate in 2007 was 4.90% (2006: 4.58%).

The following table demonstrates the sensitivity of the group's pre-tax income to reasonably possible changes in interest rates affecting the interest burden on the floating rate borrowings (after excluding those fixed-rate borrowings swapped to floating through interest rate swaps). All other variables are held constant. The group believes that a reasonably possible development in Euro-zone interest rates would be an increase or decrease of 30 basis points. In the U.S.-dollar zone the group believes that a fall of 100 basis points is possible or an increase of 50 basis points.

	Floating rate borrowings USD million	Pre-tax impact of increase in rates USD million	Pre-tax impact of decrease in rates USD million
Borrowings at December 31, 2007	120.0	(0.6)	1.2
Borrowings at December 31, 2006	360.0	(1.8)	3.6
	EUR million	EUR million	EUR million
Borrowings at December 31, 2007	1,365.0	(4.1)	4.1
Borrowings at December 31, 2006	800.0	(2.4)	2.4

Credit risk

Customer credit risk
It is the group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the group's exposure to bad debts is historically not significant. The carrying value of unprovided net debtors at December 31, 2007 is EUR 156.6 million (2006: EUR 135.0 million). The group's largest customers are substantial media companies and government agencies such that the credit risk associated with these contracts is assessed as low.

Financial credit risk
With respect to the credit risk relating to financial assets (cash and cash equivalents, held for trading financial assets, loans receivable and derivative instruments), this exposure relates to the potential default of the counterparty, with the maximum exposure being equal to the carrying amount of these instruments. To mitigate this risk, the group only deals with recognised financial institutions with a rating standard of not less than 'A'. All counterparties are financial institutions which are regulated and controlled by the federal financial supervisory authorities of the associated countries. Moreover to reduce this counterparty risk the portfolio is diversified as regards the main counterparties ensuring a well-balanced relation for all categories of products (derivatives as well as deposits).

Satellite in-orbit insurance
It is the group's policy to retain part of the in-orbit insurance risk for the satellite fleet, whereby the determination of the portion of the risk retained was changed during 2007. For the year ended 2006, the retained risk represented an amount up to 35% of the book value of individual satellites. In 2007, the approach was amended such that the group's retention of risk is now based on the combined in-orbit risk of the ASTRA, AMERICOM and NEW SKIES fleets. This revised approach resulted in the elimination of certain uninsured technical risks and had the effect of reducing the overall charge for in-orbit insurance in the group.

Capital management
The group's policy is to maintain an investment grade rating, with a target level of leverage 3.5x Net Debt/EBITDA, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The group manages its capital structure in order to reflect changes in economic conditions to reduce the cost of debt as to create added value for the shareholders.

Note 21 – Short-term investments

The short-term investments of EUR 24.8 million disclosed in 2006 are primarily related to a deposit of USD 30.0 million to an escrow bank account which was to become payable as the first milestone payment on the successful launch and taking into service of the NSS-8 satellite.

Subsequent to the launch failure of this satellite, the group has entered into negotiations with the supplier to recover this payment. Repayment is expected during 2008, the receivable is disclosed in the 2007 consolidated financial statements under 'Trade and Other Receivables'.

Note 22 – Cash and cash equivalents

	2007 EUR million	2006 EUR million
Cash at bank and in hand	**175.1**	57.4
Short-term deposits	**22.0**	336.0
	197.1	393.4

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the group, and earn interest at the respective short-term deposit rates.

Note 23 – Issued capital and reserves

The company has share capital of EUR 666.7 million (2006: EUR 827.9 million), represented by Class A and Class B shares with no par value. The movement between the opening and closing number of shares issued per class of share can be summarised as follows:

	Class A shares	Class B shares	Class C shares	Total shares
As at January 1, 2007	338,390,620	220,770,260	103,149,900	662,310,780
Cancellation of C shares (Note 4)	–	–	(85,958,250)	(85,958,250)
Conversion of C shares into A shares	17,191,650	–	(17,191,650)	–
B shares cancelled in return for A shares	–	(42,979,125)	–	(42,979,125)
As at December 31, 2007	355,582,270	177,791,135	–	533,373,405

As part of the shareholder reorganisation resulting from the GE transaction detailed in Note 4, certain Class B shareholders elected to convert 42,979,125 of their Class B shares into Class A shares. Since 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, on conversion the number of Class A shares issued to the B shareholders was 17,191,650, being 40% of the number of Class B shares surrendered and cancelled.

At December 31, 2007 the group held 15.5 million (2006: 7.5 million) Fiduciary Depositary Receipts either for cancellation under the share buyback programme or in connection with employee share-based payment plans.

FDRs with respect to Class A shares are listed on the Luxembourg Stock Exchange and on Euronext Paris. They can be traded freely and are convertible into 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. Dividends paid for one share of Class B equal 40% of the dividend for one share of Class A.

The Class C shares were issued as part of the consideration for the acquisition of SES AMERICOM. The Class C shares were cancelled in the framework of the GE split-off transaction.

A shareholder or a potential shareholder who envisages to acquire by whatever means, directly or indirectly, more than 20%, 33% or 50% of the shares of the company (a 'demanding party') must inform the chairperson of the Board of the company of such intention.

The chairperson of the Board shall forthwith inform the government of the envisaged acquisition which may be opposed by the government within three months from such information should the government determine that such acquisition would be against the general public interest.

In case of no opposition from the government, the Board shall convene an Extraordinary General Meeting of shareholders which may decide at a majority provided for in article 67-1 of the law of 10 August 1915, as amended, regarding commercial companies, to authorise the demanding party to acquire more than 20%, 33% or 50% of the shares. If the demanding party is a shareholder of the company, it may attend the general meeting and will be included in the count for the quorum but may not take part in the vote.

SES has, in agreement with the shareholders, purchased Fiduciary Deposit Receipts in respect of 'A' shares for use in connection with executives' and employees' option schemes as well as for cancellation. At the year-end, the company held FDRs in connection with the above schemes as set out below. These FDRs are disclosed as treasury shares in the balance sheet and are carried at their historic cost to the group.

	2007	2006
FDRs held as at December 31	**15,549,313**	7,555,216
Carrying value of FDRs held (EUR million)	**213.7**	82.5

In accordance with Luxembourg legal requirements, a minimum of 5% of the yearly net profit (statutory) is transferred to a legal reserve from which a distribution is restricted. This requirement is satisfied when the reserve reaches 10% of the issued share capital. As at December 31, 2007 an amount of EUR 69.2 million (2006: EUR 55.3 million) is included within other reserves.

Other reserves include a further undistributable amount of EUR 222.7 million (2006: EUR 162.2 million).

Note 24 – Share-based payment plans
The group has four share-based payment plans, the details of which are as follows. In the case of schemes 2, 3 and 4 the relevant strike price is defined as the average of the market price of the underlying shares at the time of the grant.

1. IPO plan
The IPO plan is an equity-settled scheme which was open to members of staff working for SES ASTRA S.A. at the time of its IPO on the Luxembourg Stock Exchange in 1998. Employees were granted options to acquire shares at a fixed price of EUR 12.64. In 2005, the exercise period of this plan was extended to June 30, 2013. All such options were vested as at December 31, 2005.

	2007	2006
Outstanding options at the end of the year	**1,015,671**	1,174,590
Weighted average exercise price in EUR	**12.64**	12.64

2.The stock appreciation rights plan ('STAR plan')
The STAR plan, initiated in 2000, was until 2005 a cash-settled scheme available to non-executive staff of SES ASTRA and SES. Under the plan employees are granted rights to receive cash settlements reflecting the movement of the share price in relation to the strike price. A third of the STAR plan rights vest each year over a three-year period and the rights have a two-year exercise period once fully vested. Options granted before 2006 can be specified as follows:

	2007	2006
Outstanding options at the end of the year	**681,217**	1,224,470
Weighted average exercise price in EUR	**8.29**	7.69

In 2006 the STAR plan was converted into an equity-settled scheme. The options granted in 2006 and 2007 can be analysed as follows:

	2007	2006
Outstanding options at the end of the year	**1,495,305**	743,594
Weighted average exercise price in EUR	**14.12**	12.93

3. Executive incentive compensation plan ('EICP')
The EICP initiated in 2002 is a plan available to executive staff of the group. Under the plan, options are granted with an effective date of January 1. 25% of the entitlement vests on each anniversary date of the original grant. Once vested, the options can be exercised until the tenth anniversary of the original grant.

	2007	2006
Outstanding options at the end of the year	**5,587,472**	4,567,495
Weighted average exercise price in EUR	**11.70**	10.21

4. Long-term incentive programme ('LTI')
The LTI programme initiated in 2005 is also a programme for executives and senior executives of the group. Under the scheme, restricted shares are allocated to executives on July 1 and these vest on the third anniversary of the grant. Senior executives may further be allocated performance shares whose granting is dependent on the achievement of defined performance criteria. Where these criteria are met, the shares vest on the third anniversary of the original grant.

	2007	2006
Restricted and performance shares granted at the end of the year	**711,016**	372,827
Weighted average fair value in EUR	**12.12**	10.62

The fair value of equity-settled share options granted is estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the average value of inputs to the model used for the years ended December 31, 2007, and December 31, 2006.

	2007	2006
Dividend yield (%)	**2.17**	3.77
Expected volatility (%)	**26.33**	34.53
Historic volatility (%)	**26.33**	32.31
Risk-free interest rate (%)	**4.09**	3.595
Expected life of options (years)	**5**	5
Weighted average share price (EUR)	**15.48**	12.34

The expected life of options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may or may not necessarily be the actual outcome.

The fair value of the cash-settled options is measured at the grant date using a binomial model taking into account the terms and conditions upon which the instruments were granted. The services received, and a liability to pay for those services, are recognised over the expected vesting period. Until the liability is settled it is remeasured at each reporting date with changes in fair value recognised in the income statement.

The carrying amount of the liability relating to the cash-settled options at December 31, 2007, is EUR 4.0 million (2006: EUR 4.0 million). The total charge for the period for share-based options amounted to EUR 6.7 million (2006: EUR 1.8 million).

Note 25 – Interest-bearing loans and borrowings
As at December 31, 2007 and 2006, the loan accounts for the group were as follows:

	Effective interest rate	Maturity	**Amounts outstanding 2007 EUR million**	Amounts outstanding 2006 EUR million
Non-current				
U.S. Private Placement				
Series A USD 400 million	5.74%	September 2013	**190.8**	255.7
Series B USD 513 million	5.82%	September 2015	**348.0**	388.5
Series C USD 87 million	5.63%	September 2015	**59.5**	66.6
Series D GBP 28 million	5.63%	September 2013	**27.3**	35.6
Eurobond 2008 (EUR 500 million)	4.54%	November 2008	–	484.1
Eurobond 2013 (EUR 500 million)	4.375%	October 2013	**497.9**	495.1
Eurobond 2009 (EUR 300 million)	Euribor +0.25 %	October 2009	**299.9**	299.5
Eurobond 2011 (EUR 650 million)	4.00%	March 2011	**648.1**	647.1
Bilateral multi currency credit facilities	Euribor/Libor + 0.275%	May 2010	**694.5**	273.3
Other borrowings	–	Various	**–**	1.8
			2,766.0	2,947.3
Current				
U.S. Private Placement				
Series A USD 400 million	5.74%	September 2008	**38.8**	42.6
Series D GBP 28 million	5.63%	September 2008	**5.4**	6.0
Eurobond 2007 (EUR 300 million)	4.27%	December 2007	**–**	299.7
Eurobond 2008 (EUR 500 million)	4.54%	November 2008	**489.8**	–
Uncommitted loans	5.00%	March 2008	**115.0**	–
Bank overdraft	–	On demand	**–**	1.0
			649.0	349.3

U.S. Private Placement
On September 30, 2003, SES through SES GLOBAL-Americas Holdings GP issued in the U.S. Private Placement market four series of unsecured notes amounting to USD 1,000.0 million and GBP 28.0 million. These notes comprised:

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.

On these four series, the group pays interest semi-annually. SES is committed under the U.S. Private Placement to maintaining a number of financial covenants requiring certain financial ratios to be maintained within agreed limits in order to provide sufficient security to the lenders.

EUR 500.0 million Eurobond

On November 19, 2003, SES 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% on which the group pays interest annually and a final maturity date of November 19, 2008. On May 16, 2005 the EUR 500.0 million Eurobond, initially issued by SES, has been assigned to SES GLOBAL-Americas Holdings GP as new issuer with the same terms and conditions.

EUR 300.0 million Eurobond

On December 17, 2003, SES 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% on which the group pays interest annually and a final maturity of December 17, 2007.

Bilateral multi currency facilities

On December 31, 2007, SES had unsecured bilateral multi currency revolving credit facilities in place with eleven banks for a total of EUR 1,075.0 million (2006: 12 banks for a total of EUR 1,175.0 million) with a weighted average maturity of May 2010 (2006: January 2010), of which EUR 694.5 million (2006: EUR 273.3 million) was drawn as at the year-end.

These bilateral facilities are available to both SES and SES GLOBAL-Americas Holdings GP. SES is committed under the bilateral multi currency revolving credit facilities to maintaining a number of financial covenants requiring certain financial ratios to be maintained within agreed limits in order to provide sufficient security to the lenders.

Commercial Paper Programme

On October 25, 2005, SES put in place a EUR 500.0 million ‘Programme de Titres de Créances Négociables’ in the French market where the company issued ‘Billets de Trésorerie’ (Commercial Paper) in accordance with articles L.213-1 to L213-4 of the French Monetary and Financial Code and decree n°92.137 of February 13, 1992 and all subsequent regulations. The maximum outstanding amount of ‘Billets de Trésorerie’ issues under the programme is EUR 500.0 million or its counter value at the date of issue in any other authorised currencies. As of December 31, 2007 and 2006 there were no borrowings outstanding under this programme. On May 11, 2007, this programme was extended for one more year.

European Medium-Term Note Programme (EMTN)

On December 6, 2005 SES put in place a EUR 2,000.0 million EMTN enabling SES, or SES GLOBAL-Americas Holdings GP, to issue as and when required notes up to a maximum aggregate amount of EUR 2,000.0 million. In May 2007, this programme was increased to an aggregate amount of EUR 4,000 million. As at December 31, 2007, and 2006, SES had issued EUR 1,450.0 million under the EMTN programme with maturities ranging from 2009 – 2013.

Note 26 – Provisions and deferred income

	Provisions EUR million	Deferred income EUR million	Total EUR million
As at January 1, 2007	67.2	143.2	210.4
Increase in provisions	7.4	–	7.4
Movement on deferred income	–	117.4	117.4
As at December 31, 2007	**74.6**	**260.6**	**335.2**

Provisions relate primarily to liabilities arising for withholding taxes, for post-retirement benefit schemes and other items arising in the normal course of business.

The group provides pension benefits to members of staff, which are generally established as defined contribution schemes. Within the group there is one defined benefit scheme. An actuarial valuation has been performed for this scheme and a corresponding provision for EUR 11.9 million (2006: EUR 12.6 million) is included in the consolidated financial statements.

At SES AMERICOM, certain employees benefit from a post-retirement health benefits programme which is externally insured. As at December 31, 2007, accrued premiums of EUR 6.8 million (2006: EUR 6.8 million) are included in this position.

Contributions made in 2007 to group pension schemes totalled EUR 7.1 million (2006: EUR 2.6 million).

Note 27 – Trade and other payables

	2007 EUR million	2006 EUR million
Trade creditors	**132.6**	101.4
Payments received in advance	**48.4**	30.7
Interest on loans	**48.1**	48.8
Personnel-related liabilities	**23.5**	31.7
Tax liabilities other than for income tax	**2.5**	9.3
Other liabilities	**60.3**	88.2
Total	**315.4**	310.1

Note 28 – Commitments and contingencies

Capital commitments

The group had outstanding commitments in respect of contracted capital expenditure totalling EUR 659.7 million at December 31, 2007 (2006: EUR 598.6 million). These commitments largely reflect the purchase and launch of future satellites for the expansion and replacement of the group satellite system, together with the necessary expansion of the associated ground station and control facilities. In the case of termination by the group of these contracts, contractual penalty provisions apply.

Operating lease commitments

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

	2007 EUR million	2006 EUR million
Within one year	**7.7**	5.3
After one year but not more than five years	**19.0**	17.6
More than five years	**6.3**	8.2
Total	**33.0**	31.1

Commitments under transponder service agreements

The group has entered into transponder service agreements for the purchase of satellite capacity from third parties under contracts with a maximum life of eight years. The commitment arising under these agreements as at December 31 is as follows:

	2007 EUR million	2006 EUR million
Within one year	**49.4**	48.4
After one year but not more than five years	**136.2**	140.4
After more than five years	**26.8**	57.6
Total	**212.4**	246.4

Litigation

There were no significant litigation claims against the group as of December 31, 2007.

Guarantees

On December 31, 2007 the group had outstanding bank guarantees for an amount of EUR 11.3 million (2006: EUR 1.0 million). This relates to performance guarantees for services of satellite operations.

Restrictions on use of cash

At the year-end, there were no restricted cash balances (2006: EUR 22.8 million).

Notes to the consolidated financial statements
December 31, 2007

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 Class B shares, which are described in more detail in Note 23.

The total payments to directors for attendance at Board and committee meetings in 2007 amounted to EUR 0.9 million (2006: EUR 0.7 million). These payments are computed on a fixed and variable basis, the variable part being based upon attendance at Board and committee meetings.

Revenue in 2006 included EUR 27.4 million through sales to various General Electric companies. There were no significant transactions with GE prior to the split-off transaction described in Note 4.

There were no other significant transactions with related parties.

The key management of the group, defined as the group's Executive Committee, received compensation as follows:

	2007 EUR million	2006 EUR million
Short-term employee benefits	**4.3**	3.6
Post-employment pension and medical benefits	**–**	–
Share-based payments	**–**	–
Total	**4.3**	3.6

Total options allocated to the key management as at December 31, 2007 were 1,652,752 (2006: 1,286,288).

Note 30 – Events after the balance sheet date
The following significant events occurred between the balance sheet date and the approval of the financial statements on February 14, 2008.

Increase in shareholding in SES SIRIUS
On January 31, 2008 Swedish Space Corporation (SSC), exercised a 'put option' transferring to SES ASTRA an additional 15% equity stake in SES SIRIUS, thereby raising the SES shareholding from 75% to 90%.

SES S.A. annual accounts

Independent auditor's report

To the shareholders of
SES Société Anonyme
Betzdorf

Report on the annual accounts
Following our appointment by the General Meeting of the shareholders dated April 5, 2007, we have audited the accompanying annual accounts of SES, which comprise the balance sheet as at December 31, 2007 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of Directors' responsibility for the annual accounts
The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with the Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the 'réviseur d'entreprises'
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 as adopted by the 'Institut des Réviseurs d'Entreprises'. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgement of the 'Réviseur d'Entreprises', including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the 'Réviseur d'Entreprises' considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the annual accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the annual accounts give a true and fair view of the financial position of SES as of December 31, 2007, and of the results of its operations for the year then ended in accordance with the Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Report on other legal and regulatory requirements
The management report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

Ernst & Young
Société Anonyme
Réviseur d'Entreprises
Thierry BERTRAND
February 14, 2008

SES S.A. annual accounts

Balance sheet
As at December 31, 2007

Assets	2007 EUR million	2006 EUR million
Formation expenses (Note 3)	–	–
Intangible assets (Note 4)	**0.1**	–
Tangible assets (Note 5)		
Other fixtures and fittings, tools and equipment	**1.0**	0.7
Payments on accounts and tangible assets in course of construction	**0.4**	–
	1.4	0.7
Financial assets		
Shares in affiliated undertakings (Note 6)	**9,677.6**	9,230.9
Loans to affiliated undertakings (Note 7)	**548.5**	–
Securities held as fixed assets (Note 8)	**213.8**	82.6
	10,439.9	9,313.5
Current assets		
Debtors (becoming due and payable within one year)		
Amounts owed by affiliated undertakings (Note 9)	**658.8**	1,591.9
Other debtors	**16.0**	0.7
Cash at bank and in hand	**59.0**	174.4
	733.8	1,767.0
Prepayments	**4.3**	12.0
Total assets	**11,179.5**	11,093.2

Liabilities	2007 EUR million	2006 EUR million
Capital and reserves		
Subscribed capital (Note 10)	**666.7**	827.9
Share premium	**1,140.7**	2,268.4
Legal reserve (Note 11)	**69.2**	55.3
Other reserves	**154.8**	124.5
Results brought forward	**46.7**	1.3
Result for the financial year	**186.5**	277.3
	2,264.6	3,554.7
Creditors		
Amounts becoming due and payable after more than one year		
Notes and bonds (Note 12)	**2,248.8**	2,803.4
Amounts owed to credit institutions (Note 13)	**694.5**	273.4
	2,943.3	3,076.8
Amounts becoming due and payable within one year		
Notes and bonds (Note 12)	**555.4**	355.2
Amounts owed to credit institutions (Note 13)	**115.0**	–
Trade creditors	**1.0**	1.3
Amounts owed to affiliated undertakings (Note 14)	**5,130.2**	3,945.1
Tax and social security debt		
Tax debts (Note 16)	**116.2**	104.4
Social security debts	**0.1**	–
Other creditors	**53.7**	55.7
	5,971.6	4,461.7
Deferred income	–	–
Total liabilities	**11,179.5**	11,093.2

Profit and loss account

For the year ended December 31, 2007

Charges	2007 EUR million	2006 EUR million
External charges	**25.9**	20.2
Staff costs (Note 15)	**10.0**	9.3
Depreciation and amortisation (Notes 3, 4, 5)	**0.4**	0.4
Other operating charges	**2.8**	2.2
Value adjustments in respect of financial assets (Notes 6, 8)	**–**	3.6
Interest payable and similar charges concerning affiliated undertakings	**163.6**	58.0
Other interest payable and similar charges	**141.4**	129.8
Taxes on profit (Note 16)	**(79.9)**	(39.5)
Profit for the financial year	**186.5**	277.3
	450.7	461.3

Income		
Net turnover (Note 17)	–	5.7
Other operating income (Note 18)	**7.9**	6.7
Income from participating interests derived from affiliated undertakings (Note 19)	**378.9**	350.0
Reversal of value adjustment in respect of financial assets (Notes 6, 8)	**7.7**	–
Income from other transferable securities and from loans forming part of the fixed assets	**3.3**	4.7
Other interest receivable and similar income derived from affiliated undertakings	**35.3**	57.8
Other interest receivable and similar income (Note 20)	**17.6**	22.6
Extraordinary income (Note 21)	**–**	13.8
	450.7	461.3

Statement of changes in shareholders' equity

Year ended December 31, 2007

	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	Total EUR million
Balance, beginning of the year	827.9	2,268.4	55.3	124.5	1.3	277.3	3,554.7
Allocation of result	–	–	13.9	218.0	45.4	(277.3)	–
Distribution of dividends	–	–	–	(187.7)	–	–	(187.7)
Repurchase and cancellation of shares (Note 10)	(161.2)	(1,127.7)	–	–	–	–	(1,288.9)
Profit for the financial year	–	–	–	–	–	186.5	186.5
Balance, end of the year	666.7	1,140.7	69.2	154.8	46.7	186.5	2,264.6

SES S.A. annual accounts

Notes to the accounts

December 31, 2007

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. On December 14, 2006, an extraordinary general meeting of the shareholders resolved to change the name to SES.

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.

In December 2007, the company merged with its 100% owned subsidiary SES Europe S.A.

Note 2 – Significant accounting policies
In accordance with Luxembourg legal and regulatory requirements, consolidated accounts are prepared.

The annual accounts are prepared in accordance with the generally accepted accounting principles and regulations in force in the Grand Duchy of Luxembourg.

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.

Payments 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. Up to September 2006 such costs were amortised over the full contractual loan periods. Since September 2006, loan origination costs are amortised over remaining estimated loan periods in order to reflect the company's financing structure plan.

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 costs of fixed assets are translated at the historical rate. Long-term financial liabilities, which are hedged by financial derivatives, are translated at historical rate.

Current assets and current liabilities denominated in foreign currencies are translated into euro at the balance sheet exchange rate.

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

The resultant exchange gains and losses arising from the application of the above principles are reflected in the profit and loss account.

Financial derivatives

All financial derivatives are maintained off balance sheet. Gains and losses realised on the settlement of such derivatives are taken to the profit and loss account at the same time as the hedged asset/liability impacts the profit and loss account.

Premiums paid/received on financial derivatives are taken to the profit and loss account over the term of the financial derivative.

Note 3 – Formation expenses

	2007 EUR million	2006 EUR million
Cost at beginning of year	**0.8**	0.8
Write off	**(0.8)**	–
Cost at end of year	**–**	0.8
Accumulated amortisation at beginning of year	**(0.8)**	(0.7)
Amortisation of the year	**–**	(0.1)
Write off	**0.8**	–
Accumulated amortisation at end of year	**–**	(0.8)
Net book value at beginning and end of year	**–**	–

Note 4 – Intangible assets

	2007 EUR million	2006 EUR million
Cost at beginning of year	**4.9**	4.9
Additions	**0.1**	–
Write off	**(4.9)**	–
Cost at end of year	**0.1**	4.9
Accumulated amortisation at beginning of year	**(4.9)**	(4.9)
Value adjustments of the year	**–**	–
Write off	**4.9**	–
Accumulated amortisation at end of year	**–**	(4.9)
Net book value at beginning of year	**–**	–
Net book value at end of year	**0.1**	–

Note 5 – Tangible assets

The development of tangible assets during the financial years 2007 and 2006 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 2007 EUR million**	Total 2006 EUR million
Cost at beginning of year	1.8	–	**1.8**	1.2
Accumulated depreciation at beginning of year	(1.1)	–	**(1.1)**	(0.8)
Net book value at beginning of year	0.7	–	**0.7**	0.4
Movements of the year				
Additions	0.6	0.4	**1.0**	0.6
Incorporation of assets via merger	0.2		**0.2**	–
Depreciation	(0.4)	–	**(0.4)**	(0.3)
Incorporation of accumulated depreciation via merger	(0.1)	–	**(0.1)**	(0.3)
Cost at end of year	2.6	0.4	**3.0**	1.8
Accumulated depreciation at end of year	(1.6)	–	**(1.6)**	(1.1)
Net book value at end of year	1.0	0.4	**1.4**	0.7

Notes to the accounts
December 31, 2007

Note 6 – Shares in affiliated undertakings

	2007 EUR million	2006 EUR million
Cost at beginning of year	**9,269.9**	8,406.2
Additions	**317.6**	3,119.5
Additions received via merger	**218.0**	–
Disposals	**(123.2)**	(2,255.8)
Cost at end of year	**9,682.3**	9,269.9
Value adjustments at beginning of year	**(39.0)**	(34.5)
Value adjustments of the year	**–**	(4.7)
Reversal of value adjustments	**6.7**	–
Reversal of value adjustments on disposals	**27.6**	0.2
Value adjustments at end of year	**(4.7)**	(39.0)
Net book value at end of year	**9,677.6**	9,230.9

As at December 31, 2007, the company holds the following investments:

	Participation	Net Book Value EUR million
SES ASTRA S.A., Luxembourg	100%	**1,768.9**
SES GLOBAL-Americas, Inc., United States	99.94%	**4,456.9**
Astra Broadband Services S.A., Luxembourg	0.01%	**–**
SES GLOBAL-Americas Finance Inc, United States	100%	**–**
SES SIRIUS A.B., Sweden	32.34%	**50.1**
SES Participations S.A., Luxembourg	100%	**206.8**
SES GLOBAL Africa S.A., Luxembourg	100%	**406.6**
SES Finance S.à r.l., Switzerland	100%	**1,211.0**
SES Holdings (Netherlands) BV, Netherlands	100%	**1,359.2**
Betzdorf Holdings Ltd., Ireland	100%	**–**
SES GLOBAL (Gibraltar) Ltd., Gibraltar	100%	**–**
SES Subsidiary 1 S.A., Luxembourg	100%	**–**
SES Subsidiary 2 S.A., Luxembourg	100%	**–**
SES ASTRA Services Europe S.A., Luxembourg	100%	**39.4**
SES ASTRA TechCom Belgium S.A., Belgium	1%	**–**
SES Digital Distribution Services S.à r.l., Luxembourg	100%	**178.7**
SES Latin America S.A., Luxembourg	100%	**–**
		9,677.6

In February 2007 the company contributed to a further capital increase in SES Finance S.à r.l. through a contribution in kind of an intercompany loan with SES Holdings (Netherlands) B.V., for a total amount of USD 415.3 million (EUR 315.4 million).

In December 2007, the company merged with SES Europe S.A. and as a result acquired a 100% direct participation in SES ASTRA Services Europe S.A., SES ASTRA TechCom S.A. and SES Digital Distribution Services S.à r.l.. A gain of EUR 128.0 million arose on this merger (Note 19).

In March 2006, the company incorporated SES Holdings (Netherlands) B.V., for the purposes of the acquisition of New Skies Satellites B.V. for an amount of EUR 0.02 million. On July 2006, the company contributed to the capital increase of SES Holdings (Netherlands) B.V. through a contribution in kind of part of its assets and liabilities for a total amount of EUR 1,359.2 million consisting of all the shares in SES Asia S.A., NSS Latin America Holdings S.A., and SES Holdings (Bermuda) Ltd.

In April 2006, the company acquired all the shares of SES Satellite Leasing Ltd from SES Africa for an amount of EUR 409.6 million in exchange of an interest free promissory note.

In May 2006, the company contributed to the further increase of SES Satellite Leasing Ltd through a contribution in kind of an interest free promissory note totalling EUR 455.0 million.

Subsequently the company contributed to the capital increase of SES Finance S.à r.l. through a contribution in kind of part of its assets and liabilities for a total amount of CHF 1,000.0 million (EUR 895.7 million) consisting of all the shares in SES Satellite Leasing Ltd and SES Re International Ltd.

Art. 65 paragraph (1) 2° of the law of December 19, 2002 on the register of commerce and companies and the accounting and annual accounts of undertakings (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. 67 (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 – Loans to affiliated undertakings
Loans to affiliated undertakings of EUR 548.5 million (2006: EUR nil) consist of a Convertible Profit Participating Loan with SES Finance S.à r.l..

Note 8 – Securities held as fixed assets

	2007 EUR million	2006 EUR million
Cost at beginning of year	**83.6**	50.7
Value adjustments at beginning of year	**(1.0)**	(1.9)
Net book value at beginning of year	**82.6**	48.8
Movements of the year		
Purchase of own shares (Note 10)	**139.3**	233.1
Purchase of FDRs	**–**	34.3
Cancellation of own shares (Note 10)	**–**	(233.1)
Disposals	**(9.1)**	(1.4)
Value adjustments of year	**–**	(0.8)
Reversal of value adjustments	**1.0**	1.7
Cost at end of year	**213.8**	83.6
Value adjustments at end of year	**–**	(1.0)
Net book value at end of year	**213.8**	82.6

Own Fiduciary Deposit Receipts
All Fiduciary Deposit Receipts ('FDRs') in respect of 'A' shares owned by the company are for use in connection with the senior executives, executives and employees option schemes operated by the group. These shares are valued at the lower of cost and market value.

As at December 31, 2007, the company owns 15,549,313 FDRs (2006: 7,555,216).

Note 9 – Amounts owed by affiliated undertakings
Amounts owed by affiliated undertakings of EUR 658.8 million (2006: EUR 1,591.9 million) consist of the following:

	2007 EUR million	2006 EUR million
Short-term loans	**–**	982.0
Current accounts	**658.8**	609.9
	658.8	1,591.9

As at December 31, 2007 current accounts represent short-term advances bearing interest at market rates and consist principally of amounts owed by SES ASTRA S.A., SES ASTRA 1L S.à r.l., SES ASTRA 1KR S.à r.l., SES ASTRA 1M S.à r.l. and SES ASTRA 3B Satellite Company S.à r.l.

As at December 31, 2006 current accounts were contracted with SES Satellite Leasing Ltd and SES ASTRA S.A.

As at December 31, 2006 short term loans bearing interest at market rates, repayable upon demand consisted primarily of amounts granted to New Skies Satellites B.V. and SES Holdings (Netherlands) B.V.

Note 10 – Subscribed capital
As at December 31, 2006, the issued and fully paid share capital amounted to EUR 827.9 million, represented by 662,310,780 shares with no par value (338,390,620 Class A ordinary shares, 220,770,260 Class B ordinary shares and 103,149,900 Class C ordinary shares).

On April 5, 2007, the Board of Directors resolves to re-purchase the entire Class C shares for a total acquisition price of EUR 1,288.9 million. Following their acquisition, it was resolved to convert 17,191,650 of the acquired shares into Class A shares and subsequently into FDRs and to cancel the remainder of the Class C shares (85,958,250) through a capital reduction. The Board of Directors then re-purchased 42,979,125 Class B shares in exchange for the 17,191,650 FDRs referred to above. The re-purchased Class B shares were subsequently cancelled.

On March 15, 2007, an extraordinary general meeting of shareholders of the company voted a further motion allowing the company to acquire its own shares and Fiduciary Deposit Receipts (FDRs), thus paving the way for a new share buyback and cancellation programme to run until September 15, 2008.

As at December 31, 2007 the issued and fully paid share capital amounted to EUR 666.7 million, represented by 533,373,405 shares with no par value (355,582,270 Class A ordinary shares and 177,791,135 Class B ordinary shares).

Note 11 – 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.

Note 12 – Notes and bonds
U.S. Private Placement
On September 30, 2003, SES, through SES GLOBAL-Americas Holdings GP, issued in the U.S. Private Placement market 4 series of unsecured Notes amounting to USD 1,000.0 million and GBP 28.0 million. The U.S. Private Placement was made up of 4 series 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 is committed under the U.S. Private Placement to maintaining a number of financial covenants requiring certain financial ratios to be maintained within agreed limits in order to provide sufficient security to lenders.

EUR 500.0 million Eurobond
On November 19, 2003, SES issued a Eurobond for the purpose of repaying all outstanding amounts due 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.

On May 16, 2005, SES and SES GLOBAL-Americas Holding G.P. executed a deed of substitution together with a novation agreement in order to substitute SES GLOBAL-Americas Holding G.P. as issuer of this Eurobond in place of SES with same terms and conditions.

EUR 300.0 million Eurobond
On December 17, 2003, SES, through SES GLOBAL-Americas Holding GP, issued a Eurobond for financing general corporate purposes. The issuance had a nominal amount of EUR 300.0 million with a coupon of 4.25% and was fully reimbursed in December 2007.

EUR 2,000.0 million European Medium Term Note Programme
On December 6, 2005, SES set up a EUR 2,000.0 million European Medium Term Note Programme ('EMTN') with nine banks as agents enabling the company or its partnership to issue, on a continuous basis, notes up to a maximum aggregate amount of EUR 2,000.0 million for general corporate purposes. In May 2007, this programme was increased to an amount of EUR 4,000.0 million. As at December 31, 2007 and 2006, three notes were issued under this programme with the following terms and conditions:

EUR 650.0 million European Medium Term Note
On March 15, 2006, SES issued a note in order to finance the acquisition of SES NEW SKIES Satellites B.V.. The issuance was for a nominal amount of EUR 650.0 million with a coupon of 4% and a final maturity of March 15, 2011.

EUR 500.0 million European Medium Term Note
On October 20, 2006, SES issued a note for general refinancing purposes. The issuance was for a nominal amount of EUR 500.0 million with a coupon of 4.375% and a final maturity of October 21, 2013.

EUR 300.0 million European Medium Term Note
On October 20, 2006, the company issued a note for general refinancing purposes for a nominal amount of EUR 300.0 million with a floating rate of three month EURIBOR plus a margin of 0.25% and a final maturity of October 20, 2009.

EUR 500.0 million French Commercial Paper Programme ('Billets de Trésorerie')
On October 25, 2005, in order to meet its own and subsidiary funding needs, the company set up a 'Titres de Créance Négociables' (TCN) programme in the French market where the company issued 'Billets de Trésorerie' in accordance with Articles L.213-1 to L.213-4 of the French Monetary and Financial Code and decree n° 92.137 of February 13, 1992 and all subsequent regulations.

The maximum outstanding amount of 'Billets de Trésorerie' issues under the programme is EUR 500.0 million or its counter value at the date of issue in any other authorised currencies. The terms of the Billets de Trésorerie are determined in accordance with laws and regulations applicable in France, which imply that, at the date hereof, such term shall not be less than one day and shall not exceed 365 days. In May 2007 this programme was extended for one further year. As at December 31, 2007 and 2006 no amount had been issued under this programme.

The maturity profile of notes and bonds is as follows as at December 31, 2007, and 2006:

	2007 EUR million	2006 EUR million
Within one year	**555.4**	355.2
Between one to two years	**355.4**	555.1
Between two to five years	**994.7**	1,205.3
After five years	**898.7**	1,043.0
Total after one year	**2,248.8**	2,803.4

Note 13 – Amounts owed to credit institutions

Bilateral multi-currency facilities
On December 31, 2007, the company had unsecured bilateral multi-currency revolving credit facilities in place with eleven banks for a total of EUR 1,075.0 million (2006: twelve banks for a total of EUR 1,175.0 million) with a maturity date between April 2010 and April 2011.

As December 31, 2007, EUR 450.0 million (2006: EUR nil) and USD 360.0 million (EUR 244.5 million (2006: USD 360.0 million (EUR 273.4 million)) were drawn under these facilities.

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

The maturity profile of the amounts drawn is as follows as at December 31:

	2007 EUR million	2006 EUR million
Between two and five years	**694.5**	273.4

Uncommitted loan facilities
As at December 31, 2007, the company had drawn EUR 115.0 million under an uncommitted loan facility.

Notes to the accounts

December 31, 2007

Note 14 – Amounts owed to affiliated undertakings

Amounts owed to affiliated undertakings of EUR 5,130.2 million (2006: EUR 3,945.1 million) include the following:

	2007 EUR million	2006 EUR million
Short-term loans	**742.9**	640.2
Notes	**2,109.1**	2,224.0
Current accounts	**2,278.2**	1,080.9
	5,130.2	3,945.1

Short-term loans bear interest at market rates and are repayable upon demand while the notes are interest free (with the exception of one note which bears interest at a rate of 4.6% per annum) and are repayable upon demand or at latest on the second anniversary of the note, which may be extended for successive periods of two years each.

As at December 31, 2007 current accounts represent short-term advances bearing interest at market rates and include a short-term advance owed to SES ASTRA S.A. of EUR 1,336.5 million (2006: EUR 792.4 million).

Note 15 – Staff costs

As at December 31, 2007, the number of employees in the workforce was 59 (2006: 59) and the average number of employees in the workforce for 2007 was 58 (2006: 56). Staff costs can be analysed as follows:

	2007 EUR million	2006 EUR million
Wages and salaries	**9.5**	8.8
Social security costs	**0.5**	0.5
	10.0	9.3

Note 16 – Taxes on profit

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 ASTRA S.A., SES Asia S.A., Astra Broadband Services S.A., SES Participations S.A., SES Africa S.A., NSS Latin America Holdings S.A., SES ASTRA 3B Satellite Company S.à r.l., SES ASTRA 1KR S.à r.l., SES ASTRA 1L S.à r.l., SES ASTRA 1M S.à r.l., and SES Digital Distribution Services, which are part of the Luxembourg fiscal entity, in accordance with Art 164 bis LIR.

Note 17 – Net turnover

In 2006 net turnover amounting to EUR 5.7 million consisted of transponder revenue generated from trading with affiliated undertakings for which satellite rental costs of EUR 5.7 million were included in external charges.

Note 18 – Other operating income

Other operating income mainly consist of group recharge revenues amounting to EUR 7.9 million (2006: EUR 6.5 million) representing direct and indirect costs incurred with the rendering of advisory support services to various affiliates.

Note 19 – Income from participating interests derived from affiliated undertakings

Income from participating interests derived from affiliated undertakings consist of the following:

	2007 EUR million	2006 EUR million
Dividends received from affiliated undertakings	**250.9**	350.0
Net gain on merger with SES Europe (Note 6)	**128.0**	–
	378.9	350.0

Note 20 – Other interest receivable and similar income
Other interest receivable and similar income include the following:

	2007 EUR million	2006 EUR million
Interest income	**5.5**	4.2
Foreign exchange gains, net	**11.5**	18.1
Other financial income	**0.6**	0.3
	17.6	22.6

Foreign exchange gains, net, mainly consist of gains realised on the close-out of certain derivative instruments during the year.

Note 21 – Extraordinary income
In 2006 extraordinary income amounting to EUR 13.8 million consisted of a reversal of prior years income tax accruals following receipt of the final assessment.

Note 22 – Board of Directors' remuneration
At the Annual General Meeting held on April 5, 2007, 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 2007 were EUR 0.9 million (2006: EUR 0.7 million).

Note 23 – Off balance sheet items
Financial derivatives
External cross-currency interest rate swaps
As at December 31, 2007, the company held no cross-currency swap agreement.

At December 31, 2006, the company held one cross-currency swap agreement. This agreement was terminated in September 2007 (Note 20).

Currency sold	Currency bought	Maturity Date	Exchange Rate
EUR 120.8 million	USD 150.0 million	September 2007	EUR/USD 1.2421

External interest rate swap
As at December 31, 2007 and 2006 the company held two interest rate swap agreements with a combined notional amount of EUR 500.0 million whereby the company receives a fixed rate of interest annually and pays a variable rate quarterly equal to three-month EURIBOR plus a margin. These agreements have been designated as a hedge of the Eurobond EUR 500.0 million and have a maturity profile of November 2008.

As at December 31, 2007 and 2006, the company held one interest rate swap agreement with a notional amount of USD 41.7 million whereby the company receives a variable interest rate quarterly equal to three-month LIBOR plus a margin. This interest rate swap matures in December 2008.

In addition as at December 31, 2007, the company held four interest rate swap agreements with a notional amount of USD 60.0 million each whereby the company receives a variable interest rate quarterly equal to three month USD LIBOR and pays a fixed rate quarterly. These interest rate swap agreements mature in August 2012.

As at December 31, 2006, the company held one interest rate swap agreement with a notional amount of USD 145.3 million whereby the company receives a variable interest rate quarterly equal to three-month LIBOR plus a margin. This agreement was terminated in December 2007 (Note 20).

Notes to the accounts
December 31, 2007

Forward foreign exchange contracts
As at December 31, 2007 and 2006, the company had outstanding foreign exchange contracts, whose average terms are as follows:

As at December 31, 2007:

Currency sold	Note	Currency bought	Average weighted maturity	Average exchange rate
EUR 6.5 million	1	USD 8.5 million	January 2008	EUR/USD 1.3147
EUR 14.4 million	2	USD 18.9 million	February 2008	EUR/USD 1.3079
USD 16.2 million	2	EUR 13.0 million	February 2008	EUR/USD 1.2426
USD 8.4 million	3	SEK 55.1 million	June 2008	USD/SEK 6.5584
USD 3,400.0 million	4	EUR 2,325.2 million	March 2008	EUR/USD 1.4623
USD 42.8 million	5	EUR 31.2 million	July 2008	EUR/USD 1.3729
EUR 17.2 million	5	USD 24.6 million	July 2008	EUR/USD 1.4281
EUR 17.3 million	5	USD 24.6 million	July 2008	EUR/USD 1.4253
USD 24.6 million	5	EUR 17.9 million	July 2008	EUR/USD 1.3729
USD 1.5 million	5	TRY 1.9 million	February 2008	USD/TRY 1.2509
USD 2.5 million	6	EUR 1.9 million	August 2008	EUR/USD 1.3165
USD 1.0 million	7	EUR 0.7 million	January 2008	EUR/USD 1.4693
SEK 1,792.0 million	8	EUR 191.4 million	January 2008	EUR/SEK 9.3624

As at December 31, 2006:

Currency sold	Note	Currency bought	Average weighted maturity	Average exchange rate
EUR 12.0 million	1	USD 15.7 million	May 2007	EUR/USD 1.3098
EUR 53.2 million	2	USD 69.0 million	May 2007	EUR/USD 1.2970
USD 51.9 million	2	EUR 42.2 million	May 2007	EUR/USD 1.2312
USD 3.3 million	3	SEK 23.8 million	May 2007	USD/SEK 7.2061
USD 600.0 million	4	EUR 455.3 million	March 2007	EUR/USD 1.3178
SEK 264.7 million		EUR 28.8 million	July 2007	EUR/SEK 9.2009
USD 42.2 million		EUR 32.5 million	March 2007	EUR/USD 1.2981

1. These foreign exchange contracts have monthly maturities up to January 2008 and correspond to specific contracts relating to satellite procurements for SES ASTRA 1L. These contracts exactly mirror the internal forward foreign exchange contracts entered into with SES ASTRA 1L.

2. These foreign exchange contracts have monthly maturities up to February 2008 and correspond to specific contracts relating to satellite procurements for SES Satellite Leasing. Of this total, contracts for an amount of USD 18.9 million against EUR 14.4 million and contracts for an amount of EUR 13.0 million against USD 16.2 million exactly mirror the internal forward foreign exchange contracts entered into with SES Satellite Leasing (2006: USD 37.6 million against EUR 30.5 million).

3. These foreign exchange contracts have monthly maturities up to January 2009 and exactly mirror the internal forward foreign exchange contracts entered into with SES SIRIUS.

4. These foreign exchange contracts have monthly maturities up to March 2008 and have been designated as a hedge of net investments. These contracts exactly mirror the internal forward foreign exchange contracts entered into with SES Finance.

5. These foreign exchange contracts have monthly maturities up to December 2008 and exactly mirror the internal forward foreign exchange contracts entered into with ND SatCom.

6. These foreign exchange contracts have monthly maturities up to December 2008 and have been designated as cash flow hedges of expected future interest expenses.

7. These foreign exchange contracts have monthly maturities to January 2008 and exactly mirror the internal forward foreign exchange contracts entered into with SES ASTRA TechCom S.à r.l.

8. These foreign exchange contracts have monthly maturities to January 2008 and exactly mirror the internal forward foreign exchange contracts entered into with SES Satellite Leasing Ltd.

Inter-company financial instruments

The company arranged several inter-company foreign exchange contracts in order to hedge the U.S. Private Placement as well as certain other USD-denominated facilities. The average terms of these inter-company contracts are as follows as at December 31, 2007 and 2006:

	Currency sold	Currency bought	Average weighted maturity	Exchange rate
As at Dec 31, 2007	EUR 841.3 million	USD 981.7 million	August 2012	EUR/USD 1.1670
As at Dec 31, 2006	EUR 897.1 million	USD 1,045.4 million	August 2012	EUR/USD 1.1653

As at December 31, 2007 and 2006, the company had inter-company foreign exchange contracts whose average terms were as follows:

As at December 31, 2007:

Currency sold	Currency bought	Average weighted maturity	Average exchange rate
SEK 55.1 million	USD 8.4 million	June 2008	EUR/SEK 6.5584
USD 18.9 million	EUR 14.4 million	February 2008	EUR/USD 1.3079
EUR 13.0 million	USD 16.2 million	February 2008	EUR/USD 1.2426
EUR 191.4 million	SEK 1,792.0 million	January 2008	EUR/SEK 9.3624
TRY 1.9 million	USD 1.5 million	February 2008	USD/TRY 1.2509
EUR 17.9 million	USD 24.6 million	July 2008	EUR/USD 1.3729
USD 24.6 million	EUR 17.3 million	July 2008	EUR/USD 1.4253
USD 24.6 million	EUR 17.2 million	July 2008	EUR/USD 1.4281
EUR 31.2 million	USD 24.6 million	July 2008	EUR/USD 1.3729
EUR 0.7 million	USD 1.0 million	January 2008	EUR/USD 1.4693
EUR 1.9 million	USD 2.5 million	August 2008	EUR/USD 1.3165
USD 8.5 million	EUR 6.5 million	January 2008	EUR/USD 1.3147
EUR 2,325.2 million	USD 3,400.0 million	March 2008	EUR/USD 1.4623

As at December 31, 2006:

Currency sold	Currency bought	Average weighted maturity	Average exchange rate
SEK 23.8 million	USD 3.3 million	May 2007	USD/SEK 7.2061
EUR 6.1 million	SEK 56.5 million	July 2007	EUR/SEK 9.2690
USD 69.9 million	EUR 53.2 million	May 2007	EUR/USD 1.2970
EUR 42.5 million	USD 53.3 million	May 2007	EUR/USD 1.2545
USD 15.7 million	EUR 12.0 million	May 2007	EUR/USD 1.3098

Guarantees

As at December 31, 2007 the company had outstanding bank guarantees for an amount of EUR 0.6 million (2006: EUR 0.3 million). This relates to performance guarantees for services of satellite operations.

Corporate guarantees

In 2007 and 2006, SES has given several corporate guarantees to satellite providers for the provision of communications spacecraft and related equipment contracted by fully-owned subsidiaries of the group.

Other information

Registered office and group headquarters
SES S.A. Château de Betzdorf,
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Financial calendar 2008
Annual general meeting of shareholders: April 3, 2008
Dividend payment: April 23, 2008
First quarter trading update: April 28, 2008
Announcement of first-half results: August 4, 2008
Third quarter trading update: October 27, 2008

Listed security
Fiduciary Depositary Receipts each in respect of one A share of SES S.A. are listed on the Stock Exchange of Luxembourg and on Euronext Paris under the symbol SESG.

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