YOUR SATELLITE
CONNECTION
TO THE WORLD

SES

ANNUAL REPORT 2008

NOW

Highlights

– Three successful satellite launches AMC-21, ASTRA 1M, Ciel-2
– New orbital positions established at 31.5° East, 125° and 129° West
– Transponder utilisation rate increased to 79% on a higher base of 1,082 commercially available transponders
– More than 120 HD channels broadcast
– Combination of SES AMERICOM and SES NEW SKIES into a new international division

€1,620.1m
Recurring [1] revenue +6.0%

€1,630.3m
Reported revenue +1.2%

€1,136.4m
Recurring EBITDA +4.8%

€1,100.0m
Reported EBITDA

81.6%
Industry-leading recurring infrastructure EBITDA margin maintained

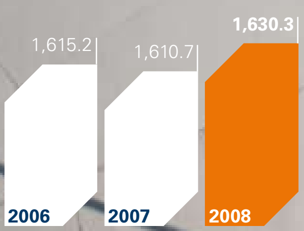
€625.1m
Operating profit +2%

€0.98
Average weighted earnings per share +7.6% (2007: €0.91)

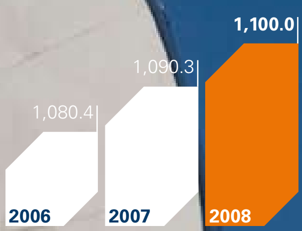
€0.66
Proposed dividend increase of 10% (2007: €0.60)

€5.8bn
Fully-protected contract backlog

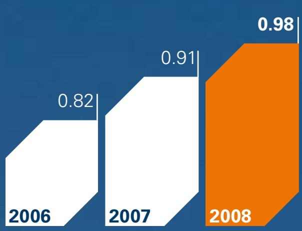
Revenue
(EUR million)



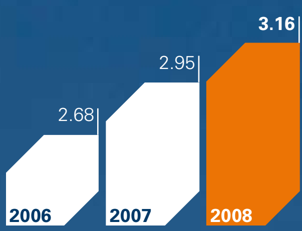
EBITDA
(EUR million)



Average weighted earnings per share
(EUR)



Net debt/EBITDA



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

SES network overview

SES satellite fleet
Fully owned satellites as of March 15, 2009

SES ASTRA	ASTRA 1C	5° East
	ASTRA 1F	19.2° East
	ASTRA 1H	19.2° East
	ASTRA 1KR	19.2° East
	ASTRA 1L	19.2° East
	ASTRA 1M	19.2° East
	ASTRA 1E	23.5° East
	ASTRA 1G	23.5° East
	ASTRA 3A	23.5° East
	ASTRA 2A	28.2° East
	ASTRA 2B	28.2° East
	ASTRA 2D	28.2° East
	ASTRA 2C	28.2° East
	ASTRA 1D	31.5° East
FUTURE SATELLITES	ASTRA 1N	19.2° East
	ASTRA 3B	23.5° East
SES SIRIUS	SIRIUS 3	5° East
	SIRIUS 4	5° East
FUTURE SATELLITES	SIRIUS 5	5° East
SES AMERICOM/ NEW SKIES	NSS-703	57° East
	NSS-6	95° East
	NSS-11	108.2° East
	NSS-5	183° East
	NSS-9	183° East
	NSS-806	319.5° East
	NSS-10	322.5° East
	NSS-7	338° East
	AMC-6	72° West
	AMC-5	79° West
	Satcom C3	79° West
	AMC-9	83° West
	AMC-16	85° West
	AMC-3	87° West
	AMC-2	101° West
	AMC-4	101° West
	AMC-1	103° West
	AMC-15	105° West
	AMC-18	105° West
	AMC-21	125° West
	AMC-11	131° West
	AMC-10	135° West
	AMC-7	137° West
	AMC-8	139° West
FUTURE SATELLITES	NSS-12	57° East
	AMC-4R	
	AMC-5R	
	NSS-14	338° East

Partially owned satellites as of March 15, 2009

	Ciel-2	129° West
FUTURE SATELLITE	QuetzSat 1	77° West

01

In Europe, ASTRA2*Connect* is helping to bridge the digital divide with broadband connectivity to remote communities.

02

SES AMERICOM/NEW SKIES provides satellite capacity for ComCast Media to distribute hundreds of channels to U.S. cable operators.

03

CapRock Communications uses SES to provide connectivity to remote oil and gas platforms in Brazil.

Head office, Luxembourg

Offices worldwide

Teleports

HERE &

SES is the leading provider of satellite communications and broadcast services. With a fleet of 40 satellites at 26 orbital positions, SES provides coverage of 99% of the world's population. We offer customers unparalleled connectivity and coverage that enables them to target their audiences and deliver their products with the highest levels of quality and reliability.

NOW

Nothing else connects people as quickly and efficiently as satellites. Satellites cover the entire globe and allow people to share experiences or enjoy sporting spectacles and moments of unforgettable drama and excitement with billions of others. Whether it's for an urgent video conference call, an emergency relief operation, or for a live transmission of a breaking news story, SES satellites have the coverage and unbeatable levels of reliability that make all of this possible for millions of people, every day of the year.

This is how we continue to develop our business...

By maintaining and developing the best satellite fleet and infrastructure

By maintaining a solid financial base

By building on existing and new revenue streams

By employing and retaining the best people

Contents

Digital network operations in Luxembourg monitor over 2,400 TV and radio services 24 hours a day.

Infrastructure
Millions of homes worldwide depend on SES' satellites for their TV signals. SES continues to invest in its core satellite infrastructure to provide replacement and new capacity to meet the changing demands of its customers.

SUPPLY & DEMAND

Satellites provide a vital link in the communications and content delivery chain, allowing media broadcasters, telecoms providers as well as corporate and government networks to transmit, share or broadcast data and programming across huge distances. SES plays a critical role in this global chain. Our 40 satellites carry 1,082 transponders – of which 79% are utilised – and broadcast 13,000 different services, equivalent to 100,000 hours of audio-visual programming per day. Millions of homes around the world depend on SES satellites for their TV signals, whether received directly via a dish or fed through a cable system.

Direct-to-home reception increased by 6.2% to 53.4 million homes in Europe in 2008.

Delivering capacity, coverage and reliability to serve our customers' needs

In Europe, SES ASTRA is the leading direct-to-home platform, reaching 122 million homes directly and indirectly. Its 14 ASTRA and two SIRIUS satellites located at five prime orbital positions deliver comprehensive coverage of the Eurasian landmass, from Iberia's Atlantic coast to Eastern Europe. SES AMERICOM/NEW SKIES supplies content to 80 million U.S. cable homes via 16 satellites. A further eight high-powered satellites cover Asia, Africa and Latin America. SES' outstanding global coverage and reach is backed up by transponder availability levels of 99.999%.

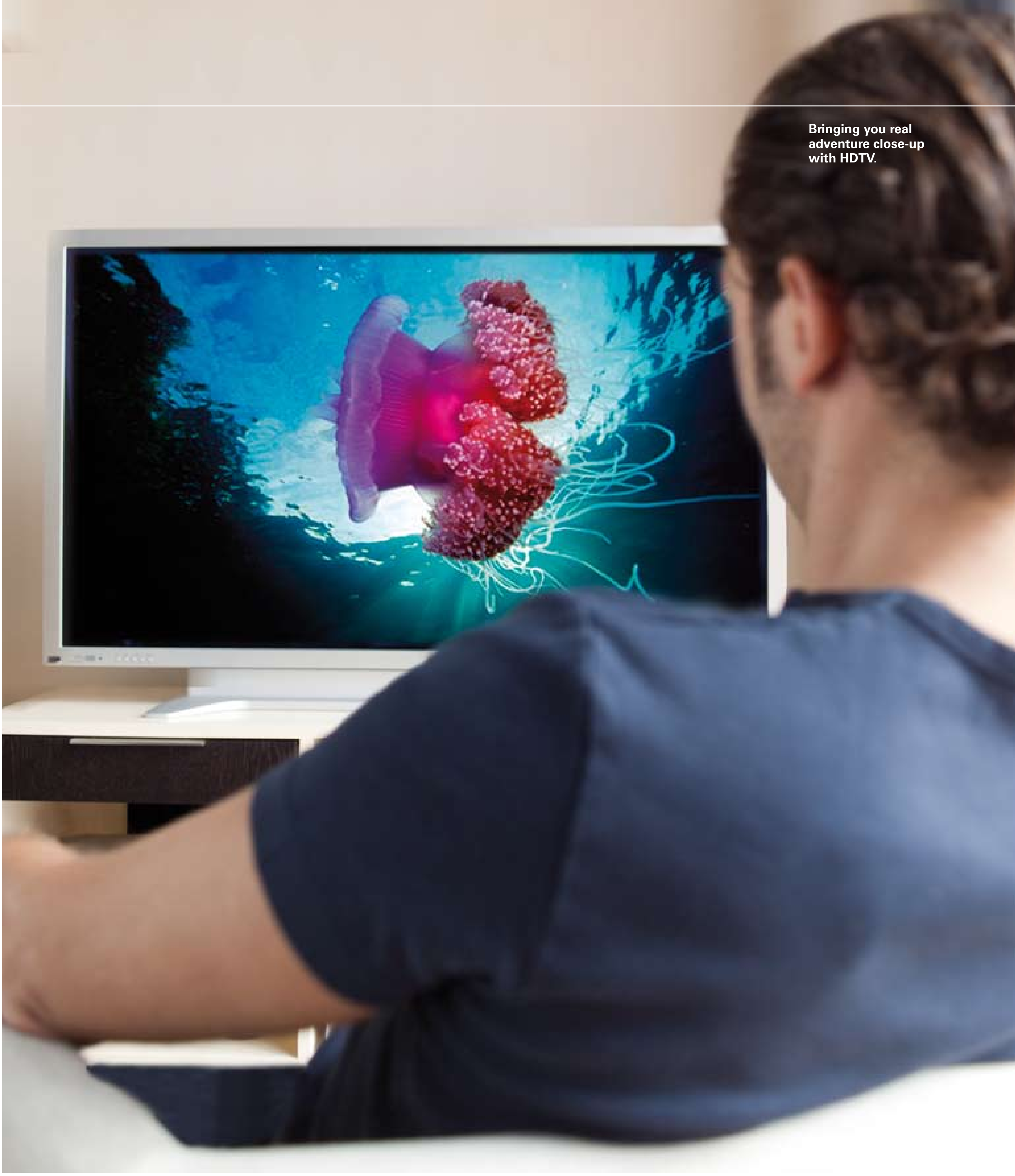
The AMC-21 satellite launched in August 2008 underwent extended testing at its manufacturer Orbital Sciences Corporation.

Revenue streams
High definition TV is growing dynamically and increases demand for satellite capacity.

TODAY & TOMORROW

High definition television (HDTV) is the new frontier of home entertainment, and satellite represents the most efficient transmission platform for bandwidth-intensive HD channels. SES is at the cutting edge of this exciting new chapter of broadcasting history. HDTV offers audiences a viewing experience of unprecedented quality and detail, making it one of the satellite industry's most important new growth channels.

At year-end 2008, more than 1,100 HD channels were operational worldwide. Approximately 900 of these channels were broadcast in the North American market. HDTV is well-established in SES' core markets, and steadily growing in many others. In Europe's main markets, the commercial HD offer doubled in 2008, as in the previous year. In Asia-Pacific, the number of HD channels increased from 44 to 77.



Bringing you real adventure close-up with HDTV.

HDTV

Today, SES is the world's leading transmission platform for high definition TV, transmitting over 120 HD channels. In Europe, SES ASTRA boasts 64 HD channels, and the number is growing rapidly. In the third quarter of 2008 alone, the number of HD channels on the ASTRA platform increased by 30%. In the U.S. market, SES AMERICOM is benefiting from an HD boom and now carries 60 HD channels. In 2008, the number of HD channels on all SES satellites more than doubled.

Ciel-2 takes off from Baikonour Cosmodrome, Kazakhstan in December 2008, aboard an ILS Proton rocket.

Infrastructure
After three successful launches in 2008, SES kicked off 2009 with the launch of NSS-9 in February. Two further launches are planned in 2009.

FURTHER & FASTER

SES has the most ambitious fleet expansion programme in the industry, designed to maintain existing and to add new capacity for the growing and changing demands of its customers. In early March 2009, SES had nine satellites under construction, which will provide a 25% increase in available capacity by 2011. Following three successful launches in 2008. Three satellite launches are scheduled in 2009 alone. The first, NSS-9, was successfully launched on an Ariane 5 rocket on February 12, 2009. NSS-9 is set to replace NSS-5 at 183° East, providing coverage of Asia-Pacific including the West Coast of the U.S., Hawaii and Polynesia. NSS-5 will be re-deployed to a new orbital position. Another SES NEW SKIES satellite, NSS-12 is due for launch in the third quarter of 2009 and will be followed by ASTRA 3B, further strengthening ASTRA's prime orbital position at 23.5° East.

AMERICOM Government Services (AGS) supported the U.S. military's relief operations in Haiti in September 2008.

Satellites support emergency services

Natural disasters can hit anytime, anywhere, and with a primordial destructive force that sweeps away everything in its path. Hurricanes, earthquakes and flash floods can leave the best-connected communities cut off from the outside world, for days, if not weeks. At such times, satellite is virtually the only means of two-way communication making it critical to the emergency relief efforts that follow. With coverage of 99% of the world's population, SES companies can support relief operations such as in hurricane-stricken Haiti, or after the devastating Sichuan earthquake in China, in May 2008.

The antenna array in Betzdorf, Luxembourg from where 14 SES ASTRA and five SES NEW SKIES satellites are monitored and controlled.

Revenue streams
Satellites can fill the broadband connectivity gap, whether it's for millions of households in remote countryside, or for an oil platform miles out at sea.

NEAR & FAR

While 24 hour connectivity has become an everyday reality for many of us, there are still millions of homes in Europe without access to modern telecommunications infrastructure – and that puts them at a disadvantage in the information age. Satellite is often the only platform that can bridge this 'digital divide', bringing connectivity at highest speeds and quality. It is estimated that as many as 20 million households in Europe alone are either not served or underserved by terrestrial broadband services. SES ASTRA's ASTRA2*Connect* is a satellite-based two-way broadband internet solution that is gaining increasing popularity as a way to connect these remote communities. Fast and easy to deploy, the service can be accessed via a single dish also used to receive TV signals. At year-end 2008, ASTRA2*Connect* was available in 11 European countries, including Italy, Germany, the Netherlands and the U.K.

CapRock uses NSS-7 to provide bandwidth to its customers

The oil and gas industry is growing rapidly in Brazil with the discovery of the largest oil and gas reserves in the Campos Basin. CapRock is a leading provider of global satellite communications for the oil and gas industry and relies on SES NEW SKIES to supply capacity via its NSS-7 satellite to connect many of these remote oil and gas platforms of the companies they serve. Mauricio Rubinsztajn, Director of South American Operations, CapRock, said: "With SES NEW SKIES, we can ensure that our customers have access to reliable, state-of-the-art satellite telecommunications to support business-critical communications needs."

René Steichen
Chairman of the Board of Directors

Growth in turbulent times

On behalf of the Board of Directors, it gives me great pleasure to announce another set of solid growth figures for the year ending 2008.

2008 has gone down in history as a year of dramatic turbulence in the global markets. Despite this very challenging environment, we achieved our operational and financial targets and continued to deliver shareholder value in line with our expectations.

In 2008, all main business units within the SES group recorded progress. SES benefits from a strong business model, with our core satellite infrastructure business providing the foundation for the growth that was recorded during the year. This core business is mainly geared towards the provisioning of video broadcasting capacity, and is characterised by long-term contracts with major public and private broadcasters in key markets. SES' satellite fleet is today the leading platform for the distribution of audiovisual content in the world, and broadcasts the equivalent of more than 100,000 hours of television programming every day.

Growth in this sector has been complemented by a good contribution from our services activities. SES companies provide a wide range of value-added, satellite-based services aimed at our media customers, as well as civilian and military government agencies.

SES group revenue rose to EUR 1,630.3 million in 2008. Excluding one-time items and foreign exchange variations, the recurring revenue[2] of the group was EUR 1,620.1 million, an increase of 6.0% over the previous year.

The group's EBITDA was EUR 1,100.0 million. On a recurring basis, EBITDA rose by 4.8% to EUR 1,136.4 million, reflecting strong performance during the year and non-recurring charges taken for the termination of IP-PRIME, as well as changes in the U.S. dollar exchange rate. The group's EBITDA margin generated from core satellite infrastructure leasing activity was an industry-leading 81.6%.

Net profit reached EUR 387.5 million, and was slightly diluted by restructuring costs and the accelerated depreciation charge for the ASTRA 5A satellite, whose mission was ended following the closing of the business year. Earnings per share, which were further enhanced by the effect of the share buyback undertaken during the year, grew to EUR 0.98, compared to EUR 0.91 a year earlier.

In 2008, the return on average equity increased to 24.8%, up from 17.4% in 2007.

In these turbulent times, SES benefits from a strong financial position and liquidity. During the year, we repaid EUR 543.7 million of maturing debt facilities, and our good standing in the credit markets enabled us to raise EUR 850 million in new facilities at very favourable rates. A EUR 200 million facility was approved by the European Investment Bank before the end of 2008 and is expected to close in the first quarter of 2009. SES is currently funded through to mid-2010, and we are pursuing various opportunities to add to our financing resources and to improve our debt maturity profile.

During the year, we managed our financial leverage from 2.95 times net debt/EBITDA at the end of 2007 to 3.16 times at the end of 2008.

In line with our progressive dividend policy, the Board of Directors proposes a EUR 0.66 dividend per share with respect to the 2008 financial results[3].

Outlook

SES is fortunate to have many advantages which give it significant protection in the current market environment.

The financial outlook for the group remains positive, and despite the extremely challenging world economic climate, SES expects to deliver continued revenue and EBITDA growth.

A solid financial base
SES boasts a strong financial position and liquidity.

In 2008, all main business units within the SES group recorded progress. SES benefits from a strong business model, with our core satellite infrastructure business providing the foundation for the growth that was recorded during the year. Growth in this sector has been complemented by a good contribution from our services activities.

Our growth expectation for 2009 is supported by a favourable outlook for transponder supply and demand, by the strength of our new business pipeline, and by the additional capacity we plan to launch to satisfy new market needs.

We expect reported revenue to increase by more than 7% in 2009, assuming an average exchange rate of 1.30 USD/EUR. Recurring revenue is set to grow between 3 and 4% in 2009. For the period 2008-2010, we expect recurring revenue to increase at an average compound annual growth rate of more than 5%.

Reported EBITDA is set to increase by more than 10%, based on the above-mentioned exchange rate assumption.

And we expect our recurring infrastructure EBITDA margin to remain at an industry-leading level of about 82%, supported by annual cost savings derived from the management combination of SES AMERICOM and SES NEW SKIES, and from SES ENGINEERING.

I would like to congratulate the SES management and employees for another successful business year, and for putting us in a strong position to deal with the challenges ahead. I call on their expertise, experience and dedication in a difficult environment to ensure that we maintain our course, and that we continue to deliver the highest standard of services to our customers and value to our shareholders.

René Steichen
Chairman of the Board of Directors

The SES group structure

SES Group management company

Fully-owned operating companies	Ownership
SES ASTRA	100%
SES AMERICOM	100%
SES NEW SKIES	100%

Participations in satellite operators	
SES SIRIUS An SES ASTRA Company	90%
IEL	70%
solaris mobile	50%
QUETZSAT	49%

Satellite service companies	
AMERICOM GOVERNMENT SERVICES	100%
APS An SES ASTRA Company	100%
ND SatCom An SES ASTRA Company	100%
ASTRA TechCom Services	100%
ASTRA Broadband Services	100%

[2] '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.

[3] Subject to approval by shareholders at their annual general meeting on April 2, 2009.

Romain Bausch
President and CEO

Looking towards the future with prudence and with confidence

The progress recorded by SES in the challenging environment of 2008 is no small feat, and I would first of all like to acknowledge the efforts of all employees and associates of SES who contributed to a new round of strong results.

As we enter 2009, the world is facing the bleakest economic outlook since the 1930s. However, as recession hits many economies and sectors, the outlook for the Fixed Satellite Services industry currently remains positive.

SES is not entirely immune to the effects of the economic downturn, but we have so far emerged largely unscathed from a turmoil against which we are better protected than many. We look to the future with prudence, but also with confidence. The going may be occasionally rough; yet we can build on the achievements of the past years that have made our company more resilient, more effective, and more flexible to address the demands of the market.

Multiple drivers of future growth

At the end of 2008, SES had a solid contract backlog of EUR 5.8 billion, equivalent to more than 3.5 times yearly revenue. Most of these contracts are long-term, multi-year contracts with blue chip customers and provide us, and our investors, with outstanding visibility on our future business.

SES benefits from a strong financing position and liquidity, with our funding secured through to mid-2010. We are executing an investment programme that will deliver an overall increase of 25% of available capacity over the next three years. This programme will help us address existing pockets of growing demand for satellite capacity and satellite services, both in markets in which we already have strongly established positions, and in those which have the strongest growth potential.

We continue to see multiple growth drivers for our business, as the number of direct-to-home television broadcast platforms continues to rise. Even though some projects may be adjusted as a result of the current economic situation, the general trend is unbroken. High definition TV, which increases demand for transmission bandwidth, is developing steadily in our main markets: In Europe, SES ASTRA and SES SIRIUS distributed 64 HD channels at year-end, and in North America, the number of HD channels transmitted by SES AMERICOM increased to 60. In addition, we note rising demand for satellite capacity to feed digital terrestrial television networks, or to provide broadband access to populations not served by terrestrial infrastructures.

We are also seeing growth in satellite services, either related to the media sector or emanating from government agencies that may have to increase their reliance on commercial satellite capacity in the future.

Reshaping SES in 2008

During the year, we reshaped SES with the objective of making the company even more flexible and efficient in addressing our customers' needs and in pursuing growth opportunities.

We combined SES AMERICOM and SES NEW SKIES under one single management team that will enable the new division to leverage its combined fleet of 24 satellites, and to focus flexibly on the requirements of the key markets it serves – stretching from the Americas to Africa, the Middle East, Asia and the Pacific Ocean region. In addition to improved customer service, we also expect the new combined division to deliver operational synergies.

We also saw SES ENGINEERING, the consolidated procurement, operations and engineering division of all SES companies, reach operational cruising speed. This has already resulted in synergies and operational efficiencies to further improve service and reliability.

Transponder availability: 99.999% in 2008

In 2008, SES successfully launched three satellites: AMC-21, ASTRA 1M and Ciel-2 (in which SES holds a 70% economic interest). Our available capacity rose to a total of 1,082 transponders at year-end 2008.

Our total utilised capacity increased by 3.9% to 855 transponders at year-end, raising the utilisation rate to 79.0% at the end of December.

Revenue streams
We see multiple growth drivers for our business.

We expect SES to continue its growth phase. Our robust business model, sound financial fundamentals, and strong cash flow allow us to execute our capital expenditure plan to meet the challenges of the future.

We extended the reach of our fleet by opening three new orbital positions: 31.5° East for Central and Eastern Europe, 125° West and 129° West[4] over North America.

The transponder availability rate was maintained at 99.999% for the 37 satellites[5] operated by SES ENGINEERING.

Growth in the infrastructure and services businesses

In our core satellite infrastructure business – providing transmission and broadcasting capacity to our customers – all our main operating companies recorded significant growth throughout the year, and registered important new capacity deals.

In Europe, the number of TV and radio channels broadcast by ASTRA and SIRIUS increased by 2.4% and reached 2,491 at the end of December. In North America, 20 out of the 24 available transponders were contracted by the end of the year on the newly launched AMC-21 satellite, which was brought into operation in August 2008. SES NEW SKIES developed beyond management's expectations and objectives. Within the year, the number of TV and radio channels broadcast by SES NEW SKIES increased by 13% to 641, and the company signed capacity agreements with a broad range of customers at a brisk pace.

SES' services business also enjoyed healthy growth in 2008. ASTRA Platform Services (APS) generated double-digit revenue growth for the fourth consecutive year. ND SatCom experienced an exceptional increase of more than 20%, driven by the government and European defence sectors. SES ASTRA TechCom delivered double-digit revenue growth in 2008, thanks to contracts in Europe, the Middle East and Asia. ASTRA2*Connect*, the two-way, satellite-based broadband internet service expanded rapidly and is now available in 11 European countries, serving approximately 30,000 subscribers at year-end. AMERICOM Government Services won the TROJAN follow-up contract with the U.S. Army for an initial five-year period, and was awarded a contract to host an experimental infra-red sensing payload for the U.S. Air Force.

Investing prudently to meet future demand

We expect SES to continue its growth phase. Our robust business model, sound financial fundamentals, and strong cash flow allow us to execute our capital expenditure plan to meet the challenges of the future.

We will continue to carefully build up our satellite capacity to support organic growth in order to meet the demands of our customers' businesses, and to generate new revenue streams by opening up new markets. We plan to launch three additional satellites in 2009; in all, eight satellites are scheduled for launch between 2009 and 2011.

If and where this makes strategic sense, we will also carefully assess possible acquisitions, of assets or of companies, either to enhance our geographical footprint or to extend our growth opportunities.

Also, we will supplement the growth of our core satellite capacity business by further developing and refining our satellite services business, focusing on the most promising and profitable ventures, and exiting or avoiding those we judge to lack sufficient revenue growth potential.

Continued organic growth, thanks to our satellite capacity expansion programme combined with a prudent approach to new markets, revenue channels and acquisitions, will ensure that we deliver on our targets to meet investor expectations, further improve on shareholder returns and act as an employer of choice in our industry.

Romain Bausch
President and CEO

[4] Ciel-2 was launched in December 2008 and entered operational service in February 2009.

[5] The SIRIUS satellites are operated by Swedish Space Corporation.

Demand outstripped the increase in available capacity and led to improved capacity utilisation rates. Demand for satellite capacity was not impaired by the effects of the financial crunch in 2008.

Continued growth for Fixed Satellite Services in 2008

The Fixed Satellite Services (FSS) industry continued to experience solid growth throughout 2008. At the time of writing, the FSS industry's revenue was estimated to have reached USD 9.6 billion in 2008, an increase of roughly 8% over the previous year.

The FSS industry provides a vital link in the chain of the world's communications infrastructures, spanning a wide range of services from media broadcasting to customised communication networks.

FSS operators provide satellite transmission capacity for the most cost-efficient communication services on a regional, continental or global scale, and operate in the C-band, Ku-band and Ka-band frequency spectrums. Satellite is the best distribution mechanism, enabling broadcasters to optimise their reach. Directly or indirectly, they serve almost every TV home worldwide, delivering TV channels either for direct-to-home reception or for distribution via cable networks and high-speed DSL networks (IPTV). FSS satellites also provide capacity for mission-critical enterprise and government communication via satellites establishing regional or global connectivity.

Stable industry positions in 2008

The standing of the major players in the FSS industry remained largely unchanged in 2008. At year-end, and on a pro forma basis, the four largest FSS operators had a combined share of approximately 70% of revenues, the same as the previous year. SES held a share of just over 25%, making it the single largest FSS operator.

2008 also saw the trend towards an increasing number of regional or national satellite systems continue. The launches of Vinasat and of Venesat marked the emergence of Vietnam and Venezuela as satellite-operating nations. Additional new satellite ventures were announced by Azerbaijan, Angola, Algeria and by Nigeria.

Demand grows faster than capacity

During the year, global FSS capacity increased by 625 transponders or approximately 10%. The majority of the new capacity was launched to serve the North American and Asian markets.

Demand outstripped the increase in available capacity and led to improved capacity utilisation rates. Demand for satellite capacity was not impaired by the effects of the financial crunch in 2008. Growth was driven mainly by demand from media customers, as well as the increasing requirements for global connectivity to enable more efficient communication and flow of information. Media distribution and broadcasting activities generated more than 50% of the FSS industry's total revenue.

New and existing markets offer many growth opportunities for FSS operators

The rising demand for video broadcasting capacity was driven by the emergence of new TV platforms targeting all types of networks: direct-to-home (DTH) reception, cable distribution, digital terrestrial television (DTT), and television in IP format (IPTV).

The total number of video channels broadcast by satellite worldwide increased from 20,100 in 2007 to 22,670 at year-end 2008. During 2008, 15 new pay-TV platforms were launched in Europe, Asia and Latin America.

The commercial roll-out of high definition TV (HDTV) keeps reinforcing the growth dynamics.

USD 9.6bn

The FSS industry's revenue was estimated to have reached USD 9.6 billion in 2008, an increase of roughly 8% over the previous year.

In 2008, SES held a revenue market share of 25% in the FSS industry.

Satellites are filling the terrestrial connectivity gap by providing broadband internet access and other services to remote areas not served by terrestrial networks.

Satellite represents the most efficient transmission channel for the bandwidth-intensive HD applications. 1,166 full-time HD channels were operational at year-end 2008, up from 713 in 2007. Approximately 900 of these channels were broadcast in the North American market, and 200 in Europe's main markets. In Asia-Pacific, the number of HD channels came close to 80.

New terrestrial video distribution networks continued to create opportunities for FSS operators. Cable and telecom operators that are in the process of launching triple and quadruple play offerings combining television, broadband access, fixed and mobile telephony, also rely on FSS to complete their offer and improve their technical reach. For IPTV platforms, satellite ensures distribution in geographical areas lacking terrestrial broadband connectivity.

Growing demand from governments and suppliers of broadband internet

Worldwide, satellite VSAT (Very Small Aperture Terminal) networks constitute established and efficient solutions to serve the communication needs of companies and government agencies. Demand for this application has been growing strongly over the past years, primarily driven by the needs of generic broadband services and government-supported initiatives. During 2008, the growth remained solidly in line with previous years.

The demand for capacity supporting IP and GSM backhaul services represents an important share of demand in developing regions, where terrestrial infrastructure is less developed. Hence large amounts of satellite capacity are needed to sustain broadband access. Using satellite, remote ISPs and telecoms companies can link to the global internet backbone, bypassing shared ground networks and associated congestion points – as well as terrestrial connectivity gaps.

Demand from government and institutional customers significantly increased over the past years, as civil and military government agencies complement their proprietary systems with commercial satellite communications capacity. Furthermore, administrations of smaller countries have become almost entirely reliant on commercial satellite capacity. Given the increasing pressure on public budgets, this trend can be expected to continue in the near future.

The direct-to-user satellite broadband segment registered dynamic growth rates, similar to the video distribution services. In North America, where this service is mainly provided through Ka-band spot beams, capacity limits are occasionally reached. In Europe, where this service is provided via Ku-band, the user take-up rate increased in 2008, compared to the previous year.

+625

Global FSS capacity increased by 625 transponders or approximately 10%.

The combination of SES AMERICOM and SES NEW SKIES will strengthen SES' competitiveness, its operating performance, and enhance the company's positioning for future growth.

SES creates new division

In July 2008, SES announced the combination of SES AMERICOM and SES NEW SKIES into a single division. Robert Bednarek was appointed President and CEO of the new division. With a combined fleet of 24 satellites it provides in-depth coverage of North and South America, Africa, the Middle East and Asia, the Pacific region and also provides global connectivity. The combination is expected to strengthen SES' competitiveness, its operating performance, and enhance the company's positioning for future growth. By bringing together the capabilities and resources of SES AMERICOM and SES NEW SKIES it allows SES to deliver enhanced service to its customers through a versatile and wide-ranging fleet, as well as improving processes and customer support. The new division will leverage the power of SES' global reach to support its customers' growing and diverse satellite needs. Operationally, the move streamlines SES' corporate and management structure, and strengthens SES' competitiveness in the emerging markets of the Middle East, Latin America and India.

SES raises participation in SES SIRIUS to 90%

In January 2008, SES, via SES ASTRA, increased its stake in SES SIRIUS from 75 to 90%. SES' participation in SIRIUS strengthens its position in Northern and Eastern Europe. Greater ownership and closer cooperation allow both companies to generate synergies and exploit assets to further benefit customers of both companies.

Other corporate developments in 2008

SES' joint venture with Eutelsat, Solaris Mobile, which will provide broadcast media and other services to handheld and mobile devices, progressed with the appointment of its CEO, Steve Maine, and the establishment of its headquarters in Dublin. Solaris Mobile's S-Band payload is scheduled for launch in Q1 2009.

Alongside the orbital slot for Ciel-2 at 129° West, Ciel Satellite Group of Canada was awarded six licences to develop Ka-band and Ku-band spectrum at the following orbital slots: 91° West; 103° West; 107° West; 109.2° West; and 138° West.

In view of the ongoing success of ASTRA2*Connect*, a two-way high-speed internet service launched in 2007, SES announced the establishment of ASTRA Broadband Services' (ABBS) to develop, promote and market SES ASTRA's portfolio of products serving the dynamic market for satellite-based broadband services.

SES AMERICOM announced the termination of its IP-PRIME service in the U.S. from July 31, 2009. The decision was taken based on the slow uptake of the service. The termination has no material impact on SES' financial guidance related to revenues and EBITDA for 2008 or for 2009.

Satellite fleet developments

Successful satellite launches in 2008

SES continued its programme of fleet expansion with three successful launches and established new orbital positions.

AMC-21 was launched on August 15, 2008. Located at the new orbital position of 125° West, AMC-21 provides coverage of North America, including all 50 U.S. states, Southern Canada, Mexico, the Caribbean and Central America.

On November 6, 2008, SES successfully launched ASTRA 1M. The new satellite, with 36 Ku-band transponders joined five other satellites at ASTRA's prime orbital position of 19.2° East serving continental Europe, further strengthening its capacity and service offering at that slot, and releasing other satellites to provide services elsewhere.

On December 10, 2008, Ciel-2, the first purpose-built satellite of Ciel Satellite Group of Canada, in which SES holds a 70% stake, was successfully launched to take up its orbital position at 129° West.

Solaris Mobile, SES' joint venture with Eutelsat, will allow broadcasters and media distributors to transmit a wide range of media and data services to handheld and other mobile devices.

Ciel-2 is the first satellite of the Ciel Satellite Group of Canada, in which SES holds a strategic participation. It was awarded licences to develop spectrum at six orbital slots.

On March 15, 2008, SES suffered a setback with the failure of the launch of SES AMERICOM's AMC-14 satellite on a Proton Breeze M launch vehicle, resulting in the total loss of the satellite. The satellite was totally insured, and the insurance proceeds were received in H1 2008.

More detailed information on fleet developments is published in the SES ASTRA, SES AMERICOM and SES NEW SKIES sections of this report.

Satellites added in 2008 and February 2009

	Launch date	Incremental transponders
AMC-21	August 2008	24
ASTRA 1M	November 2008	–
Ciel-2	December 2008	22 (32)
NSS-9	February 2009	–

Developments at 5° and 31.5° East

In Europe, SES ASTRA continued to build up its new orbital slots at 5° East and 31.5° East to strengthen its position in the emerging Northern and Eastern European DTH markets.

SIRIUS 4, launched in late 2007, began commercial operations at 5° East at the beginning of the year.

In April 2008, SES ASTRA opened up a new orbital position at 31.5° East with the ASTRA 5A satellite, formerly SIRIUS 2. In October, ASTRA 5A lost attitude control and service was interrupted for several days. In mid-January 2009, the satellite suffered another anomaly and was removed from service. Operations at 31.5° East will be resumed in due course with the relocation of an in-orbit satellite.

Growing transponder utilisation rate

Transponder utilisation increased to 79.0%, on a higher base of 1,082 commercially available transponders. During the year a total of 53 additional transponders were contracted, an increase of 6.6% of the previous year.

Transponder utilisation

2008

Segment	Utilised transponders	Available transponders	Utilisation rate
SES ASTRA	264	317	83.3%
SES AMERICOM	348	447	77.8%
SES NEW SKIES	243	318	76.4%
SES group	**855**	**1,082**	**79.0%**

2007

Segment	Utilised transponders	Available transponders	Utilisation rate
SES ASTRA	242	283	85.5%
SES AMERICOM	339	447	75.8%
SES NEW SKIES	221	318	69.5%
SES group	**802**	**1,048**	**78.8%**

Future launches

SES is executing an ambitious satellite investment programme to maintain and expand its satellite fleet. SES satellites under construction will increase available capacity by 25% by 2011.

Upcoming launches 2009 to 2011

SES AMERICOM/NEW SKIES	Launch date	Incremental transponders
NSS-12	Q3 2009	30
AMC-4R	Q1 2010	7
AMC-5R	Q3 2010	24
NSS-14	Q4 2010	71
QuetzSat-1	Q3 2011	32
SES ASTRA		
ASTRA 3B	Q4 2009	15
ASTRA 1N	Q2 2011	–
SIRIUS 5	Q3 2011	56

79%

The transponder utilisation rate increased to 79.0%, on a higher base of 1,082 commercially available transponders.

SES ASTRA

"HDTV is taking off in Europe. With the new channels we further improve the impressive HD channel line-up, and build a very attractive HD neighbourhood on our main orbital positions. The growing number of leading broadcasters choosing ASTRA proves that we have become the primary platform for HD in Europe." Ferdinand Kayser, President and CEO, SES ASTRA.

Satellite infrastructure business

As a leading satellite operator in the European arena, SES ASTRA once again delivered strong results, with a reach of over 122 million households.

Satellite fleet developments

At year-end 2008, the ASTRA satellite fleet consisted of 14 ASTRA and 2 SIRIUS satellites at the prime orbital positions 19.2°, 23.5°, 28.2°, 31.5° and 5° East. Throughout the year, ASTRA boasted industry-leading network availability levels of 99.999%.

ASTRA 1M was successfully launched on November 5, 2008 and began commercial operations at its 19.2° East orbital position on January 19, 2009. ASTRA 1M carries 36 Ku-band transponders and delivers direct-to-home and HDTV services to continental Europe. The satellite offers important replacement capacity and reinforces ASTRA's position as the most important HDTV platform in Europe.

The procurement of ASTRA 1N was announced in July 2008 and is part of the replacement programme at 19.2° East. Scheduled for launch in the first half of 2011, it will carry 55 Ku-band transponders for pan-European coverage with an expected lifetime of 15 years.

SIRIUS 4, launched in late 2007, began commercial operations at 5° East at the beginning of 2008, replacing SIRIUS 2 and SIRIUS 3. With 46 Ku-band transponders, SIRIUS 4 meets the increased demand for HDTV capacity in the Nordic countries, as well as the growth in new television channels in Eastern Europe.

The procurement of SIRIUS 5 was announced in October 2008 This new satellite, scheduled for launch in late 2011, will further strengthen the orbital position at 5° East. SIRIUS 5 is a multi-mission satellite whose payload will be commercialised in several regions. SIRIUS 5 will carry a fully incremental payload of 36 Ku-band transponders serving Northern Europe and the Baltic region as well as the African markets with direct-to-home services. In addition, 20 C-band transponders will be commercialised by SES NEW SKIES in Africa.

The former SIRIUS 2 satellite, renamed ASTRA 5A, was moved to the 31.5° East orbital position where it initiated commercial operations in April. In October 2008, the satellite lost attitude control and service was interrupted for several days while the satellite was recovered and repositioned. In mid-January 2009 it suffered another anomaly and was removed from service. Operations at 31.5° East are expected to be resumed in due course with the relocation of an in-orbit satellite.

During the year, the number of transponders that were utilised on the SES ASTRA and SES SIRIUS satellites increased to 264. This represents a utilisation rate of 83.3%.

Growth in broadcast services

At December 31, 2008 the ASTRA and SIRIUS satellites broadcast 2,491 TV and radio channels, a 2.4% increase over 2007.

High definition broadcasts have continued to grow strongly. During 2008 the number of HD channels on the SES ASTRA and SIRIUS platforms increased to 64 at year-end. All major markets within the ASTRA footprint now have access to HDTV via satellite, and the trend continues.

ASTRA is the leading HDTV platform in Europe, serving: Sky in the U.K., CanalSat in France, Premiere in Germany, Digital+ in Spain; Viasat in Scandinavia; Canal Digitaal in The Netherlands; TV Vlaanderen in Belgium; and SKYLink for the Czech and Slovak Republics. ASTRA also features HD channels from Europe's biggest public broadcasters such as the BBC in the U.K., ARTE in Germany, ORF in Austria and TVP in Poland.

Infrastructure
In 2008, SES ASTRA's network availability rate was 99.999%.

2008, a strong year for HDTV in Europe
The total number of high definition channels more than doubled to 64 on the ASTRA and SIRIUS satellites. Broadcasters and consumers alike have embraced HDTV as the TV of the future. HD channels report higher subscription rates, longer viewing times and greater channel loyalty. In 2009, ASTRA will remain at the forefront of HDTV development, not least because it has one of the largest HD-ready audiences.

Bringing out the best at SES
An attractive working environment and numerous opportunities for further training and development help ensure a well motivated workforce.

Since becoming operational in early 2008, SIRIUS 4 has been meeting the growing demand for HDTV services in the Nordic countries and the rapid growth in channels services in Eastern Europe.

TNTSAT, ASTRA's free digital terrestrial TV package, reached over one million households in 2008 in France.

Main commercial contracts

In late 2008, SES ASTRA signed a capacity contract with Orange, a subsidiary of France Telecom, to deliver its Orange TV offer over satellite as part of their triple play offering to those subscribers who are unable to receive TV via their terrestrial ADSL connection. This agreement is particularly significant, as it demonstrates the attractiveness of DTH neighbourhoods as a vehicle to satisfy the growing demand of telecommunications customers for broadcasting solutions.

ASTRA's reach in France grew significantly for two main reasons. Firstly, the number of households receiving TNTSAT, the free digital terrestrial TV package broadcast by ASTRA, grew to over 1 million. Secondly, Canal+ successfully completed the repointing of the remaining TPS households to ASTRA's 19.2° East orbital position by the end of the year.

Other notable commercial developments at SES ASTRA included:

- an agreement with the Slovakian telecommunications and television company Towercom for two transponders at 23.5° East;
- MTV Networks High Definition (MTVNHD) signed a long-term contract with SES ASTRA to distribute music and children's entertainment in France;
- Czech Pay-TV platform CS Link contracted an additional transponder at 23.5° East. CS Link is the largest pay-TV platform in the Czech Republic with 400,000 customers, and transmits 25 TV and 11 radio programmes;
- ETV, a South African broadcaster, contracted a transponder on ASTRA 4A at 5° East.

Services business

SES ASTRA's service businesses experienced dynamic growth in 2008.

ASTRA Platform Services (APS) achieved double-digit revenue growth rates for the fourth consecutive year since its integration into SES ASTRA. APS offers a comprehensive range of services to broadcasters for the preparation, transmission and protection of their content.

ND SatCom, a global supplier of satellite-based broadband VSAT, broadcast and defence communications network solutions, experienced exceptional growth of more than 20% in 2008. Mainly driven by the government and European defence sectors, it also won an important contract with the U.S. Navy to deliver multiple portable Satellite Communication Terminals to the U.S. Navy's Naval Warfare Systems Center (SPAWAR). ND SatCom serves customers in over 130 countries.

SES ASTRA TechCom continued to strengthen its position as a technical services provider to the international satellite operator community, delivering double-digit revenue growth in 2008, driven by large projects with key customers in Europe, the Middle East and Asia.

ASTRA Broadband Services' primary product, ASTRA2*Connect*, a two-way satellite-based broadband system, made strong progress in 2008 and signed contracts with six new distribution partners during the year. ASTRA2*Connect* is now distributed in 11 European countries. At December 31, 2008, the service had approximately 30,000 users using the capacity of three transponders.

Following a thorough review of the *entavio* business model, sales and marketing activities were reduced to a minimum. The service infrastructure is being maintained pending further clarification of the development of the digital satellite market in Germany, and in particular the possibility of supporting the introduction of HDTV.

Revenue streams
SES ASTRA's services businesses experienced dynamic growth in 2008.

ASTRA/SIRIUS' reach continued to grow in 2008, helped by the ongoing growth of digital DTH reception.

Continued audience growth

The ASTRA/SIRIUS satellite system continued to experience audience growth in the 35 countries[6] within its footprint. In early 2009, 122.2 million homes were served with audiovisual broadcast and broadband services via ASTRA at 19.2°, 23.5°, 28.2° East and SIRIUS at 5.0° East.

ASTRA/SIRIUS consolidated its position as the leading European satellite system for DTH reception. By year-end 2008, 53.4 million homes received SES ASTRA or SES SIRIUS services directly via satellite.

A further 68.8 million homes received ASTRA or SIRIUS services via cable.

More than 120 million European TV homes are now digital

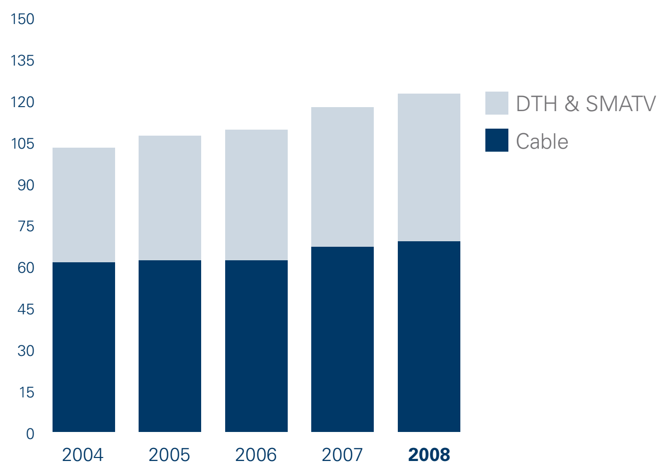
The growing choice of digital TV and radio channels boosted total digital reception of broadcast content (via satellite, DSL, cable and terrestrial) to 122.1 million homes, an increase of 24.1 million homes compared to the previous year. Satellite is the most popular digital reception mode: 63.9 million homes received digital satellite broadcasts, a total market share of 52.3%.

The overall audience growth of ASTRA/SIRIUS reflects the ongoing growth of digital DTH reception. At year-end 2008, 47.2 million homes received digital services via ASTRA at 19.2°, 23.5°, 28.2° East or SIRIUS at 5.0° East.

In a very competitive environment, ASTRA/SIRIUS reconfirmed its strong position in the digital marketplace. Seven out of ten digital satellite homes within its footprint are served by SES ASTRA or SES SIRIUS satellites.

In addition, ASTRA is still received by 6.2 million exclusively analogue satellite homes. 83.4% of these homes, or 5.2 million, are located in the German-speaking countries which retain a wide choice of analogue channels.

ASTRA/SIRIUS audience in Europe
(in millions of households)



[6] 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 U.K.

SES AMERICOM

"Running SES NEW SKIES and SES AMERICOM side by side, we saw many similarities in their business models and in their customers, who all demand international connectivity and distribution. By combining these two organisations, we believe we can create an even better proposition for these customers."

Robert Bednarek, President and CEO, SES AMERICOM/NEW SKIES.

Satellite infrastructure business

SES AMERICOM, one of the leading North American satellite operators, made strong progress during the year. In 2008, SES AMERICOM maintained transponder availability levels of 99.999%. In 2008. SES AMERICOM and SES NEW SKIES were combined into a new division.

Satellite fleet developments

AMC-21 was launched on August 14, 2008 and brought into service in early October. AMC-21 provides coverage of North America, including all 50 U.S. states, Mexico, Southern Canada, the Caribbean and Central America. The satellite is fitted with 24 Ku-band transponders, each with 36 MHz of bandwidth.

Ciel-2 was successfully launched on December 10, 2008. The spacecraft is located at the 129° West orbital position to serve the Canadian and U.S. markets with 32 Ku-band transponders. Ciel-2 entered service on January 29, 2009. The anchor customer for the spacecraft is Echostar's Dish Network Corporation.

During the year, the AMC-2 satellite was co-located at 101° West to provide in-orbit backup for AMC-4, one of the satellites affected by a solar array circuit degradation. Traffic at this orbital position is delivered via both satellites, providing a substantial power margin.

In March, AMC-14 was lost as a result of an anomaly on the Proton launch vehicle. There are no plans for a replacement satellite.

During the year, the number of transponders that were utilised on the SES AMERICOM satellites increased to 348, representing an overall utilisation rate of 77.8%.

Main commercial developments

SES AMERICOM made steady progress throughout the year. As AMC-21 started commercial operations, seven transponders were immediately contracted by the anchor customer, Public Broadcasting Service. Since its entry into service, this attractive capacity has been filling rapidly, and 20 out of its 24 transponders are already contracted.

SES AMERICOM signed a landmark agreement with Comcast for its HITS Quantum service on the AMC-18 satellite. The contracted capacity covers 17 incremental transponders, and resulted in the AMC-18 satellite capacity being fully committed.

In November, SES announced a multi-year agreement to provide satellite capacity to EchoStar 77 Corporation using capacity on QuetzSat-1. The new satellite will be used by Dish Mexico, an EchoStar joint venture, to provide direct-to-home services in Mexico. It is also expected that EchoStar will use capacity on QuetzSat-1 for its DISH Network Corporation's U.S. DTH business. QuetzSat-1 is designed as an all-Ku-band BSS[7] satellite planned for launch into the orbital location of 77° West in 2011. Following the signature of this contract, QuetzSat-1 was procured with Space Systems Loral in February 2009.

Other notable business developments at SES AMERICOM included the first HD agreement with retail channel QVC, signed in May, and the distribution of the first Punjabi network, JUS Punjabi, in the U.S. The channel will be broadcast on AMC-1.

High definition programming has been an important growth area for SES AMERICOM. During 2008, the number of HD channels carried on SES AMERICOM's satellites increased to 60 by the end of the year.

Satellite services business

AMERICOM Government Services (AGS)

AMERICOM Government Services (AGS), which focuses exclusively on providing satellite-based communications solutions for civil and defence agencies of the U.S. government, won the TROJAN follow-on contract with the U.S. Army for an initial five-year period, with five one-year renewal options thereafter. Revenue in the first five years will total USD 136 million and USD 150 million for the remaining five years.

In addition, AGS announced that it had been awarded a contract to host an experimental infra-red sensing payload for the U.S. Air Force. The contract runs over a three-year period and service is expected to be initiated with the launch of the AMC-5R satellite.

In December 2008, SES announced it was terminating its IP-PRIME service in the U.S. Although this initiative had achieved operational status, and take up by rural telcos was in line with targets, the penetration of the telcos' customer base and subscriber registrations were below plan. SES concluded that the service would be unlikely to gain the traction required for successful operations in the current economic climate. IP-PRIME's operations will be maintained, in accordance with SES' obligations to its customers, until July 31, 2009.

[7] Broadcast satellite services

Expanding relationships

In 2008, Comcast Media Center (CMC), a provider of centralised content management and distribution solutions for cable operators expanded its relationship with SES AMERICOM through a multi-year, multi-transponder contract. CMC will use 29 C-band transponders at SES AMERICOM's HD-PRIME® satellite neighbourhood to deliver the current HITS Quantum platform plus additional services to HITS affiliates. "This expansion of CMC's relationship with SES AMERICOM allows our HITS affiliates to deploy a highly competitive line-up of advanced video services while realising substantial savings in cost and bandwidth without sacrificing quality," said Gary Traver, COO of Comcast Media Center.

HITS: Headends in the sky

HITS consolidates hundreds of cable TV channels onto a few satellites that allows a cable network to feed hundreds of channels via satellite into their local networks.

Vital intercontinental capabilities
SkyVision, a leading global provider of Internet services over satellite and terrestrial fibre optic systems, uses four transponders on the NSS-10 satellite. From its key gateways in Europe, the United States and the Middle East, SkyVision provides 'end-to-end' solutions comprising standard or custom-tailored IP connectivity services for Internet Service Providers (ISP's) and telecommunications solutions to enterprises and non-governmental organisations. "During the last three years, NSS-10 has provided vital intercontinental capabilities with exceptional reliability to our global network, a period during which we experienced phenomenal growth. The combination of the powerful NSS-10 satellite with SkyVision's VPN solutions has been a key factor in the success of that particular product, as well as of our other African hub-based solutions," commented Mark Gazit, President and CEO of SkyVision.

Connecting businesses
Thanks to SES, customers like SkyVision can deliver internet connectivity to businesses anywhere.

SES NEW SKIES

76.4%

SES NEW SKIES' utilisation rate increased to 76.4% during 2008.

NSS-9 was successfully launched from the European space port in Kourou, French Guiana on February 12th, 2009.

SES NEW SKIES is a premier provider of satellite communication services. The company serves a diverse customer base of telecommunications providers, media broadcasters, corporations and governments in 80 countries spanning five continents, with a primary regional focus in Asia, Africa, Middle East and Latin America. SES NEW SKIES owns and operates a global fleet of seven satellites with a further three under construction. In 2008, SES NEW SKIES and SES AMERICOM were combined into a new division.

Satellite infrastructure business

Satellite fleet developments

During the year, the number of transponders that were utilised on the SES NEW SKIES satellites increased to 243. This represents a utilisation rate of 76.4%.

After the closing of the business year, on February 10, 2009, NSS-9 was successfully launched on an Ariane rocket from the European space port in Kourou, French Guiana. NSS-9 will be activated at the orbital slot of 183° East. The spacecraft carries 44 active C-band transponders, and features three beams that can interconnect on a transponder-by-transponder basis.

SES NEW SKIES procured NSS-14, the replacement satellite for NSS-7. NSS-14, scheduled for launch in late 2010, will be equipped with 52 C-band and 72 Ku-band transponders (36 MHz equivalents) and will operate at the 338° East orbital slot. Replacing NSS-7 with NSS-14, and moving NSS-7 to a new orbital slot, will add a total of 71 incremental transponders to the fleet.

The SIRIUS 5 satellite under procurement will have a payload of 20 C-band transponders with an African hemispheric beam, that will be commercialised by SES NEW SKIES. SIRIUS 5 will be launched in the second half of 2011.

Main commercial developments

In 2008, SES NEW SKIES exceeded management's expectations and objectives. New contracts, contract renewals and pre-commitments, in particular on the NSS-12 satellite, demonstrated the strength of demand across SES NEW SKIES' markets.

The pace of business development was brisk as SES NEW SKIES signed capacity agreements with a broad range of customers. As of December 31, 2008, SES NEW SKIES broadcast 641 TV and radio channels, an increase of 13% over 2007.

A multi-year, multiple-transponder agreement was signed with the Essel Group for C-band satellite capacity to support the digitalisation of India's vast cable infrastructure.

SES NEW SKIES signed a contract with Global Broadcasting & Multimedia Inc., (GBMI) for a pan-Asian DTH platform on NSS-11. As a result, the SES NEW SKIES fleet carries five Asian DTH services: besides GBMI, SES NEW SKIES also provides capacity for TVB PayVision in Hong Kong, ZeeTV in India, Asia Times Online in Thailand and CSTV in Taiwan.

In September, SES NEW SKIES was contracted by Mediascape, Inc. to provide transponder capacity on its NSS-11 satellite at 108° East for their new direct-to-home satellite television service targeting the Philippines. Mediascape's DTH service aims to launch 24 channels in its basic package that includes Filipino and English channels at affordable prices.

CETel, a satellite services provider, contracted a 36 MHz transponder to serve its VSAT and corporate network customers. Agreements were also reached with Singapore Telecom for global maritime VSAT services to be delivered across three NSS satellites.

Globecast, a subsidiary of France Telecom, signed a five-year contract for continued use of two 36 MHz transponders on NSS-806 at the 319.5° East orbital slot for its services to the Americas and Europe.

In Latin America, TV Record of Brazil selected SES NEW SKIES' NSS-806 and NSS-7 satellites for the distribution of its international and domestic channel line-up. Grupo Abril, one of the largest diversified media groups in Latin America, launched MTV Brazil, its main TV channel for cable distribution in Brazil, on the NSS-806 satellite.

Satellite internet provider, Talia, contracted 90 MHz of capacity in a multi-year deal to serve customers in the Middle East and Africa, while IDMI Lebanon has contracted 40 MHz of bandwidth for its broadband clients in the Middle East and Africa.

In September, SkyVision, a leading global provider of Internet services over satellite and terrestrial fibre optic systems, renewed contracts for four transponders and contracted additional capacity on the NSS-10 satellite. The company first contracted SES capacity in 2005.

Arrowhead Global Solutions concluded a multi-year agreement for 90 MHz of capacity on NSS-12. Arrowhead will use the capacity to support U.S. government needs over the Middle East and East Africa.

SES NEW SKIES also supported international broadcasters' live coverage of the Olympic Games in Beijing during August 2008.

Executive Committee

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 ASTRA Services Europe, and SES SIRIUS, as well as of the Special Shareholder Committee of SES AMERICOM/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 Vice Chairman of Fedil – Business Federation Luxembourg – and a member of the Boards 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. He holds an honorary doctorate from the Sacred Heart University in Luxembourg.

Robert Bednarek
Born October 6, 1957, and appointed President and CEO of SES AMERICOM/NEW SKIES, on July 10, 2009. He joined SES as Executive Vice President, Corporate Development in January 2002 and also was 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 speciality 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 Boards of SES ASTRA, SES ASTRA Services Europe and a member of the Special Shareholder Committee of SES AMERICOM/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 is a member of the Boards of SES ASTRA, SES ASTRA Services Europe and a member of the Special Shareholder Committee of SES AMERICOM/NEW SKIES.

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 RTL2 (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 ASTRA Services Europe and SES SIRIUS, and a member of the Special Shareholder Committee of SES AMERICOM/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 ASTRA Services Europe and SES SIRIUS, and is a member of the Special Shareholder Committee of SES AMERICOM/NEW SKIES.

Pictured left to right: Ferdinand Kayser, Martin Halliwell, Robert Bednarek, Romain Bausch, Mark Rigolle

Corporate governance

SES shareholders[1]

	Number of shares	% Voting shareholding	% Economic participation
A shares			
Sofina Group	18,800,000	3.76%	4.70%
Luxempart S.A.	11,538,264	2.31%	2.89%
Santander Telecommunications S.A.	10,000,000	2.00%	2.50%
Other shareholders	9,418,587	1.89%	2.36%
BCEE FDRs (Free float)	283,228,279	56.70%	70.88%
Total A shares	**332,985,130**	**66.66%**	**83.33%**
B shares			
BCEE	54,336,756	10.88%	5.44%
SNCI	54,329,979	10.88%	5.44%
Etat du Grand-Duché de Luxembourg	57,825,830	11.58%	5.79%
Total B shares[2]	**166,492,565**	**33.33%[3]**	**16.67%**
Total			
Total shares (actual)	**499,477,695**	**100%**	**100%**
Total shares (economic)	**399,582,156**		

[1]Significant shareholdings as of March 3, 2009.

[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

Introduction
SES is listed on both the Luxembourg Stock Exchange and on Euronext Paris. As such the company follows both the 'Ten Principles of Corporate Governance' adopted by the Luxembourg Stock Exchange (its home market) and the governance rules applied by companies listed in Paris (where most of the trading in SES FDRs takes place). Where those rules conflict, e.g. with regard to the publication of the individual remuneration of the members of its Executive Committee, SES follows the rules of its home stock exchange by reporting 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.

SES meets all the recommendations made by the "Ten Principles" except two. With regard to Recommendation 3.9 stating that any of the committees created by the board should only have advisory powers, the SES board has delegated some decision-making power to the Remuneration Committee. For the full details of these powers, see the charter of the Remuneration Committee on the SES website (www.ses.com).

SES does not follow Recommendation 10.7 either. Under this recommendation any shareholder who holds at least 5% of the company's shares should be able to submit proposals to the board concerning the agenda of the annual general meeting, whereas SES follows the Luxembourg law in this respect, granting such right to any shareholder who holds at least 10% of the SES shares. As no registered shareholder currently holds more than 5%, but less than 10% of the SES shares, this discrepancy between the SES articles of incorporation and Recommendation 10.7 is not considered material.

Over the past few years, the company has continuously increased the flow of information towards its shareholders, mainly via its website.

In this context, the section on corporate governance contains a constantly updated stream of information such as the latest version of the company's main governance documents, be it the articles of incorporation, the corporate governance charter (including the charters of the various committees set up by the board) or the separate sections on the composition and the mission of the board, the board's committees and the Executive Committee.

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 parent 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 26, 2008 is available on the company's website.

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 resolutions.

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.

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 it 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 which 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 authorize 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 will be given in the press. The Fiduciary will circulate 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 will be 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 form 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 2008 was attended by 98.90% of the company's shareholders. However, the 29,275,632 FDRs held by SES did not participate in the vote, reducing the participation in the vote to 93.41% of the company's shares.

At the April 3, 2008 annual general meeting, the SES board was renewed for three years. The shareholders elected the 17 candidates which had been proposed on the basis of a recommendation from the SES Nomination Committee. The candidate who had not been endorsed by the Nomination Committee was not elected. The only new member of the board is Ms Bridget Cosgrave. She received an induction by management on the company's business, as well as on the corporate governance aspects, before she attended her first meeting.

The shareholders further approved the 2007 financial results and the allocation of the 2007 profits, granted discharge to the external auditor and the directors, elected Ernst & Young as the company's external auditor for another year, granted an authorization to SES to buy back its own shares and approved an increase in the directors' fees.

During 2008, SES held one extraordinary general meeting of shareholders at the company's registered office at Château de Betzdorf in the Grand Duchy of Luxembourg on June 26. Attended by 99.95% of the company's shareholders, the main purpose of the meeting was the cancellation of shares of Class A and B bought back by the company under its share buyback programmes. The second resolution related to the amendment of the company's share capital in article 4 of the SES articles of incorporation as it resulted from the cancellation of the own shares held by the company. Both resolutions were carried by 100% of the votes expressed during the meeting.

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

Following its election by the shareholders in April 2008, the board of SES is composed of 17 directors, all of them non-executive directors. In accordance with the company's articles of association, 11 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 2011. The Chairman of the Board of Directors, René Steichen, was elected by the members of the board in its meeting on April 3, 2008 which followed the annual general meeting. René Steichen is currently assisted by two Vice Chairmen, François Tesch and Jean-Paul Zens, each one 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. There is currently no vacancy on the board of SES.

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 17 board members are considered independent: Ms Bridget Cosgrave and Messrs Marcus Bicknell, Hadelin de Liedekerke Beaufort, Jacques Espinasse, Robert W. Ross, Christian Schaack, Terry Seddon, Marc Speeckaert, Gerd Tenzer and François Tesch.

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. The board thus approved the participation by the B-shareholders in the company's share buyback programmes, which was necessary for the company in order to cancel the shares it has bought back.

Activities of the Board of Directors in 2008

The Board of Directors held six meetings in 2008, with an average attendance rate of more than 92%, each director having attended at least four of the six board meetings. Upon endorsement by the Audit Committee, the board approved the 2007 audited accounts, including the proposed dividend as well as the results for the first half of 2008. During 2008, the board approved a new strategic plan as well as a business plan for the period 2008–2015 which served as the basis for the 2009 budget discussed by the board in December.

Following its election on April 3 2008, the board elected its representatives on the boards of SES ASTRA and SES ASTRA Services Europe as well as on the SES AMERICOM/NEW SKIES Shareholder Committee. It also elected six of its members to the Audit, Remuneration and Nomination Committees, in line with the respective governance charters of these committees.

During 2008, the board decided to launch two share buyback programmes, the first of which was approved by the board on April 3 and implemented on Euronext Paris through the filing of a notice d'information on April 8. It ended with the cancellation of 22,597,140 A- and 11,298,570 B-shares in an extraordinary general meeting of shareholders on June 26 in the presence of Notary Me Joëlle Baden. The shareholders having approved another share buyback programme during the same meeting, the board decided to implement the new programme in its meeting of the same day. The notice of this buyback programme was filed on July 4.

In both cases the four objectives of the buyback programme were the following:

– for the company's executive stock option plan;
– within the framework of a liquidity contract signed with Banque Rothschild & Cie;
– for cancellation, as well as
– 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.

During the year 2008, the board approved the procurement of several new satellites including AMC-1R, ASTRA 1N and SIRIUS 5.

The board decided to modify the business plan of *entavio*, and to exit from IP-PRIME. It approved the CHIRP Research and Development Program, which will add a passive infra-red sensor for scientific experiments on an AMERICOM replacement satellite, and the EGNOS payload on SIRIUS 5.

The board ratified the resignation of Ed Horowitz as President and CEO of SES AMERICOM and approved the creation of a joint SES AMERICOM/NEW SKIES management team, as well as of a Special Shareholder Committee to advise the SES AMERICOM/NEW SKIES management. Changes to the SES internal regulations were approved and a new share ownership programme, under which the members of the Executive Committee have five years to hold the equivalent of their yearly salary in the form of registered shares, was introduced. The President and CEO of SES will need to hold two years' worth of base salary in registered shares.

Finally, the board approved an extraordinary dividend distribution/capital reduction by SES ASTRA and SES AMERICOM and upon a proposal from the Remuneration Committee, it modified the Long Term Incentive Plan for the company's management.

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 these respective committees. In addition, a business report is distributed to the members of the board on a monthly basis.

No self-evaluation exercise was conducted by the board. Following the one held in 2007, a new self-evaluation of the Board's composition, work and functioning is planned in 2009.

Following their election by the shareholders in the annual general meeting on April 3, 2008, 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 ASTRA Services Europe, the Special Shareholder Committee of SES AMERICOM/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.

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

François Tesch

Born January 16, 1951. Mr Tesch became director on April 15, 1999. He is also Managing Director of Foyer S.A. and Luxempart. Mr Tesch sits also on the Board of Directors of the non-listed corporation 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.

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 AMERICOM/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 is a member of the Nomination Committee of SES.

Mr Zens 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 and RainWater Harvesting Ltd, non-listed companies in the United Kingdom, and a board member of the U.K. 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 Committees.

Mr Bicknell is an independent director.

Bridget Cosgrave
Born July 1, 1961. Ms Cosgrave became a director on April 3, 2008. She is a director of Essilor International S.A., which is listed on the Euronext Paris. She is also a member of the Board of Directors of SES ASTRA, SES ASTRA Services Europe and the Special Shareholder Committee of SES AMERICOM/NEW SKIES. Ms Cosgrave was with Belgacom S.A. from 2001-2007 as a member of the Executive Committee. Her roles included Executive Vice President of the Enterprise division, Chairman of the International Carrier Services division, and board member of Belgacom Mobile (Proximus) and Telindus Group. Ms Cosgrave holds an MBA from London Business School and a BA (Hons) in Economics & History from Queen's University in Canada.

Ms Cosgrave 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 Committees of SES.

Mr de Liedekerke Beaufort 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.

Mr Espinasse 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 Remuneration Committee and of the Audit Committee of SES.

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

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 and of BGL. 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.

Mr Reinesch 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 and Chairman of the Board of Directors of Banque et Caisse d'Epargne de l'Etat, 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.

Robert W. 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 Special Shareholder Committee of SES AMERICOM/NEW SKIES. 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. and Lantana Capital S.A., 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 Managing Director of BGL. 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. He holds an Engineering degree from Ecole Polytechnique in Paris.

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 and member of the Executive Committee of National Credit and Investment Corporation and Vice Chairman 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.

Marc Speeckaert
Born May 23, 1951. Mr Speeckaert is the General Manager of Sofina S.A. and a director of several non-listed corporations as well as of Rapala which is listed on the Helsinki Stock Exchange and of Carbone Lorraine, listed on Euronext Paris. 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.

Mr Speeckaert is an independent director.

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 AMERICOM/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 U.K. manufacturing and operating companies. Mr Seddon graduated from Blackburn Polytechnic and Leeds University of the U.K. Mr Seddon is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee.

Mr Seddon 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 and member of the Board of Transmode Holding AB in Stockholm. 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 2008 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 its election on April 3, 2008, the Remuneration Committee is 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)
Jean-Claude Finck
Terry Seddon (independent).

The Remuneration Committee was chaired in 2008 by the Chairman of the Board.

The Remuneration Committee held four meetings with an attendance rate of 100%. Matters addressed related to the determination of the 2008 stock option grant and the 2008 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 2007 and it adopted the 2008 business objectives which are used as one element in the determination of their bonus for 2008. The Remuneration Committee received a presentation on the SES remuneration philosophy, and decided to re-balance the weight of stock options, restricted shares and performance shares and to extend the attribution of the performance shares to all executives. The Remuneration Committee also proposed to the Board to align the long-term interest of the Executive Committee members with the shareholders' interest by introducing a new scheme under which the members of the Executive Committee must within five years hold the equivalent of an annual salary's worth of registered shares in the company (with the President and CEO of SES having to hold shares worth two years of his salary).

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 four meetings with a members' attendance rate of 96%.

The meetings were dedicated in particular to the review of the 2007 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 2008. 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 amended the Internal Audit Charter, taking into account the results from the previous year's external quality assessment of the Internal Audit function.

The Audit Committee also discussed the group credit policy, and received updates on the project to introduce a corporate database containing essential corporate data on each of the group's companies. It discussed the project to eliminate a significant number of non-operating entities over the coming months and was briefed on the group-wide project to raise awareness of the SES Code of Conduct and Ethics which was rolled out during 2007.

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 Nomination Committee also proposes candidates for Executive Committee membership for election by the board.

Following its election on April 3, 2008, 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 2008 by the Chairman of the Board. The Nomination Committee met twice with an attendance rate of 100%. The purpose of the first meeting was to build on the preparatory work done in 2007 and to agree on the list of 17 names which was endorsed by the board for the election of a new board by the shareholders in the annual general meeting, whereas in its second meeting, the Nomination Committee had a discussion on the Management Succession Plan 2008. Input for that discussion had been prepared with the help of outside consultants.

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 intra-group transactions irrespective of the amount, provided that they are consistent with the consolidated annual budget of the company as well as specific transactions with third parties 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 may approve any external credit facilities or external guarantees, pledges, mortgages and any other encumbrances of the company, or any wholly owned affiliate, for as long as the company will not lose its investment grade rating as a result of said facility or guarantee. It may approve increases of up to 5% in the capital expenditure budget for a satellite procurement already approved by the board, it being understood that the Internal Rate of Return will need to comply with certain specific thresholds defined by the board. The Executive Committee shall inform the board at its next meeting on each such increase.

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 2008 the Executive Committee met 40 times with an attendance rate of more than 97%. 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/NEW SKIES as well as 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 26 and 27.

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 2008, the shareholders approved the proposal to increase the fees paid to the directors to EUR 40,000 per year. Vice Chairmen receive an annual fixed fee of EUR 48,000, whereas the Chairman receives EUR 100,000 per year. The Chairman of the Audit Committee receives an additional EUR 8,000 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 EUR 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 2008 to the members of the Board of Directors (net of the Luxembourgish withholding tax) amounted to EUR 975,500 of which EUR 268,800 were paid as variable fees, with the remaining EUR 706,700 representing the fixed part of the board fees. The gross overall figure for the year 2008 was EUR 1,219,375.

Company stock owned by members of the Board of Directors

On December 31, 2008, the members of the Board of Directors owned a combined total of 633,865 shares and FDRs (representing 0.13% 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 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 six members of the Executive Committee relative to the year 2008 amounted to EUR 8,356,477.08, of which EUR 2,967,851.90 represented the fixed part and EUR 5,388,625.18 the variable part. The direct remuneration paid to the members of the Executive Committee amounted to EUR 5.579.851.43 whereas the indirect remuneration was EUR 2.776.625.66.

The indirect remuneration also contains the benefits derived by the members of the Executive Committee from the company's executive stock option plan and the long-term incentive plan, as adopted by the Board of Directors. During 2008, the members of the Executive Committee were awarded a combined total of 244,048 options to acquire company FDRs at an exercise price of EUR 14.62, the price being based on the average of the closing price on Euronext Paris of the first 15 trading days following the Remuneration Committee meeting at which the options are authorized. A quarter of those options vested on January 1, 2009, the remaining quarters vesting on January 1, 2010, 2011 and 2012 respectively. In 2008, members of the Executive Committee were granted 80,834 restricted shares as part of the company's long-term incentive plan as well as 21,929 performance shares to match the restricted shares granted in 2007. These shares will vest after three years.

During 2008, Martin Halliwell and Robert Bednarek exercised some of their stock options, whereas Romain Bausch and Martin Halliwell sold some of the restricted shares which vested on July 1. SES publishes the details of all transactions made by its board members, the members of its Executive Committee and the members of the Management Committees of its main operating companies on its website.

Company stock owned by members of the Executive Committee

On December 31, 2008, the members of the Executive Committee owned a combined total of 67,939 shares and FDRs, 260,600 unvested restricted shares and 1,544,750 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 under Management Disclosures.

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 3, 2008, the shareholders retained Ernst & Young for another year and approved its remuneration, with a majority of more than 99.99%. The mandate of Ernst & Young will expire at the annual general meeting on April 2, 2009.

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 defined and implemented by the company to ensure:

– the compliance of actions and decisions with applicable laws, regulations, standards, internal rules and contracts;
– the efficiency and effectiveness of operations and the optimal use of the group's resources;
– the correct implementation of the company's internal processes, notably those to ensure the safeguarding of assets;
– the integrity and reliability of financial and operational information, both for internal and external use; and
– that management's instructions and directions are properly applied.

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 of its subsidiaries and other controlled affiliates 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 of the Treadway Commission). This framework provides reasonable assurance that the internal control objectives are being achieved; it is also consistent with the reference framework proposed by the French securities regulator, the '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" has been established to reinforce the corporate governance principles and control environment. This code is applicable to all employees, officers and directors of the company, its subsidiaries or other controlled affiliates.

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. For new hires, training on the code is integrated in the induction training. In June 2008, the Executive Committee of SES created a group-wide SES Compliance Committee which is chaired by the compliance officer of SES S.A. The main role of this committee, composed of designated compliance officers of each SES subsidiary, is to raise the staff's awareness of the code and to ensure a consistent roll-out and training programme for the code.

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 (IFRS). 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. This package also aims to centralise the cash management of the SES operating subsidiaries. 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
– a "tax risk memo" is prepared semi-annually by the tax management department. In the event a specific tax risk is identified, management can decide to create a tax provision to cover potential income statement impacts on an entity or group basis. The tax risk position of the group is subject to a discussion with the external auditors in the context of the annual audit and semi-annual review process.

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

– the procurement of satellites, launch vehicles and satellite-related ground infrastructure, as well as the administration, control and operations of the satellite system are the responsibility of the newly created group-wide SES ENGINEERING entity;
– 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;
– operational procedures for satellite control and payload management exist and cover manoeuvres and configuration changes required in nominal situations as well as in cases of technical emergencies. These procedures are periodically and reviewed to ensure that they are up-to-date; 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 and amended in 2008, 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.

As a result of an external quality assessment conducted in 2007, which confirmed that the Internal Audit function generally conforms with the professional standards defined by the Institute of Internal Auditors (IIA), the Internal Audit function initiated an improvement action plan. This plan focuses on the documentation of the internal audit procedures (audit manual), Internal Audit's relationships with key stakeholders, and the introduction of an annual risk assessment in order to dynamically link the audit plan to risks that may affect the organisation and its operations.

Human resources

Human resources strategy

SES aims to be the employer of choice in the industry. The company identifies, secures, engages, develops and retains the best talent to further expand its technological reach and business objectives.

SES respects and trusts its people, embraces diversity and lives by its values. SES senior managers have a responsibility as role models to all SES employees, and must therefore act in accordance with the guidelines laid down for SES senior management.

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 its 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 2008, SES employed a total of 1,624 staff[1]. The detail is shown in the table below.

	2008
SES S.A.[2]	59
SES ASTRA	294
SES AMERICOM/NEW SKIES	403
SES ENGINEERING	319
ASTRA PLATFORM SERVICES (APS)	149
SES SIRIUS	42
ND SatCom	358
Total	**1,624**

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: base 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. 1,866,042 options were granted in 2008 to 175 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 on performance shares (shares which are only granted in case the company and the executive meet or exceed a certain performance threshold over a three year period). 246,223 restricted shares and 56,145 performance shares were granted in 2008.

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.

853,938 STARs were granted in 2008.

A variety of awards are being used to acknowledge and reinforce the contributions of our employees. In 2008 these mechanisms included management awards, spot awards, deal attainment bonuses, SES ASTRA Awards and SES AMERICOM President's Award.

The Human Resources (HR) function

SES was supported at year end by a team of HR professionals based across all SES companies. 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 strong focus is placed on employee communications through a variety of instruments, such as employee meetings, breakfast talks, and forums pertaining to specific topics. In 2008, the company's intranet was further developed across the group, ensuring employees receive the most up-to-date and relevant information according to location and entity within the group. The intranet is the main vehicle for 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 continued, in 2008, to offer its employees a wide range of training courses within the AMERICOM University and the SES Training and Education Programme (STEP).

In 2008, core and functional competencies were introduced to facilitate job and performance evaluation.

Building outstanding leadership talent

SES focuses on identifying and developing high-potential leadership talent by means of succession planning. This includes participation in executive assessments, executive development programmes, coaching and stretch assignments. A talent inventory and a global succession planning process for critical positions was conducted in 2008.

[1] Full-time equivalents

[2] Includes SES Finance S.à r.l.

SES continued its implementation of a global 'Developing Tomorrow's Leaders' programme in 2008. The programme now covers 66 top-level executives identified as high performers with high potential. Two modules were completed in 2008.

SES has a "Global Development Programme" (GDP) which is used for cross-functional and cross-continent talent and knowledge exchange. Three employees participated in the programme in 2008.

A global "SES Associate Programme", targeted at graduates, was rolled out in 2008. The two-year programme currently covers six associates participating in four six-month assignments.

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 and SES ENGINEERING, the legal framework provides for a personnel delegation and a mixed committee, whereas SES ASTRA TechCom also has a personnel delegation.

The personnel delegations of SES ASTRA and SES ENGINEERING consist of five members each whereas SES ASTRA TechCom has a personnel delegation composed of two delegates. All delegates have been 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.

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 works closely with the group's General Counsel to ensure that the group's external communications comply with applicable legal and regulatory requirements.

Our corporate social responsibility policy

In 2008, SES implemented corporate social responsibility (CSR) projects and activities in those geographic areas where the SES group either has commercial activities, provides communication services or otherwise interacts with local communities.

Policy

Our CSR policy aims primarily at supporting educational projects, and its focus reflects our position as a provider of global communications infrastructure and services.

SES believes it has a responsibility to support the development of a knowledge and communications-based society. Progress in this area should help develop more resilient and flexible economic structures, contribute to enhance social mobility and development, and should also contribute to the emergence of sustainable economic development models.

SES adheres to the "Corporate Social Responsibility Charter", signed jointly by a number of Luxembourg-based companies. This charter commits its signatories to promote the principles of CSR and to reflect and implement these in their everyday operations.

Actions

In 2008, SES continued its scholarship programme with the International Space University (ISU) in Strasbourg, France, supporting students of advanced studies of space applications. In addition, SES initiated a multi-year support programme for an executive space MBA with the International Institute of Space Commerce (IISC) based in the Isle of Man. This programme benefits students from the Isle of Man. The IISC is an off-shoot of the ISU.

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

SES donated computer hardware and software to the Comprehensive School No.1 in Baikonur, Kazakhstan. The company also supported the St. Gallen symposium, an academic and networking opportunity for representatives of business, politics, and students at the University of St. Gallen, Switzerland.

SES is a member of the International Astronautical Foundation, a global organisation that promotes awareness of space activities world-wide.

SES also continued to financially support the Institut St. Joseph of Betzdorf, Luxembourg, a home for mentally handicapped persons.

SES gave a financial contribution to Luxembourg's "Business Initiative 123-GO" aimed at advancing the development of innovative business projects. SES is also a supporting member of the IDATE Foundation, based in Montpellier, France, which provides assistance in strategic decision-making to the telecom, internet and media industries.

In 2007, SES became a member of Luxembourg's "Groupement d'intérêt économique Shanghai 2010". The mission of this organisation is to implement Luxembourg's representation at the World Exhibition in Shanghai in 2010.

SES continued its financial support to "Musek am Syrdal", a local music festival in Luxembourg.

SES NEW SKIES supported the NEPAD e-Schools Demo project by providing satellite capacity and teleport services. Together with two other partners, iDirect and Intersat Africa, we have committed to provide a total satellite solution to 35 schools. The project aims at demonstrating the value of ICT to education and encompasses 96 schools in 16 African countries. NEPAD (The New Partnership for African Development) is a Pan-African organisation sponsored by the African Union that aims to combine public and private partners to address development issues in Africa.

The U.S. offices of SES sponsored a number of science and engineering programmes in public schools in the U.S. Out of 12 applying schools, seven were awarded grants. These grants funded a variety of activities ranging from robotics clubs, in which SES employees helped students build robots, to a "Project Lead the Way" for one school in Paterson, N.J., aiming to prepare students for a successful curriculum in post-secondary engineering studies.

Grants were made available to public schools from Kindergarten to twelfth grade; the grants are reviewed by a committee of employees.

SES ASTRA contributed to the SatElections project for the production and delivery of e-learning modules on effective electoral assistance and electoral administration via satellite, whose pilot operational phase was launched in November 2008 in Kinshasa, Democratic Republic of Congo. The SatElections project is supported financially by the governments of Belgium, Luxembourg and Italy, and is being developed by an industrial consortium coordinated by the European Space Agency.

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 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 with renewable energy sources wherever possible. 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.

Responsibility statement

The Board of Directors and the executive management of the company reaffirm their responsibility to ensure the maintenance of proper accounting records disclosing the financial position of the group with reasonable accuracy at any time, and ensuring that an appropriate system of internal controls is in place to ensure the group's business operations are carried on efficiently and transparently. In accordance with Article 3 of the law of January 11, 2008 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, we declare that, to the best of our knowledge, the consolidated financial statements for the year ended December 31, 2008, prepared in accordance with IFRS as adopted for use in the E.U. give a true and fair view of the assets, liabilities, financial position and profit of the year. In addition, the management report includes a fair review of the development and performance of the group's operations during the year and of business risks, where appropriate, facing the group.

René Steichen
Chairman of the
Board of Directors

Romain Bausch
President and CEO

Financial review by management

All amounts are in millions of euro unless stated otherwise

Summary financial information

	2008	2007	Variance	Variance %
Revenue	**1,630.3**	1,610.7	19.6	1.2%
Operating expenses[1]	**(530.3)**	(520.4)	–9.9	–1.9%
EBITDA	**1,100.0**	1,090.3	9.7	0.9%
Depreciation expense	**(426.2)**	(435.7)	9.5	2.2%
Amortisation expense	**(48.7)**	(41.5)	–7.2	–17.3%
Operating profit	**625.1**	613.1	12.0	2.0%
Net financing charges	**(148.6)**	(130.0)	–18.6	–14.3%
Profit before tax	**476.5**	483.1	–6.6	–1.4%
Income tax expense	**(87.4)**	(78.3)	–9.1	–11.6%
Share of associates' result	**(0.6)**	0.3	–0.9	–
Minority interests	**(1.0)**	(1.1)	0.1	9.1%
Net profit	**387.5**	404.0	–16.5	–4.1%
Earnings per Class A share (in euro)	**0.98**	0.91	0.07	7.7%
EBITDA margin	**67.5%**	67.7%	–0.2% pts.	–
Net income margin	**23.8%**	25.1%	–1.3% pts.	–
Net operating cash flow	**1,037.1**	1,192.7	–155.6	–13.0%
Free cash flow	**437.2**	672.8	–235.6	–35.0%
Net debt	**3,475.8**	3,217.9	257.9	8.0%
Net debt/EBITDA	**3.16**	2.95	0.21	7.1%
Net debt/Total equity	**222.6%**	199.7%	22.9% pts	–

Operating profit development

Revenue rose in the fourth quarter on the back of a strengthening U.S. dollar and increased service revenues. Non-recurring charges of EUR 19.2 million on the operating expenses line and of EUR 30.7 million on the depreciation line impacted the quarter's operating profit performance. Details of these charges are given in the relevant sections below.

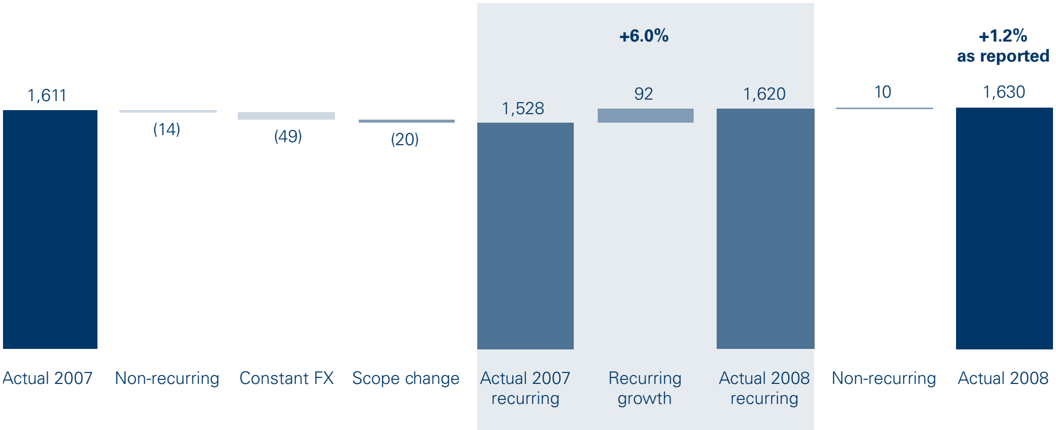
2008	Q1	Q2	Q3	Q4	YTD
Revenue	390.9	397.6	406.4	435.4	1,630.3
Operating expenses[1]	(115.7)	(122.6)	(123.7)	(168.3)	(530.3)
EBITDA	275.2	275.0	282.7	267.1	1,100.0
Depreciation	(99.7)	(95.2)	(94.5)	(136.8)	(426.2)
Amortisation	(10.1)	(15.7)	(9.9)	(13.0)	(48.7)
Operating profit	165.4	164.1	178.3	117.3	625.1

[1]Including EUR 0.8 million net impact in 2008 of AMC-14 programme termination.

Revenue

	2008	2007	Variance	%
Revenue	**1,630.3**	1,610.7	19.6	1.2%

The group reported a modest growth in reported revenues for the year, since the positive underlying development in recurring revenue was substantially offset by the on average weaker dollar prevailing in 2008 compared to the previous year. On a constant exchange rate basis, recurring revenue rose 6% as set out in the chart below.



The recurring growth of 6% was driven by increased demand within the infrastructure segment and supported by continued double digit growth in services.

Operating expenses and EBITDA

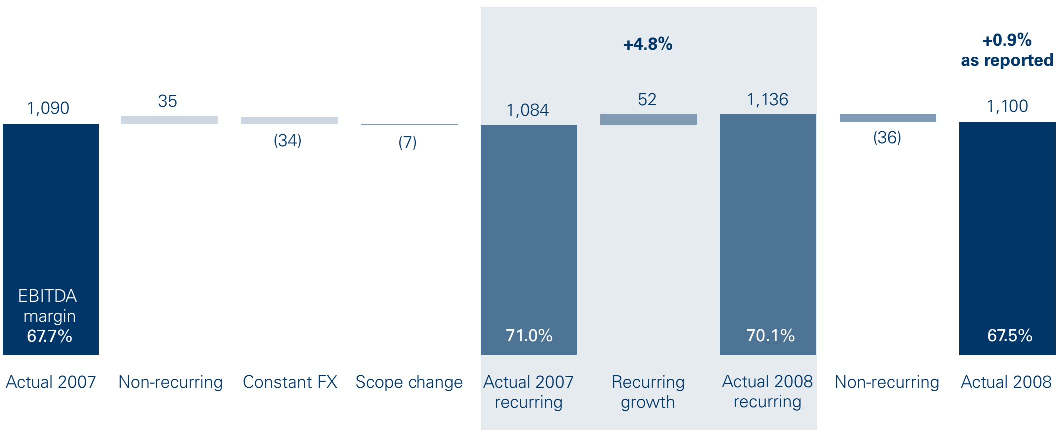
	2008	2007	Variance	%
Operating expenses[1]	**(530.3)**	(520.4)	–9.9	–1.9%
EBITDA	**1,100.0**	1,090.3	9.7	0.9%

[1]Including EUR 0.8 million net impact in 2008 of the AMC-14 programme termination.

Operating expenses for the year showed a small rise in the period despite the favourable impact of the weaker U.S. dollar noted above. The increase is attributable to the growing proportion of revenue coming from services, which rose from 19.8% to 22.5% in 2008, but more particularly to non-recurring charges of EUR 19.2 million taken in the fourth quarter in relation to the termination of the IP-PRIME business, and the integration of the SES AMERICOM and SES NEW SKIES segments which came into effect on January 1, 2009.

Operating expenses also include the EUR 0.8 million net impact of the AMC-14 programme termination.

On a constant exchange rate basis recurring EBITDA rose by 4.8% as set out in the chart below.



Reflecting mainly the non-recurring charges outlined above, the overall reported EBITDA margin dipped slightly from 67.7% on 2007 to 67.5% in 2008. Excluding one-off items, the margin was 70.1%.

All amounts are in millions of euro unless stated otherwise

	Infrastructure	Services	Start-up initiatives	Elim./ unallocated	Total
2008					
Revenue	1,371.7	362.5	3.9	(107.8)	1,630.3
EBITDA	1,107.9	42.1	(23.7)	(26.3)	1,100.0
EBITDA margin	80.8%	11.6%	–	–	67.5%
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%

Depreciation, amortisation and operating profit

	2008	2007	Variance	%
Depreciation expense	**(426.2)**	(435.7)	9.5	2.2%
Amortisation expense	**(48.7)**	(41.5)	–7.2	–17.3%
Operating profit	**625.1**	613.1	12.0	2.0%

The charge for depreciation in 2008 fell in comparison to 2007. The impact of the weaker U.S. dollar on SES AMERICOM and SES NEW SKIES depreciation charges, and the prior year charge of EUR 15.9 million in connection with the NSS-8 launch failure, more than offset changes in the depreciable fleet and the two non-recurring depreciation charges taken in the fourth quarter described below.

i. Accelerated depreciation on the ASTRA 5A satellite: in the light of the anomaly experienced by the satellite in October 2008, management performed a specific impairment test on the carrying value of EUR 10.5 million. As a result of this impairment test the carrying value was fully impaired.

ii. Termination of IP-PRIME: In connection with the termination of the IP-PRIME business, an accelerated depreciation charge of EUR 20.2 million was taken on dedicated assets used to provide this service.

The relevant changes in the depreciable fleet were:

i. the sale of the AMC-23 satellite to GE in March 2007;

ii. the beginning of the depreciation cycle of: AMC-18 (February 2007); ASTRA 1L (July 2007); SIRIUS 4 (December 2007) and AMC-21 (October 2008);

iii. the termination of the depreciation cycle on ASTRA 5A (December 2008).

Operating profit rose to EUR 625.1 million, 2% above the previous year. Before the restructuring costs and accelerated depreciation charges of EUR 49.9 million, operating profit was EUR 675.0 million.

Net financing charges

	2008	2007	Variance	%
Net interest expense	**(196.7)**	(181.7)	–15.0	–8.3%
Capitalised interest	**48.7**	27.7	21.0	75.8%
Net foreign exchange gains	**(0.6)**	21.3	–21.9	–
Gains on disposals	**–**	2.7	–2.7	–100
Net financing charges	**(148.6)**	(130.0)	–18.6	–14.3%

Net financing charges rose by 14.3% year-on-year, driven by the absence of net foreign exchange gains and disposal proceeds. Whilst the net interest expense increased 8.3% reflecting the higher level of net debt during 2008, this increase was more than offset by the higher capitalisation of interest due to the intense ongoing satellite procurement programme. The average cost of group borrowings increased very slightly to 5.05% (2007: 4.90%).

Income tax expense

	2008	2007	Variance	%
Income tax expense	**(87.4)**	(78.3)	–9.1	–11.6%

The tax charge for the year stood at EUR 87.4 million, representing a reported tax rate of 18.3% compared to 16.2% for 2007.

Net profit

	2008	2007	Variance	%
Net profit of the group	**387.5**	404.0	–16.5	–4.1%
Earnings per share (euro)	**0.98**	0.91	0.07	7.7%

Net profit attributable to equity holders of the parent was lower than in 2007, mainly reflecting the impact of the higher net interest charges and taxation. Earnings per share however, at EUR 0.98, showed a 7.7% increase compared to prior year levels reflecting the favourable impact of the shares acquired and cancelled during 2007 and 2008.

Cash flow

	2008	2007	Variance	%
Net operating cash flow	**1,037.1**	1,192.7	–155.6	–13.1%
Free cash flow	**437.2**	672.8	–235.6	–35.1%

Net operating cash flow of EUR 1,037.1 million for 2008 represented an EBITDA conversion rate of 94.2%. Free cash flow, defined as net operating cash flow less cash applied to investing activities, stood at EUR 437.2 million for the year, compared to EUR 672.8 million in 2007, reflecting exceptional operational inflows in the prior year. The cash expended for investment in property plant and equipment rose from EUR 638.0 million in 2007 to EUR 741.0 million in 2008.

Net debt

	2008	2007	Variance	%
Cash and cash equivalents	**(435.5)**	(197.1)	238.4	121%
Loans and borrowings	**3,911.3**	3,415.0	–496.3	–14.5%
Net debt	**3,475.8**	3,217.9	257.9	8.0%
Net debt/EBITDA	**3.16**	2.95	0.21	7.1%

The average level of net debt rose during 2008 as a result of both the high level of satellite procurement activities, and share buy-back activities in the first half of the year.

Contract backlog

	2008	2007	Variance	%
Fully protected contract backlog	**5,850.0**	5,846.4	3.6	–

Backlog remains at a consistent level year-on-year with new business and renewals fully offsetting existing backlog recognised as revenue during the period.

Transponder utilisation at end of period

Transponder numbers (physical)	Q1	Q2	Q3	Q4
SES ASTRA Utilised	244	252	254	264
SES ASTRA Available	291	317	317	317
SES ASTRA %	83.8%	79.5%	80.1%	83.3%
SES AMERICOM Utilised	332	334	329	348
SES AMERICOM Available	429	429	423	447
SES AMERICOM %	77.4%	77.9%	77.7%	77.8%
SES NEW SKIES Utilised	227	234	238	243
SES NEW SKIES Available	318	318	318	318
SES NEW SKIES %	71.4%	73.6%	74.8%	76.4%
SES group Utilised	803	820	821	855
SES group Available	1,038	1,064	1,058	1,082
SES group %	77.3%	77.1%	77.6%	79.0%

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 3, 2008, we have audited the accompanying consolidated financial statements of SES, which comprise the consolidated balance sheet as at December 31, 2008 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 EU. 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, 2008, and of the consolidated results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

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 12, 2009

Consolidated income statement
For the year ended December 31, 2008

	Note	2008 EUR million	2007 EUR million
Revenue	6	**1,630.3**	1,610.7
Cost of sales	8	**(178.2)**	(164.9)
Staff costs	8	**(184.8)**	(187.9)
Other operating expenses	8	**(168.1)**	(167.6)
AMC-14 programme termination income	21	**130.3**	–
AMC-14 programme termination charge	21	**(129.5)**	–
AMC-14 net termination impact	21	**0.8**	–
Depreciation expense	8,13	**(426.2)**	(435.7)
Amortisation expense	15	**(48.7)**	(41.5)
Operating profit	6	**625.1**	613.1
Finance revenue	9	**45.6**	51.7
Finance costs	9	**(194.2)**	(181.7)
Profit before tax		**476.5**	483.1
Income tax expense	10	**(87.4)**	(78.3)
Profit after tax		**389.1**	404.8
Share of associates' result		**(0.6)**	0.3
Profit for the year		**388.5**	405.1
Attributable to:			
Equity holders of the parent		**387.5**	404.0
Minority interests		**1.0**	1.1
		388.5	405.1
Earnings per share (in euro)[1]			
Class A shares		**0.98**	0.91
Class B shares		**0.39**	0.37

[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.

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

Consolidated financial statements

Consolidated balance sheet

As at December 31, 2008

	Note	**2008 EUR million**	2007 EUR million
Non-current assets			
Property, plant and equipment	13	**2,552.8**	2,723.6
Assets in the course of construction	14	**1,243.2**	765.4
Total property, plant and equipment		**3,796.0**	3,489.0
Intangible assets	15	**2,882.1**	2,774.8
Investments in associates	16	**3.2**	1.6
Other financial assets	17	**13.5**	15.6
Deferred income tax assets	10	**18.9**	20.6
Total non-current assets		**6,713.7**	6,301.6
Current assets			
Inventories		**17.6**	15.6
Trade and other receivables	18	**334.8**	289.6
Prepayments		**25.9**	25.2
Valuation of financial derivatives	19	**–**	20.6
Cash and cash equivalents	22	**435.5**	197.1
Total current assets		**813.8**	548.1
Total assets		**7,527.5**	6,849.7
Equity			
Attributable to equity holders of the parent	23	**1,553.1**	1,578.2
Minority interest		**8.2**	33.6
Total equity		**1,561.3**	1,611.8
Non-current liabilities			
Interest-bearing loans and borrowings	25	**3,476.0**	2,766.0
Provisions and deferred income	26	**344.4**	335.2
Valuation of financial derivatives	19	**27.8**	–
Deferred tax liabilities	10	**755.2**	779.7
Total non-current liabilities		**4,603.4**	3,880.9
Current liabilities			
Interest-bearing loans and borrowings	25	**435.3**	649.0
Trade and other payables	27	**460.5**	284.9
Valuation of financial derivatives	19	**39.8**	15.8
Income tax liabilities	2	**198.3**	188.5
Deferred income		**228.9**	218.8
Total current liabilities		**1,362.8**	1,357.0
Total liabilities		**5,966.2**	5,237.9
Total liabilities and equity		**7,527.5**	6,849.7

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

Consolidated statement of cash flow

For the year ended December 31, 2008

	Note	2008 EUR million	2007 EUR million
Profit before taxes		**476.5**	483.1
Taxes paid during the year		**(70.6)**	(36.8)
Net financing charges paid on non-operating activities		**84.3**	75.1
Depreciation and amortisation		**474.9**	477.2
Amortisation of client upfront payments		**(32.2)**	(27.7)
Other non-cash items in consolidated income statement		**(9.5)**	25.1
Consolidated operating profit before working capital changes		**923.4**	996.0
Changes in operating assets and liabilities			
(Increase)/decrease in inventories		**(2.1)**	8.1
(Increase)/decrease in trade and other debtors		**(46.4)**	(0.4)
(Increase)/decrease in prepayments and deferred charges		**5.2**	0.5
Increase/(decrease) in trade and other creditors		**58.4**	(3.8)
Increase/(decrease) in payments received on account		**28.9**	17.7
Increase/(decrease) in upfront payments and deferred income		**69.7**	174.6
Net cash generated by operations		**113.7**	196.7
Net operating cash flow		**1,037.1**	1,192.7
Cash flow from investing activities			
Purchase (net) of intangible assets		**(10.7)**	(20.6)
Purchase of tangible assets		**(741.0)**	(638.0)
Disposal of tangible assets		**7.2**	9.7
Proceeds arising on termination of AMC14 programme		**97.6**	–
Disposal of subsidiaries sold in GE transaction, net of cash	4	**–**	(69.6)
Acquisition of minority interest in consolidated investments		**(22.4)**	–
Acquisition of other consolidated investments, net of cash acquired		**(1.8)**	(3.4)
Realised proceeds on settlement of swap transactions		**73.9**	205.7
Investment in non-consolidated financial assets		**(2.7)**	(3.7)
Net cash absorbed by investing activities		**(599.9)**	(519.9)
Cash flow from financing activities			
Net increase in borrowings		**449.4**	161.9
Dividends paid on ordinary shares, net of dividends received		**(238.9)**	(184.5)
Net financing paid on non-operating activities		**(84.3)**	(75.1)
Treasury shares acquired in GE transaction	4	**–**	(638.8)
Net investment in other treasury shares		**(330.1)**	(145.3)
Exercise of share-based payments		**(1.4)**	–
Dividends from equity investments		**–**	10.2
Other financing activities		**–**	0.7
Net cash absorbed by financing activities		**(205.3)**	(870.9)
Net foreign exchange movements		**6.5**	1.8
Net increase/(decrease) in cash		**238.4**	(196.3)
Net cash at beginning of the year		**197.1**	393.4
Net cash at end of the year		**435.5**	197.1

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, 2008

	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**

	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, 2008	**666.8**	**865.5**	**(213.7)**	**404.0**	**749.8**	**(894.2)**	**1,578.2**	**33.6**	**1,611.8**
Result for the year	–	–	–	387.5	–	–	387.5	1.0	388.5
Impact of currency translation	–	–	–	–	–	177.0	177.0	(0.8)	176.2
Net gain on hedge of net investment	–	–	–	–	–	47.5	47.5	–	47.5
Net loss on cash flow hedges	–	–	–	–	–	(75.8)	(75.8)	–	(75.8)
Total income and expense for the year	–	–	–	387.5	–	148.7	536.2	0.2	536.4
Allocation of 2007 results	–	–	–	(165.1)	165.1	–	–	–	–
Dividends paid[1]	–	–	–	(238.9)	–	–	(238.9)	–	(238.9)
Acquired from minority interest	–	–	–	–	3.1	–	3.1	(25.6)	(22.5)
Movements on treasury shares	–	–	(330.1)	–	–	–	(330.1)	–	(330.1)
Cancellation of treasury shares	(42.4)	(394.4)	436.8	–	–	–	–	–	–
Share-based payment adjustment	–	6.0	(1.4)	–	–	–	4.6	–	4.6
At December 31, 2008	**624.4**	**477.1**	**(108.4)**	**387.5**	**918.0**	**(745.5)**	**1,553.1**	**8.2**	**1,561.3**

[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
SES ('the company') was incorporated on March 16, 2001 as a limited liability company (Société Anonyme) under Luxembourg law. References to the 'group' in the following notes are to the company and its subsidiaries, joint ventures and associates. SES trades under 'SESG' on the Luxembourg Stock Exchange and Euronext, Paris.

The consolidated financial statements of SES for the year ended December 31, 2008 were authorised for issue in accordance with a resolution of the Directors on February 12, 2009. Under Luxembourg law the financial statements are approved by the shareholders at the annual general meeting.

Note 2 – Summary of significant accounting policies
Basis of preparation
The consolidated financial statements have been prepared on a historical cost basis, except where fair value is required by IFRS as described below. 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 for the adoption of the following two new and amended IFRS and IFRIC interpretations as of January 1, 2008:

– IFRIC 11 IFRS 2 – "Group and Treasury Share Transactions";
– IFRIC 12 – Service Concession Arrangements; and
– IFRIC 14/IAS 19 – "The limit on a defined benefit asset minimum funding requirements and their interaction";
– IAS 39 and IFRS 7: "reclassification of financial assets".

Adoption of these standards and interpretations did not have any effect on the financial 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:

1.1 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.

1.2 Taxation

The group operates in numerous tax jurisdictions and management is required to assess tax issues and exposures across its entire operations and to accrue for potential liabilities based on its interpretation of country-specific tax law and best estimates. In conducting this review management assesses the materiality of the issue and the likelihood, based on experience and specialist advice, as to whether it will result in a liability for the group. If this is deemed to be the case then a provision is made for the potential taxation charge arising. These provisions are all recorded as current liabilities in the consolidated balance sheet. As at December 31, 2008 an amount of EUR 107.1 million (2007: EUR 30.5 million) is disclosed under "Income tax liabilities".

One significant area of management judgement is in the area of transfer pricing. Whilst the group employs dedicated members of staff to establish and maintain appropriate transfer pricing structures and documentation, judgement still needs to be applied and hence potential tax exposures can be identified. The group, as part of its overall assessment of liabilities for taxation, reviews in detail the transfer pricing structures in place and makes provisions where this seems appropriate on a case by case basis.

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.

2.1 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 are 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.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

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. Revenue is 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.

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 U.S. dollar exchange rates used by the group during the year were as follows:

EUR 1 =	Average rate for 2007	Closing rate for 2007	Average rate for 2008	Closing rate for 2008
United States dollar	USD 1.37	USD 1.47	USD 1.48	USD 1.39

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 have 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 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 24). 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, 2009 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 will adopt this standard with effect from January 1, 2009. The adoption will only impact disclosures in the financial statements.

In May 2008 the board issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The group plans to adopt these changes with effect from January 1, 2009 (or at the date of endorsement by the European Union, if later).

IAS 1 Revised Presentation of Financial Statements was issued in September 2007 and becomes effective for financial years beginning on or after January 1, 2009. The standard separates owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The group is still evaluating whether it will have one or two statements.

IFRS 3R Business Combinations and IAS 27R Consolidated and Separate Financial Statements. The revised standards were issued in January 2008 and become effective for financial years beginning on or after 1 July 2009. IFRS 3R introduces a number of changes in the accounting for business combinations occurring after this date that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. IAS 27R requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendment were made to IAS 7 Statement of cash flows, IAS 12 Income taxes, IAS 21 The effects of changes in foreign exchange rates, IAS 28 Investment in Associates and IAS 31 Interests in Joint Ventures. The changes made by IFRS3R and IAS 27R will affect future acquisitions or loss of control and transactions with minority interests.

IAS 23 Borrowing Costs (Revised) – removes the option to expense borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. The adoption of this standard will not impact the group as the group already capitalises such borrowing costs.

IFRS 2 Share-based Payment (revised) – clarifies the definition of a vesting condition and prescribes the treatment for an award that is effectively cancelled. The group will adopt this standard with effect from January 1, 2009.

IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items. These amendments to IAS 39 were issued in August 2008 and become effective for financial years beginning on or after July 1, 2009. The amendment addresses the designation of one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations. It clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial position as a hedged item. The group has concluded that the amendment will have no impact on the financial position or performance of the group, as the group has not entered into any such hedges.

IFRIC 16 Hedges of a Net Investment in a Foreign Operation was issued in July 2008 and becomes effective for financial years beginning on or after 1 October 2008. The interpretation is to be applied prospectively. IFRIC 16 provides guidance on the accounting for a hedge of a net investment. As such it provides guidance on identifying the foreign currency risks that qualify for hedge accounting in the hedge of a net investment, where within the group the hedging instrument can be held in the hedge of a net investment and how an entity should determine the amount of the foreign currency gain or loss, relating to both the net investment and the hedging instrument, to be recycled on disposal of the net investment. The group does not expect the adoption of this interpretation to have a material impact on the financial position or performance of the group.

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 (%) 2008	Effective interest (%) 2007	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 Holdings General Partnership, USA	**100.00**	100.00	Full
SES GLOBAL-Americas Finance Inc., USA	**100.00**	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) B.V., Netherlands	**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
Held through SES ASTRA Services Europe S.A., Luxembourg:			
Glocom (Communications and Images) Limited, Isle of Man	**51.00**	51.00	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
SES Digital Distribution Services S.à r.l., Luxembourg	**100.00**	100.00	Full
Redu Operations Services S.A., Belgium	**48.00**	48.00	Equity
Redu Space Services S.A., Belgium	**52.00**	52.00	Full
Entavio GmbH, Germany	**100.00**	100.00	Full
SES Capital Luxembourg S.A., Luxembourg	**100.00**	100.00	Full
SES Capital Belgium S.A., Belgium	**100.00**	100.00	Full
ND SatCom GmbH, Germany	**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	Full
ND SatCom Managed Networks GmbH, Germany	**100.00**	100.00	Full
ND SatCom FZE, United Arab Emirates	**100.00**	100.00	Full
ND SatCom Satellite Comm. Systems (Beijing) Co. Ltd, China	**100.00**	100.00	Full
Bosphocom Ltd, Turkey	**80.00**	80.00	Full
ND SatCom Grintex Communications Ltd, India	**25.00**	50.00	Full
ND SatCom o.o.o., 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, Germany	**100.00**	100.00	Full
Virtual Planet Group GmbH, Germany	**90.00**	–	Full
Held through SES ASTRA S.A.:			
ASTRA GmbH, Germany	**100.00**	100.00	Full
ASTRA Ltd, United Kingdom	**100.00**	100.00	Full

	Effective interest (%) 2008	Effective interest (%) 2007	Method of consolidation
Held through SES ASTRA S.A.:			
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	Full
ASTRA CEE GmbH, Austria	**–**	100.00	Full
ASTRA (GB) Limited, United Kingdom	**100.00**	100.00	Full
ASTRA Benelux B.V., Belgium	**100.00**	100.00	Full
SES ASTRA CEE Sp. z o.o., Poland	**100.00**	100.00	Full
SES ENGINEERING (Luxembourg) S.à r.l., Luxembourg	**100.00**	100.00	Full
New Skies Investments S.à r.l, Luxembourg	**100.00**	100.00	Full
SES SIRIUS AB, Sweden	**90.00**	75.00	Full
Sirius Satellite Services SIA, Latvia	**90.00**	75.00	Full
LLC SES Sirius Ukraine, Ukraine	**90.00**	–	Full
SES ASTRA 1KR S.à r.l, Luxembourg	**100.00**	100.00	Full
SES ASTRA 1L S.à r.l, Luxembourg	**100.00**	100.00	Full
SES ASTRA 1M S.à r.l, Luxembourg	**100.00**	100.00	Full
SES ASTRA 3B S.à r.l, Luxembourg	**100.00**	100.00	Full
SES ASTRA 5 S.à r.l, Luxembourg	**100.00**	100.00	Full
SES ASTRA 1N S.à r.l, Luxembourg	**100.00**	100.00	Full
Solaris Mobile Limited, Ireland	**50.00**	–	Proportional
Held through SES Finance S.à r.l.:			
SES Re International (Bermuda) Ltd, Bermuda	**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
ODM (Proprietary) Ltd, South Africa	**20.00**	–	Equity
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

	Effective interest (%) 2008	Effective interest (%) 2007	Method of consolidation
Held through SES GLOBAL Americas Inc.:			
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
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	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	**80.00**	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	Proportional
Safe Sat of New York Inc., USA	**100.00**	100.00	Full
SES ENGINEERING (United States) Inc., USA	**100.00**	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	Full
SES AMERICOM Holdings (South America) LLC, USA	**–**	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., Mexico	**49.00**	49.00	Proportional
Satellites Globales S. de R.L. de C.V., Mexico	**49.00**	49.00	Proportional
SES Satelites Directo Ltda, Mexico	**100.00**	100.00	Full
SES DTH do Brasil Ltda, Mexico	**100.00**	100.00	Full
SES GLOBAL South America Holding S.L., Spain	**100.00**	–	Full
Held through SES Holdings (Netherlands) B.V.:			
New Skies Satellites Intermediate Holdings Ltd, Bermuda	**100.00**	100.00	Full
New Skies Satellites Holdings (US) LLC, USA	**–**	100.00	Full
New Skies Investments Holding B.V., The Netherlands	**100.00**	100.00	Full
New Skies Holding B.V., The Netherlands	**100.00**	100.00	Full
New Skies Satellites B.V., 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 Holdings Ireland Unlimited, Ireland	**100.00**	100.00	Full
New Skies Satellites Ireland Unlimited, Ireland	**100.00**	100.00	Full

	Effective interest (%) 2008	Effective interest (%) 2007	Method of consolidation
Held through SES Holdings (Netherlands) B.V.:			
New Skies Satellites, Inc., USA	**100.00**	100.00	Full
New Skies Satellites (U.K.) Ltd, U.K.	**–**	100.00	Full
New Skies Satellites de Mexico S.A. de CV, Mexico	**49.00**	49.00	Equity
New Skies Satellites Mar B.V., The Netherlands	**100.00**	100.00	Full
New Skies Satellites Ltda, Brazil	**100.00**	100.00	Full
Morharras B.V., The Netherlands	**100.00**	100.00	Full
New Skies Networks, Inc., USA	**100.00**	100.00	Full
New Skies Networks (U.K.) Ltd, U.K.	**100.00**	100.00	Full
SES ENGINEERING (Netherlands) B.V.	**100.00**	100.00	Full
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 B.V., The Netherlands	**100.00**	100.00	Full
SES New Skies Marketing B.V., The Netherlands	**100.00**	100.00	Full
New Skies Satellites, India B.V., The Netherlands	**100.00**	100.00	Full
New Skies Satellites Argentina B.V., The Netherlands	**100.00**	100.00	Full
New Skies Networks Australia B.V., 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 B.V., The Netherlands	**100.00**	100.00	Full
New Skies Satellites Singapore B.V., 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	Full
SES Asia S.A., Luxembourg	**100.00**	100.00	Full
SES Finance Services AG, Switzerland	**100.00**	100.00	Full

Note 4 – Significant business combinations and disposals

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 Star One, foreseen under the agreement, could not be executed on March 30, 2007, for Brazilian regulatory reasons. These clearances were received on June 29, 2007, 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 Star One 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[1]	381.6	–	381.6
19.99% shareholding in Star One	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)

[1]Representing a 34.1% effective interest in Asia Satellite Telecommunications Holdings Ltd

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 is set out below:

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

Note 5 – Interest in a joint venture

1. Ciel Satellite Limited Partnership, Canada

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:

	2008 EUR million	2007 EUR million
Non-current assets	**130.7**	68.0
Current assets	**0.5**	0.2
Non-current liabilities	**(67.5)**	(62.9)
Current liabilities	**(3.6)**	(5.4)
Revenue	**0.7**	0.7
Operating expenses	**(1.0)**	(0.8)
Depreciation and amortisation	**–**	–
Finance costs	**–**	–
Net loss	**(0.3)**	(0.1)

2. Solaris Mobile Limited, Ireland

The group has a 50.0% interest in Solaris Mobile Limited, a joint venture between SES ASTRA and Eutelsat Communications to provide mobile satellite services in S-band. Solaris Mobile services are scheduled for launch in 2009, when S-band capacity will become available on Eutelsat's W2A satellite.

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

	2008 EUR million	2007 EUR million
Non-current assets	**63.6**	–
Current assets	**10.6**	–
Non-current liabilities	**–**	–
Current liabilities	**10.1**	–
Revenue	**–**	–
Operating expenses	**(1.6)**	–
Depreciation and amortisation	**–**	–
Finance income, net	**0.4**	–
Net loss	**(1.2)**	–

Note 6 – Segment information: geographical segments

The group's internal reporting and responsibility structure reflects geographical regions and comprises four segments:

1. SES ASTRA	Primarily Europe;
2. SES AMERICOM	Primarily North and Central America;
3. SES NEW SKIES	Primarily regions other than the above
4. SES S.A. & Other Participations	Corporate activities

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

For the year ended December 31, 2008 and as at that date:

	SES ASTRA EUR million	SES AMERICOM EUR million	SES NEW SKIES EUR million	Other EUR million	Elimination EUR million	Total EUR million
Segmental results						
External sales	1,010.0	367.9	252.4	–	–	1,630.3
Inter-segment sales	–	1.2	13.2	–	(14.4)	–
Total revenue	1,010.0	369.1	265.6	–	(14.4)	1,630.3
Operating expenses	(302.4)	(155.7)	(60.1)	(27.3)	14.4	(531.1)
AMC-14 programme termination income	–	130.3	–	–	–	130.3
AMC-14 programme termination charge	–	(129.5)	–	–	–	(129.5)
AMC-14 net termination impact	–	0.8	–	–	–	0.8
EBITDA[1]	707.6	214.2	205.5	(27.3)	–	1,100.0
Depreciation	(190.0)	(165.2)	(70.2)	(0.8)	–	(426.2)
Amortisation	(46.0)	(2.7)	–	–	–	(48.7)
Operating profit	471.6	46.3	135.3	(28.1)	–	625.1
Share of associates' results	(0.6)	–	–	–	–	(0.6)
Segmental assets						
Property, plant and equipment	1,449.8	1,535.8	703.2	107.2	–	3,796.0
Intangible assets	557.6	1,725.3	599.2	–	–	2,882.1
Allocated non-current assets	2,007.4	3,261.1	1,302.4	107.2	–	6,678.1
Current assets	253.9	40.5	72.8	15.7	–	382.9
Total allocated assets	2,261.3	3,301.6	1,375.2	122.9	–	7,061.0
Non-allocated assets						466.5
Total assets						7,527.5
Segmental liabilities						
Non-current liabilities	188.5	131.4	23.4	1.0	–	344.3
Current liabilities	377.2	109.5	70.5	132.1	–	689.3
Total allocated liabilities	565.7	240.9	93.9	133.1	–	1,033.6
Non-allocated liabilities						4,932.6
Total liabilities						5,966.2
Capital expenditure	**325.1**	**246.8**	**155.1**	**72.3**	**–**	**799.3**

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

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

	SES ASTRA EUR million	SES AMERICOM EUR million	SES NEW SKIES EUR million	Other EUR million	Elimination EUR million	Total EUR million
Segmental result						
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

Note 7 – Segment information: business segments

The following tables present information regarding the group's business segments for the years ended December 31, 2008 and 2007.

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	Elimination EUR million	Total EUR million
Year ended December 31, 2008				
External sales	1,263.9	366.4	–	1,630.3
Inter-segment sales	107.8	–	(107.8)	–
Total revenue	1,371.7	366.4	(107.8)	1,630.3
Allocated assets	6,775.6	285.4	–	7,061.0
Non-allocated assets				466.5
Total assets				7,527.5
Capital expenditure	759.8	39.5	–	799.3
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

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.

Provision for termination of IP-PRIME activities

On December 15, 2008 SES AMERICOM announced that it would cease providing its IPTV service in America "IP-PRIME" by July 31, 2009. Reflecting the costs associated with this, the group has made a provision in the amount of EUR 8.5 million which is recorded in the line "Other operating expenses" in the consolidated income statement. Furthermore an impairment charge on assets used in the provision of this service has been taken in the amount of EUR 20.3 million through the "Depreciation expense" line.

Note 9 – Finance revenue and costs

	2008 EUR million	2007 EUR million
Finance revenue		
Interest income	**45.6**	27.7
Foreign exchange gains	**–**	21.3
Gain on disposal of subsidiary	**–**	2.7
	45.6	51.7
Finance costs		
Interest expense (net of amounts capitalised)	**(193.7)**	(181.7)
Foreign exchange charges	**(0.2)**	–
Charges relating to the termination of a subsidiary	**(0.3)**	–
	(194.2)	(181.7)

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:

	2008 EUR million	2007 EUR million
Consolidated income statement		
Current income tax		
Current income tax charge	**(111.0)**	(76.8)
Foreign taxes	**–**	–
Adjustments in respect of prior periods	**(3.8)**	15.3
Deferred income tax		
Relating to origination and reversal of temporary differences	**41.8**	9.2
Use of tax losses brought forward	**(14.4)**	(26.0)
Income tax expense per consolidated income statement	**(87.4)**	(78.3)
Consolidated statement of changes in equity		
Deferred income tax related to items (charged) or credited directly in equity		
Net loss on revaluation of financial instruments – Cash flow hedge	**20.1**	1.8
Unrealised loss on loans and borrowings – Net investment hedge	**4.5**	(58.4)
Income taxes reported in equity	**24.6**	(56.6)

A reconciliation between tax expenses and the profit before tax of the group multiplied by theoretical tax rate of 30.38% which corresponds to the Luxembourg domestic tax rate for the years ended December 31, 2008 and 2007 is as follows:

	2008 EUR million	2007 EUR million
Profit before tax	**476.5**	483.1
Multiplied by theoretical tax rate of 30.38%	**144.8**	146.8
Investment tax credits	**(25.2)**	(14.1)
Tax exempt income	**(18.1)**	(3.5)
Deferred tax asset on previously unrecognised tax losses	**(8.7)**	–
Taxes on undistributed earnings of subsidiaries	**6.1**	–
Use of previous years tax losses	**3.4**	–
Effect of different local tax rates	**(76.3)**	(54.9)
Taxes related to prior years	**(9.7)**	(13.0)
Non-deductible expenditures	**59.2**	11.7
Effects of change in tax rate	**(0.7)**	1.2
Reversal of previously recognised deferred tax assets	**–**	1.9
Other	**12.6**	2.2
Income tax reported in the consolidated income statement	**87.4**	78.3

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

	Deferred tax assets 2008 EUR million	Deferred tax assets 2007 EUR million	Deferred tax liabilities 2008 EUR million	Deferred tax liabilities 2007 EUR million	Deferred tax in income 2008 EUR million	Deferred tax in income 2007 EUR million
Loss carried forward	102.8	109.5	–	–	11.1	23.9
Tax-based special depreciation	–	–	12.0	15.6	1.2	4.7
Amortisation	–	–	261.4	166.9	(7.7)	25.7
Depreciation	–	–	543.1	529.8	(14.1)	1.1
Retirement benefit obligation	5.7	7.5	–	–	1.0	(2.0)
Value adjustments on financial asset	–	–	6.3	95.2	(0.6)	(0.2)
Value adjustments on treasury shares	3.2	3.5	–	–	1.2	(1.6)
Measurement of financial instruments at fair value	–	–	38.5	75.1	(11.6)	(29.7)
Receivables	–	–	30.1	22.0	(3.5)	0.5
Payables	23.2	23.2	–	–	–	(5.3)
Other provisions and accruals	6.4	6.4	–	–	(1.0)	1.1
Other	–	–	(13.8)	4.6	(3.4)	(1.4)
Subtotal	141.3	150.1	877.6	909.2	(27.4)	16.8
Offset of deferred taxes	(122.4)	(129.5)	(122.4)	(129.5)	–	–
Total	18.9	20.6	755.2	779.7	(27.4)	16.8

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 244.7 million (2007: EUR 250.3 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.

For the year 2008, earnings per share of EUR 0.98 per A share (2007: EUR 0.91), and EUR 0.39 per B share (2007: EUR 0.37) have been calculated on the following basis:

	2008 EUR million	2007 EUR million
Profit attributable to equity holders of the parent	**387.5**	404.0

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

	2008 EUR million	2007 EUR million
Class A shares	**326.5**	342.1
Class B shares	**172.0**	188.9
Class C shares (cancelled in 2007)	**–**	24.9
Total	**498.5**	555.9

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

Dividends declared and paid during the year:

	2008 EUR million	2007 EUR million
Class A dividend for 2007: EUR 0.60 (2006: EUR 0.44)	**213.3**	148.9
Class B dividend for 2007: EUR 0.24 (2006: EUR 0.18)	**42.7**	38.8
Total	**256.0**	187.7

Dividends proposed for approval at the 2009 Annual General Meeting
(Not recognised as a liability as at December 31, 2008)

	2008 EUR million	2007 EUR million
Class A dividend for 2008: EUR 0.66	**219.7**	213.3
Class B dividend for 2008: EUR 0.26	**44.0**	42.7
Total	**263.7**	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 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**

	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 2008 on cost					
As at January 1	166.9	5,103.0	367.8	152.8	5,790.5
Change of consolidation scope	–	0.4	–	–	0.4
Additions	2.0	31.9	12.8	27.9	74.6
Disposals/retirements	(1.8)	–	(19.6)	(6.8)	(28.2)
Transfers from assets in course of construction (Note 14)	–	119.9	17.0	1.8	138.7
Impact of currency translation	2.4	86.9	5.4	1.2	95.9
As at December 31	169.5	5,342.1	383.4	176.9	6,071.9
Movements in 2008 on depreciation					
As at January 1	(75.7)	(2,633.4)	(248.4)	(109.4)	(3,066.9)
Impairment on IP-PRIME assets (Note 8)	–	–	(20.3)	–	(20.3)
Depreciation	(7.8)	(345.4)	(29.0)	(23.7)	(405.9)
Depreciation on disposals/retirements	1.5	–	17.2	3.0	21.7
Reclassifications	0.3	(0.3)	(0.1)	(0.1)	(0.2)
Impact of currency translation	(0.7)	(45.1)	(0.9)	(0.8)	(47.5)
As at December 31	(82.4)	(3,024.2)	(281.5)	(131.0)	(3,519.1)
Net book value as at December 31, 2008	**87.1**	**2,317.9**	**101.9**	**45.9**	**2,552.8**

There were no fixed assets held under finance lease contracts as at December 31, 2008 (2007: EUR 0.6 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, 2007	–	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**

	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, 2008	0.2	735.0	30.2	765.4
Movements in 2008				
AMC-14 launch failure (Note 21)	–	(127.5)	–	(127.5)
Additions	0.1	692.9	31.7	724.7
Disposals	(0.1)	–	(0.5)	(0.6)
Transfers to assets in use (Note 13)	–	(119.9)	(18.8)	(138.7)
Impact of currency translation	–	16.5	3.4	19.9
Cost and net book value as at December 31, 2008	**0.2**	**1,197.0**	**46.0**	**1,243.2**

Borrowing costs of EUR 48.7 million (2007: EUR 27.7 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% (2007: 5.00%) was used, representing the group's average weighted cost of borrowing.

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, 2007	**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
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**
Movements in 2008 on cost					
As at January 1	671.3	1,640.8	5.5	681.8	2,999.4
Additions	14.3	4.2	–	13.7	32.2
Impact of currency translation	30.4	91.4	–	3.0	124.8
As at December 31	716.0	1,736.4	5.5	698.5	3,156.4
Movements in 2008 on amortisation					
As at January 1	–	–	–	(224.6)	(224.6)
Amortisation	–	–	–	(48.7)	(48.7)
Impact of currency translation	–	–	–	(1.0)	(1.0)
As at December 31	–	–	–	(274.3)	(274.3)
Book value as at December 31, 2008	**716.0**	**1,736.4**	**5.5**	**424.2**	**2,882.1**

Indefinite life intangible assets

The indefinite life intangible assets as at December 31, 2008 have a net book value of EUR 2,457.9 million (2007: EUR 2,317.6 million) made up as set out per cash-generating unit in the table below.

	2008 EUR million	2007 EUR million
SES AMERICOM	**1,675.8**	1,596.3
SES NEW SKIES	**599.2**	569.1
SES SIRIUS	**84.3**	86.7
ASTRA Platform Services	**33.9**	33.5
ND SatCom	**29.5**	31.4
SES ASTRA	**13.7**	0.6
Others	**21.5**	–
Total	**2,457.9**	2,317.6

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 (2007: 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.

Discount rates in 2008 are between 6.80% and 8.30% (2007: 6.75% and 8.25%) 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 asset is 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 markets 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 ten-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.

The most recent testing confirmed that for all except one CGU, even in the least favourable case – a combination of lower terminal growth rates and higher discount rates – no impairment charge would be required. For the SES AMERICOM CGU, whilst there is currently a valuation surplus, a fall in the terminal growth rate of about 0.6%, or an increase in the discount rate of over 0.3% would eliminate this surplus, all other factors being equal.

Note 16 – Investment in associates
On December 31, 2008, the group held investments in associates of EUR 3.2 million (2007: EUR 1.6 million), mainly represented by interests in Milsat Services GmbH in Germany and QuetzSat S. de R. L. de C.V. in Mexico. The third-party assets and liabilities of these entities are not significant.

Note 17 – Other financial assets

	2008 EUR million	2007 EUR million
Loans and receivables		
Amounts receivable from associates after one year	**12.3**	12.0
Other non-current receivables	**1.2**	0.5
	13.5	12.5
Other financial assets		
Sundry financial assets	**–**	3.1
Total other financial assets	**13.5**	15.6

Amounts receivable from associates after one year related to a loan made to the group's Mexican affiliate QuetzSat S. de R. L. de C.V..

Note 18 – Trade and other receivables

	2008 EUR million	2007 EUR million
Net trade debtors	**199.3**	156.6
Unbilled accrued revenue	**68.6**	68.5
Other receivables	**66.9**	64.5
Total trade and other receivables	**334.8**	289.6

Unbilled accrued revenue represents revenues for use of satellite capacity under long-term contracts but not billed. Billing will occur based on the terms of the contracts. An amount of EUR 4.3 million was charged to income in 2008 concerning movement on debtor provisions (2007: EUR 1.6 million). This amount is disclosed in "Other operating charges". Trade debtors and other receivables at December 31, 2008 included EUR 12.8 million (2007: EUR 11.7 million) of amounts becoming due and payable after more than one year.

As at December 31, 2008, trade receivables with a nominal amount of EUR 28.8 million (2007: EUR 25.5 million) were impaired and fully provided for. Movements in the provision for the impairment of receivables were as follows:

	2008 EUR million	2007 EUR million
As at January 1	**25.5**	33.1
Net charge to income for the year	**4.3**	1.6
Change in scope	**–**	(2.4)
Utilised	**(1.4)**	(5.5)
Impact of currency translation	**0.4**	(1.3)
As at December 31	**28.8**	25.5

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 2008 EUR million	Fair value 2008 EUR million	Carrying amount 2007 EUR million	Fair value 2007 EUR million
Financial assets				
Non-current financial assets:				
Loans and receivables	13.5	13.5	12.5	12.5
Other	–	–	3.1	3.1
Total other financial assets	13.5	13.5	15.6	15.6
Current financial assets:				
Valuation of financial derivatives	–	–	20.6	20.6
Trade & other receivables	334.8	334.8	289.6	289.6
Cash and cash equivalents	435.5	435.5	197.1	197.1
Total	770.3	770.3	507.3	507.3
Financial liabilities				
Interest-bearing loans and borrowings:				
At floating rates:				
Bilateral multi-currency	1,046.2	1,046.2	694.5	694.5
Bilateral 2010 (EUR 100 million) issued under EMTN	100.0	100.0	–	–
Syndicated loan	373.0	373.0	–	–
Uncommitted loans	90.0	90.0	115.0	115.0
Eurobond 2009 (EUR 300 million)	300.0	298.2	299.9	299.3
At fixed rates:				
Eurobond 2008 (EUR 500 million)	–	–	489.8	497.9
Eurobond 2011 (EUR 650 million)	649.1	629.6	648.1	649.0
Eurobond 2013 (EUR 500 million)	499.8	441.2	497.9	474.7
German Bond (« Schuldschein ») 2012 (EUR 100 million), non-listed	99.5	111.2	–	–
German Bond (« Schuldschein ») 2012 (EUR 100 million), non-listed	99.4	112.1	–	–
Series A (USD 400 million)	203.0	225.2	229.6	273.4
Series B (USD 513 million)	367.4	422.4	348.0	367.2
Series C (USD 87 million)	62.9	70.6	59.5	63.2
Series D (GBP 28 million)	21.0	22.6	32.7	37.3
Total interest-bearing loans and borrowings:	3,911.3	3,942.3	3,415.0	3,471.5
Of which: Non-current	3,476.0	3,508.8	2,766.0	2,814.4
Of which: Current	435.3	433.5	649.0	657.1
Interest rate swaps	27.8	27.8	15.8	15.8
Forward currency contracts	39.8	39.8	–	–
Total valuation of financial derivatives	67.6	67.6	15.8	15.8
Of which: Non-current	27.8	27.8	–	–
Of which : Current	39.8	39.8	15.8	15.8
Trade & other payables	460.5	460.5	284.9	284.9

Set out below is an analysis of financial derivatives valuation by category of hedging/trading activities and derivatives.

Analysis of financial derivatives	December 31, 2008		December 31, 2007	
	Fair value asset EUR million	Fair value liability EUR million	Fair value asset EUR million	Fair value liability EUR million
Derivatives held for trading:				
Currency forwards, futures and swaps	–	2.3	4.0	–
Cash flow hedges:				
Currency forwards, futures and swaps	–	37.5	–	0.1
Interest rate swaps	–	27.8	–	5.8
Fair value hedges:				
Interest rate swaps	–	–	–	9.9
Net investment hedges:				
Currency forwards, futures and swaps	–	–	16.6	–
Total valuation of financial derivatives	–	67.6	20.6	15.8
Of which: Current	–	39.8	20.6	15.8
Of which: Non-current	–	27.8	–	–

The fair value of the borrowings has been calculated by discounting the expected future cash flows at prevailing interest rates except for the listed 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 was carried at fair value for the portion of the loan linked to interest rate risk in accordance with the fair value hedging detailed in Note 20.

Note 20 – Financial risk management objectives and policies

The group's financial instruments, other than derivatives, comprise bilateral multi-currency credit facilities with banks, syndicated loan, 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, 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 and a syndicated loan. 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 interest-bearing loans and borrowings 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, 2008	609.9	3,588.0	230.3	4,428.2
As at December 31, 2007	831.7	2,356.7	871.6	4,060.0

Foreign currency risk

The group's balance sheet can be significantly impacted by movements in the U.S. dollar/euro exchange rate as the group has significant operations whose functional currency is the U.S. dollar and liabilities denominated in U.S. dollar. To mitigate this exposure the group enters into forward foreign exchange contracts to hedge the exposure on financial debt or on the net assets. The group also has a corresponding exposure in the income statement. Approximately 37.8% (2007: 39.1%) of the group's sales and 44.8% (2007: 39.4%) of the group's operating expenses are denominated in U.S. dollars. 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.

Cash flow hedges in relation to contracted commitments for capital expenditure

At December 31, 2008 and 2007, 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.

The cash flow hedges were assessed to be highly effective and an unrealised loss of EUR 2.3 million (2007: unrealised loss of EUR 1.8 million) net of deferred tax of EUR (0.2) million (2007: EUR 0.6 million) relating to the hedging instruments is included in equity. During the year, EUR 0.1 million (2007: EUR 1.7 million) was removed from equity and included in the initial carrying value of the acquired satellites. As at December 31, 2008 the fair value of the contracts amounted to a liability of EUR 2.8 million (2007: a liability of EUR 0.5 million).

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, 2008:				
Cash outflows for procurement	307.7	180.8	–	488.5
Amount covered by cash flow hedges	252.4	–	–	252.4
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

Hedge of investment in foreign operations

At the end of 2007 certain group borrowings and derivative instruments were 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.

	December 31, 2007 USD million
USD balance sheet exposure:	
SES AMERICOM	4,808.0
SES NEW SKIES	2,304.7
SES Re International	167.7
Total	7,280.4
Hedged with:	
Foreign exchange forward contracts	3,400.0
Private Placement	943.0
Bilateral borrowings	360.0
Total	4,703.0
Hedged proportion	64.6%

This designation was revoked in October 2008. To the date of revocation, an amount of EUR 142.8 million, net of tax of EUR 37.7 million, was recorded in equity in connection with these hedges.

Cash flow hedges in relation to U.S. dollar denominated borrowings

From October 2008 certain derivative instruments have been designated as cash flow hedges of the U.S. dollar liabilities of the group, offsetting the exposure to foreign exchange risks on those liabilities.

	December 31, 2008 USD million	December 31, 2007 USD million
USD debt exposure:		
Bilateral borrowings	**360.0**	–
Private Placement	**885.7**	–
Total	**1,245.7**	–
Hedged with:		
Foreign exchange forward contracts	**1,245.0**	–
Hedged proportion	**100%**	–

Gains or losses on the valuation of the forward foreign exchange contracts are recorded through the income statement to offset any gains or losses on translation of the debts in the balance sheet. The inefficient portion of this hedging relationship in 2008 was nil. At the year-end an amount of EUR 34.7 million is recorded as a liability under "Valuation of financial derivatives" in connection with this cash flow hedge.

All the forward foreign exchange contracts mature within 3 months of the year end.

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.

December 31 2008	Amount in USD million	Amount in euro at closing rate of 1.39 EUR million	Amount in euro at rate of 1.42 EUR million	Amount in euro at rate of 1.18 EUR million
Private Placement	885.7	636.4	623.8	750.6
Bilateral borrowings	360.0	258.7	253.5	305.1
Total	1,245.7	895.1	877.3	1,055.7

These changes would not have any impact on the income statement, as at December 31, 2008 the exchange movement is hedged by forward currency contracts which exactly match the nominal values.

December 31, 2007	Amount in USD million	Amount in euro at closing rate of 1.4721 EUR million	Amount in euro at rate of 1.44 EUR million	Amount in euro at rate of 1.50 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

These changes would not have any impact on the income statement, as at December 31, 2007 the exchange movement was taken to reserves under the net investment hedge.

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, 2008	2,007.0	1,911.0	3,918.0
Borrowings at December 31, 2007	2,323.2	1,109.5	3,432.7
Including the impact of interest rate swaps:			
Borrowings at December 31, 2008	2,629.0	1,289.0	3,918.0
Borrowings at December 31, 2007	1,986.2	1,446.5	3,432.7

During the year the group reimbursed the EUR 500 million Eurobond (2007: EUR 300 million Eurobond) and two tranches of the U.S. Private Placement – USD 57 million and GBP 4 million (2007: USD 57 million and GBP 4 million). Both were fixed rate obligations.

The average weighted interest rate in 2008 was 5.05% (2007: 4.90%).

Fair value hedges
In 2008 the group had two interest rate swap agreements maturing with an aggregate notional amount of EUR 500.0 million, whereby the group received a fixed rate of interest of 4.5% annually and paid a variable rate quarterly equal to three-month EURIBOR plus a margin on the notional amount. These swaps have been 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 had the same specific terms concerning notional amount, interest rate and maturity date of November 2008.

Cash flow hedges in relation to interest commitments under bilateral multi-currency credit facilities and syndicated loan
At December 31, 2008 the group had four interest rate swaps outstanding which were designated as hedges of expected future interest expenses on a total of EUR 350 million of the syndicated loan, and EUR 100 million of the bilateral multi-currency facilities – both floating rate debt.

At December 31, 2008 as in 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 arising in 2009 were assessed to be highly effective and as at December 31, 2008 a net unrealised loss of EUR 19.7 million (2007: a net unrealised loss of EUR 4.0 million), stated net of deferred tax of EUR 8.1 million (2007: EUR 1.8 million), is included in equity in respect of these hedge instruments. The ineffective portion of this hedging relationship in 2008 was nil.

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

Bilateral multi-currency facility (USD drawings)	Within 1 year USD million	Between 1 and 5 years USD million	After 5 years USD million	Total USD million
As at December 31, 2008:				
Cash outflows for interest payments (floating)	(5.8)	(1.8)	–	(7.6)
Cash inflows from interest rate swap (floating)	5.2	1.5	–	6.7
Cash outflows from interest rate swap (fixed)	(12.4)	(4.9)	–	(17.3)
Total	(13.0)	(5.2)	–	(18.2)
As at December 31, 2007:				
Cash outflows for interest payments (floating)	(11.3)	(14.3)	–	(25.6)
Cash inflows from interest rate swap (floating)	10.6	13.2	–	23.8
Cash outflows from interest rate swap (fixed)	(12.5)	(18.8)	–	(31.3)
Total	(13.2)	(19.9)	–	(33.1)

Bilateral multi-currency facility (EUR drawings) and syndicated loan	Within 1 year EUR million	Between 1 and 5 years EUR million	After 5 years EUR million	Total EUR million
As at December 31, 2008:				
Cash outflows for interest payments	(21.6)	(8.7)	–	(30.3)
Cash inflows from interest rate swap (floating)	18.9	7.0	–	25.9
Cash outflows from interest rate swap (fixed)	(19.1)	(12.9)	–	(32.0)
Total	(21.8)	(14.6)	–	(36.4)

The following table demonstrates the sensitivity of the group's pre-tax income to reasonably possible changes in interest rates affecting the interest charged on the floating rate borrowings (after excluding those floating-rate borrowings swapped to fixed 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 of 25 basis points or decrease of 100 basis points (2007: an increase or decrease of 30 basis points). In the U.S. dollar zone the group does not consider a fall below current interest levels as likely but management believes an increase of up to 50 basis points to be possible (2007: a fall of 100 basis points possible or increase of 50 basis points).

US dollar interest rates	Floating Rate borrowings USD million	Increase in rates Pre-tax impact USD million	Decrease in rates Pre-tax impact USD million
Borrowings at December 31, 2008	120.0	(0.6)	–
Borrowings at December 31, 2007	120.0	(0.6)	1.2

Euro interest rates	Floating Rate borrowings EUR million	Increase in rates Pre-tax impact EUR million	Decrease in rates Pre-tax impact EUR million
Borrowings at December 31, 2008	1,203.0	(3.0)	12.0
Borrowings at December 31, 2007	1,365.0	(4.1)	4.1

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, 2008 is EUR 199.3 million (2007: EUR 156.6 million). The group's largest customers are substantial media companies and government agencies and the credit risk associated with these contracts is assessed as low.

Aging of net trade debtors	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
2008	102.8	43.2	33.3	20.0	199.3
2007	106.8	12.5	17.6	19.7	156.6

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.

Capital management

The group's policy is to attain, and retain, a stable BBB rating with Standard & Poors and Fitch, and a Baa2 rating with Moody's. This investment grade rating serves to maintain investors, creditors, rating agency and market confidence.

The group manages its capital structure and liquidity in order to reflect changes in economic conditions to keep its cost of debt low, maintain the confidence of debt investors at a high level and to create added value for the shareholder.

Note 21 – AMC-14 programme termination

An anomaly during the launch of the AMC-14 satellite on March 15, 2008 resulted in the satellite being placed short of the planned geostationary transfer orbit. The carrying value of the satellite was fully insured and a total-loss insurance claim was filed for which all insurance proceeds had been received as at the balance sheet date. The carrying value of the satellite was fully impaired in March 2008. The impact of this launch anomaly on the income and cash flows of the period are disclosed on the face of the financial statements concerned.

AMC-14 programme termination income of EUR 130.3 million comprised EUR 97.6 million in insurance proceeds and EUR 32.7 million of non-refundable customer upfront payments.

Note 22 – Cash and cash equivalents

	2008 EUR million	2007 EUR million
Cash at bank and in hand	**144.2**	175.1
Short-term deposits	**291.3**	22.0
	435.5	197.1

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 624.4 million (2007: EUR 666.8 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	Total shares
As at January 1, 2008	355,582,270	177,791,135	533,373,405
Cancellation of A and B shares	(22,597,140)	(11,298,570)	(33,895,710)
As at December 31, 2008	332,985,130	166,492,565	499,477,695

On June 26, 2008 the group cancelled 33,895,710 shares acquired in the framework of the share buyback programme.

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.

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 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 would be 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 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 Class 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.

	2008	2007
FDRs held as at December 31	**8,806,195**	15,549,313
Carrying value of FDRs held (EUR million)	**108.4**	213.7

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, 2008 an amount of EUR 66.7 million (2007: EUR 69.2 million) is included within other reserves. Other reserves include a further undistributable amount of EUR 301.5 million (2007: EUR 222.7 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.

	2008	2007
Outstanding options at the end of the year	**975,321**	1,015,671
Weighted average exercise price in EUR	**12.64**	12.64

2. The stock appreciation rights plan ('STAR plan')
The STAR plan, initiated in 2000, is a scheme available to non-executive staff of controlled group subsidiaries. Under the plan employees are granted rights to receive remuneration payments 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.

Until 2005 the STAR plan was structured as a cash-settled scheme. The options granted before 2006 and not exercised are set out below:

	2008	2007
Outstanding options at the end of the year	**455,919**	681,217
Weighted average exercise price in EUR	**8.96**	8.29

In 2006 the STAR plan was converted into an equity-settled scheme. The options granted since 2006, and not exercised, are set out below:

	2008	2007
Outstanding options at the end of the year	**2,204,934**	1,495,305
Weighted average exercise price in EUR	**14.31**	14.12

3. Executive incentive compensation plan ('EICP')
The EICP, initiated in 2002, is available to group executives. Under the plan, options are granted with an effective date of January 1. One quarter 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.

	2008	2007
Outstanding options at the end of the year	**6,715,506**	5,587,472
Weighted average exercise price in EUR	**12.63**	11.70

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.

	2008	2007
Restricted and performance shares granted at the end of the year	**697,311**	711,016
Weighted average fair value in EUR	**13.09**	12.12

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, 2008, and December 31, 2007.

	2008	2007
Dividend yield (%)	**3.61**	2.17
Expected volatility (%)	**27.83**	26.33
Historic volatility (%)	**27.83**	26.33
Risk-free interest rate (%)	**4.24**	4.09
Expected life of options (years)	**5**	5
Weighted average share price (EUR)	**15.2**	15.48

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 which takes 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, 2008 is EUR 2.3 million (2007: EUR 4.0 million). The total charge for the period for share-based compensation payments amounted to EUR 1.8 million (2007: EUR 6.7 million).

Note 25 – Interest-bearing loans and borrowings
As at December 31, 2008 and 2007, the group's interest-bearing loans and borrowings were:

	Effective interest rate	Maturity	Amounts outstanding 2008 EUR million	Amounts outstanding 2007 EUR million
Non-current				
U.S. Private Placement				
Series A USD 400 million	5.74%	September 2013	161.9	190.8
Series B USD 513 million	5.82%	September 2015	367.4	348.0
Series C USD 87 million	5.63%	September 2015	62.9	59.5
Series D GBP 28 million	5.63%	September 2013	16.8	27.3
Eurobond 2009 (EUR 300 million)	Euribor + 0.25 %	October 2009	–	299.9
Eurobond 2013 (EUR 500 million)	4.375%	October 2013	499.8	497.9
Eurobond 2011 (EUR 650 million)	4.00%	March 2011	649.1	648.1
Bilateral multi-currency credit facilities	Euribor/Libor + 0.265%	May 2010	1,046.2	694.5
Bilateral (EUR 100 million) issued under EMTN	Euribor + 0.6%	October 2010	100.0	–
Syndicated loan	Euribor + 0.6%	May 2010	373.0	–
German bond (EUR 100 million), non-listed	5.75%	November 2012	99.5	–
German bond (EUR 100 million), non-listed	6.00%	November 2012	99.4	–
			3,476.0	2,766.0
Current				
U.S. Private Placement				
Series A USD 400 million	5.74%	September 2009	41.1	38.8
Series D GBP 28 million	5.63%	September 2009	4.2	5.4
Eurobond 2008 (EUR 500 million)	4.54%	November 2008	–	489.8
Eurobond 2009 (EUR 300 million)	Euribor + 0.25%	October 2009	300.0	–
Uncommitted loans	5.18%	February 2009	90.0	115.0
			435.3	649.0

US Private Placement
On September 30, 2003, the group 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. Of these, the covenant which management monitors the most actively is the requirement to maintain the net debt/EBITDA ratio at a level of 3.5 or below.

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 bond was for a nominal amount of EUR 500 million with a coupon of 4.50% and was settled at its maturity date of November 19, 2008.

Bilateral multi currency facilities
On December 31, 2008 and 2007, SES had unsecured bilateral multi-currency revolving credit facilities in place with eleven banks for a total of EUR 1,075.0 million with a weighted average maturity of May 2010, of which EUR 1,046.2 million (2007: EUR 694.5 million) was drawn as at the year-end. These bilateral facilities are available to both SES and SES GLOBAL-Americas Holdings GP.

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' issued under the programme is EUR 500.0 million or its counter value at the date of issue in any other authorised currencies. On May 11, 2008, this programme was extended for one further year. As of December 31, 2008 and 2007 there were no borrowings outstanding under this programme.

European Medium-Term Note Programme (EMTN)
On December 6, 2005 SES put in place a EUR 2,000 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 million. In May 2007, this programme was increased to an aggregate amount of EUR 4,000 million. As at December 31, 2008, SES had issued EUR 1,550 million (2007: EUR 1,450 million) under the EMTN programme with maturities ranging from 2009 – 2013.

Syndicated EUR 550.0 million revolving credit facility
On May 20, 2008, the group signed a syndicated EUR 550.0 million revolving credit facility. The floating rate facility is for general corporate purposes and has been structured as a two year multi-currency revolving credit facility with a one year extension option at the discretion of the lenders. As at December 31, 2008 SES had issued EUR 375.0 million under this revolving credit facility. In the event that there is a breach of the financial covenants applying to the drawings under the Private Placement, the group is required to renegotiate the terms of the syndicated loan with the lenders.

German Bond issue of EUR 200.0 million
On May 21, 2008 the group also concluded an agreement to issue EUR 200.0 million in two equal tranches in the German Bond ("Schuldschein") market. The agreement for the first tranche was signed on May 30, 2008 with the funds being drawn down in June. The agreement for the second tranche was signed on July 14, 2008 with the funds being drawn down in July. The whole issue bears interest at a fixed rate and matures in November 2012.

Note 26 – Provisions and deferred income

	Provisions EUR million	Deferred income EUR million	Total EUR million
As at January 1, 2008	74.6	260.6	335.2
Decrease in provisions	(9.5)	–	(9.5)
Movement on deferred income	–	18.7	18.7
As at December 31, 2008	**65.1**	**279.3**	**344.4**

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 for which an actuarial valuation has been performed and a provision for EUR 12.9 million (2007: EUR 11.9 million) included in the consolidated financial statements.

At SES AMERICOM and SES ENGINEERING U.S. certain employees benefit from a post-retirement health benefits programme which is externally insured. As at December 31, 2008, accrued premiums of EUR 7.9 million (2007: EUR 6.8 million) are included in this position.

Contributions made in 2008 to group pension schemes totalled EUR 7.1 million (2007: EUR 7.1 million).

Note 27 – Trade and other payables

	2008 EUR million	2007 EUR million
Trade creditors	**217.2**	132.6
Payments received in advance	**77.3**	48.4
Interest on loans	**53.9**	48.1
Personnel-related liabilities	**17.7**	24.8
Tax liabilities other than for income tax	**4.7**	2.5
Other liabilities	**89.7**	28.5
Total	**460.5**	284.9

Note 28 – Commitments and contingencies

Capital commitments

The group had outstanding commitments in respect of contracted capital expenditure totalling EUR 996.7 million at December 31, 2008 (2007: EUR 659.7 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:

	2008 EUR million	2007 EUR million
Within one year	**10.1**	7.7
After one year but not more than five years	**19.7**	19.0
More than five years	**2.8**	6.3
Total	**32.6**	33.0

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:

	2008 EUR million	2007 EUR million
Within one year	**46.9**	49.4
After one year but not more than five years	**140.6**	136.2
After more than five years	**2.3**	26.8
Total	**189.8**	212.4

Litigation

There were no significant litigation claims against the group as of December 31, 2008.

Guarantees

On December 31, 2008 and 2007, the group had outstanding bank guarantees for an amount of EUR 11.3 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 (2007: nil).

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 2008 amounted to EUR 1.2 million (2007: EUR 0.9 million). These payments are computed on a fixed and variable basis, the variable part being based upon attendance at board and committee meetings.

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:

	2008 EUR million	2007 EUR million
Short-term employee benefits, pension and medical benefits	**6.3**	4.3
Share-based payments	**2.1**	–
Total	**8.4**	4.3

Total share-based payment instruments allocated to key management as at December 31, 2008 were 1,726,360 (2007: 1,652,752).

Note 30 – Events after the balance sheet date

On January 16, the group announced that its satellite ASTRA 5A, the former SIRIUS 2 operating at 31.5 degrees East, had experienced a technical anomaly leading to the end of the spacecraft's mission. The book value of the satellite was already fully depreciated as at December 31, 2008.

Report of the independent auditor

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 3, 2008, we have audited the accompanying annual accounts of SES, which comprise the balance sheet as at December 31, 2008 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, 2008, 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 12, 2009

SES S.A. annual accounts

Balance sheet

As at December 31, 2008

Assets	Note	2008 EUR million	2007 EUR million
Intangible assets	3	**0.1**	0.1
Tangible assets	4		
Other fixtures and fittings, tools and equipment		**0.5**	1.0
Payments on accounts and tangible assets in course of construction		**2.0**	0.4
		2.5	1.4
Financial assets			
Shares in affiliated undertakings	5	**8,332.4**	9,677.6
Loans to affiliated undertakings	6	**720.2**	548.5
Securities held as fixed assets	7	**107.2**	213.8
		9,159.8	10,439.9
Current assets			
Debtors (becoming due and payable within one year)			
Amounts owed by affiliated undertakings	8	**1,561.1**	658.8
Other debtors		**1.2**	16.0
Cash at bank and in hand		**250.8**	59.0
		1,813.1	733.8
Prepayments		**4.5**	4.3
Total assets		**10,980.0**	11,179.5
Liabilities			
Capital and reserves			
Subscribed capital	9	**624.4**	666.8
Share premium		**746.3**	1,140.7
Legal reserve	10	**66.7**	69.2
Other reserves		**87.8**	154.8
Results brought forward		**46.6**	46.6
Result for the financial year		**694.9**	186.5
		2,266.7	2,264.6
Creditors			
Amounts becoming due and payable after more than one year			
Notes and bonds	11	**2,193.4**	2,248.8
Amounts owed to credit institutions	12	**1,421.2**	694.5
Amounts owed to affiliated undertakings	13	**287.4**	–
		3,902.0	2,943.3
Amounts becoming due and payable within one year			
Notes and bonds	11	**355.4**	555.4
Amounts owed to credit institutions	12	**90.3**	115.0
Trade creditors		**1.7**	1.0
Amounts owed to affiliated undertakings	13	**4,268.6**	5,130.2
Tax and social security debt			
Tax debts	14	**39.1**	116.2
Social security debts		**0.1**	0.1
Other creditors		**56.1**	53.7
		4,811.3	5,971.6
Total liabilities		**10,980.0**	11,179.5

Profit and loss account

For the year ended December 31, 2008

Charges	Note	2008 EUR million	2007 EUR million
External charges	16	**25.8**	25.9
Staff costs	15	**10.3**	10.0
Depreciation and amortisation	3, 4	**0.7**	0.4
Other operating charges		**3.0**	2.8
Value adjustments in respect of financial assets	5	**3.3**	–
Interest payable and similar charges			
concerning affiliated undertakings		**172.0**	163.6
other interest payable and similar charges	17	**199.4**	141.4
Taxes on profit	14	**(103.2)**	(79.9)
Profit for the financial year		**694.9**	186.5
		1,006.2	450.7

Income	Note	2008 EUR million	2007 EUR million
Net turnover	16	**11.0**	–
Other operating income	18	**4.5**	7.9
Income from participating interests derived from affiliated undertakings	19	**916.2**	378.9
Reversal of value adjustment in respect of financial assets	5, 7	**–**	7.7
Income from other transferable securities and from loans forming part of the fixed assets		**17.1**	3.3
Other interest receivable and similar income			
derived from affiliated undertakings		**49.2**	35.3
other interest receivable and similar income	20	**8.2**	17.6
		1,006.2	450.7

Statement of changes in shareholders' equity

Year ended December 31, 2008

	Subscribed capital EUR million	Share premium EUR million	Legal reserve EUR million	Other reserves EUR million	Results brought forward EUR million	Result for the year EUR million	Total EUR million
Balance, beginning of the year	666.8	1,140.7	69.2	154.8	46.6	186.5	2,264.6
Allocation of result	–	–	(2.5)	189.0	–	(186.5)	–
Distribution of dividends	–	–	–	(256.0)	–	–	(256.0)
Cancellation of shares (Notes 7, 9)	(42.4)	(394.4)	–	–	–	–	(436.8)
Profit for the financial year	–	–	–	–	–	694.9	694.9
Balance, end of the year	624.4	746.3	66.7	87.8	46.6	694.9	2,266.7

Notes to the accounts
December 31, 2008

Note 1 – General

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

The purpose of SES (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 a period of up to 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.

Tangible 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. These costs are amortised over remaining estimated loan periods based on the company's financing strategy.

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.

Convertible profit participating loan

Returns on convertible profit participating loans ("PPL") issued by the company are calculated based on the cumulative profits of the PPL recipient over the life of the loan. The company's entitlement to the return is therefore only certain at the date of maturity of the loan. The return is therefore recorded as income on final maturity of the PPL.

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 tangible and intangible assets are translated at the historical rate. Long-term financial liabilities, which are hedged by financial derivatives, are translated at historical rate. Long-term intercompany balances are translated at the balance sheet exchange rate unless this would give rise to an unrealised foreign exchange gain in which case the historical exchange rate is used.

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

The company enters into financial derivatives for hedging purposes. All financial derivatives are maintained off balance sheet. Gains and losses realised on the settlement of such derivatives are taken to the profit & loss account at the same time as the hedged asset/liability impacts the profit & loss account.

Premiums paid/received on financial derivatives are taken to the profit & loss account over the term of the financial derivative.

Net turnover

All amounts received from customers under contracts for rental of satellite transponder 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. Payments of receivables in arrears are accrued and included in trade debtors.

Note 3 – Intangible assets

	2008 EUR million	2007 EUR million
Cost at beginning of year	**0.1**	4.9
Additions	**–**	0.1
Write-off	**–**	(4.9)
Cost at end of year	**0.1**	0.1
Accumulated amortisation at beginning of year	**–**	(4.9)
Write-off	**–**	4.9
Accumulated amortisation at end of year	**–**	–
Net book value at beginning of year	**0.1**	–
Net book value at end of year	**0.1**	0.1

Note 4 – Tangible assets

The development of tangible assets during the financial years 2008 and 2007 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 2008 EUR million	Total 2007 EUR million
Cost at beginning of year	2.6	0.4	**3.0**	1.8
Accumulated depreciation at beginning of year	(1.6)	–	**(1.6)**	(1.1)
Net book value at beginning of year	1.0	0.4	**1.4**	0.7
Movements of the year				
Additions	0.2	1.6	**1.8**	1.0
Incorporation of assets via merger	–	–	–	0.2
Depreciation	(0.7)	–	**(0.7)**	(0.4)
Incorporation of accumulated depreciation via merger	–	–	**–**	(0.1)
Cost at end of year	2.8	2.0	**4.8**	3.0
Accumulated depreciation at end of year	(2.3)	–	**(2.3)**	(1.6)
Net book value at end of year	0.5	2.0	**2.5**	1.4

Note 5 – Shares in affiliated undertakings

	2008 EUR million	2007 EUR million
Cost at beginning of year	**9,682.3**	9,269.9
Additions	**180.2**	317.6
Additions received via merger	**–**	218.0
Repayment of initial investment	**(1,343.4)**	–
Disposals	**(182.0)**	(123.2)
Cost at end of year	**8,337.1**	9,682.3
Value adjustments at beginning of year	**(4.7)**	(39.0)
Value adjustment of the year	**3.3**	–
Reversal of value adjustments	**–**	6.7
Reversal of value adjustments on disposals	**(3.3)**	27.6
Value adjustments at end of year	**(4.7)**	(4.7)
Net book value at end of year	**8,332.4**	9,677.6

As at December 31, 2008, the company holds the following investments:

	Participation	Net book value (EUR million)
SES ASTRA S.A., Betzdorf, Luxembourg	100%	1,046.8
SES GLOBAL-Americas, Inc., Princeton, United States	99.94%	3,931.8
ASTRA Broadband Services S.A., Betzdorf, Luxembourg	0.01%	–
SES GLOBAL-Americas Finance Inc, Delaware, United States	100%	–
SES SIRIUS A.B., Stockholm, Sweden	32.34%	50.1
SES Participations S.A., Betzdorf, Luxembourg	100%	206.8
SES GLOBAL Africa S.A., Betzdorf, Luxembourg	100%	406.6
SES Finance S.à r.l., Switzerland	100%	1,211.1
SES Holdings (Netherlands) B.V., Netherlands	100%	1,359.2
Betzdorf Holdings Ltd, Dublin, Ireland	100%	–
SES GLOBAL (Gibraltar) Ltd, Gibraltar	100%	–
SES ASTRA Services Europe S.A., Betzdorf, Luxembourg	100%	120.0
SES ASTRA TechCom Belgium S.A.,Belgium	1%	–
SES Latin America S.A., Betzdorf, Luxembourg	100%	–
		8,332.4

In June 2008, the company subscribed 142,921,600 newly issued shares of SES ASTRA Services Europe S.A., with a nominal value of EUR 1.25 each, through a contribution of its 100% shareholding in SES Digital Distribution Services S.à r.l. The company incurred a loss of EUR 3.3 million on this contribution.

In November 2008, SES ASTRA Services Europe S.A. reduced its share capital without cancellation of shares. This resulted in a reimbursement of initial investment of EUR 98.0 million to the company.

An Extraordinary General Meeting of SES ASTRA S.A., held on December 19, 2008, decided to reduce the share capital of the company by EUR 100.0 million, thereby resulting in a reimbursement of initial investment of EUR 722.1 million to the company.

On December 28, 2008, SES GLOBAL-Americas Inc. decided to reimburse EUR 523.3 million of paid-in capital.

In February 2007 the company contributed to a 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).

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 6 – Loans to affiliated undertakings
Loans to affiliated undertakings of EUR 720.2 million (2007: EUR 548.5 million) consist of Convertible Profit Participating Loans with SES Finance S.à r.l.

On February 1, 2007 SES granted a Convertible Profit Participating Loan amounting to USD 807.4 million (2008: EUR 580.2 million; 2007: EUR 548.5 million). A further loan of EUR 140.0 million was granted on November 28, 2008.

Note 7 – Securities held as fixed assets

	2008 EUR million	2007 EUR million
Cost at beginning of year	**213.8**	83.6
Value adjustments at beginning of year	**–**	(1.0)
Net book value at beginning of year	**213.8**	82.6
Movements of the year		
Purchase of FDRs/own shares	**336.8**	139.3
Cancellation of own shares (Note 9)	**(436.8)**	–
Used in connection with employee option scheme	**(6.6)**	(9.1)
Reversal of value adjustments	**–**	1.0
Cost at end of year	**107.2**	213.8
Value adjustments at end of year	**–**	–
Net book value at end of year	**107.2**	213.8

Own Fiduciary Deposit Receipts:
All Fiduciary Deposit Receipts ("FDRs") in respect of Class 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, 2008, the company owns 8,806,195 FDRs (2007: 15,549,313) (Note 9).

Note 8 – Amounts owed by affiliated undertakings
Amounts owed by affiliated undertakings of EUR 1,561.1 million (2007: EUR 658.8 million) consist of the following:

	2008 EUR million	2007 EUR million
Current accounts	**1,561.1**	658.8
	1,561.1	658.8

As at December 31, 2008 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 Services Europe S.A., SES ASTRA 1M S.à r.l. and SES ASTRA 3B S.à r.l.

Note 9 – Subscribed capital
On April 5, 2007, the Board of Directors resolved 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 FRDs referred to above. The re-purchased B shares were subsequently cancelled.

As at December 31, 2007 the issued and fully paid share capital amounted to EUR 666.8 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).

On June 26, 2008 an Extraordinary General Meeting of Shareholders of the company decided to cancel 33,895,710 of own shares by cancelling 22,597,140 FDRs held by the company and by re-purchasing 11,298,570 Class B shares in exchange for 4,519,428 FDRs. The re-purchased Class B shares were subsequently cancelled.

As at December 31, 2008 the issued and fully paid share capital amounted to EUR 624.4 million, represented by 499,477,695 shares with no par value (332,985,130 Class A ordinary shares and 166,492,565 Class B ordinary shares).

Note 10 – Legal reserve
In accordance with Luxembourg legal requirements, a minimum of 5% of the yearly net profit is transferred to a legal reserve from which distribution is restricted. This requirement is satisfied when the reserve reaches 10% of the issued share capital.

Note 11 – 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 four 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 four 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. These financial ratios are based on the consolidated financial statements of SES S.A..

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 was settled at its maturity date of November 19, 2008.

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 aggregate amount of EUR 4,000.0 million. On September 30, 2008, this programme was expanded to include 11 banks as agents. As at December 31, 2008, 4 notes (2007: 3) 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 3 month Euribor plus a margin of 0.25% and a final maturity of October 20, 2009.

– EUR 100.0 million Guaranteed Floating Rate Note
On October 20, 2008, the company issued a note for general refinancing purposes for a nominal amount of EUR 100.0 million with a floating rate of 3 months Euribor plus a margin of 0.6% and a final maturity of October 20, 2010.

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. On May 11, 2008, this programme was extended for one further year. As at December 31, 2008 and 2007 no amount had been issued under this programme.

EUR 200.0 million German Bond ("Schuldschein")
On May 21, 2008, the company concluded an agreement to issue EUR 200.0 million in two equal tranches in the German Bond ("Schuldschein") market.

The agreement for the first tranche was signed on May 30, 2008, with funds being drawn down in June. The agreement for the second tranche was signed on July 14, 2008, with funds being drawn down in July. The tranches bear interest at a fixed rate of 5.75% and 6.00% respectively and mature in November 2012.

The maturity profile of notes and bonds is as follows as at December 31, 2008 and 2007:

	2008 EUR million	2007 EUR million
Within one year	**355.4**	555.4
Between one to two years	**244.6**	355.4
Between two to five years	**1,783.9**	994.7
After five years	**164.9**	898.7
Total after one year	**2,193.4**	2,248.8

Note 12 – Amounts owed to credit institutions

As at December 31, 2008 and 2007, the amount owed to credit institutions were as follows:

	2008 EUR million	2007 EUR million
Becoming due and payable after more than one year		
Bilateral multi-currency facilities	**1,046.2**	694.5
Syndicated revolving credit facility	**375.0**	–
	1,421.2	694.5
Becoming due and payable within one year		
Uncommitted loan facilities	**90.0**	115.0
Bank overdraft	**0.3**	–
	90.3	115.0

Bilateral multi-currency facilities

On December 31, 2008 and 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 with a maturity date between April 2010 and April 2011.

As at December 31, 2008, EUR 787.5 million (2007: EUR 450.0 million) and USD 360.0 million (EUR 258.7 million) (2007: USD 360.0 million (EUR 244.5 million)) were drawn under these facilities.

Syndicated EUR 550.0 million revolving credit facility

On May 20, 2008, the company signed a syndicated EUR 550.0 million revolving credit facility. The floating rate facility is for general financing purposes and has been structured as a two year multi-currency revolving credit facility with a one year extension option at the discretion of the lenders. As at December 31, 2008, the company has drawn a total of EUR 375.0 million under the facility.

In the event that there is a breach of the financial covenants applying to the drawings under the Private Placement, the group is required to renegotiate the terms of the syndicated loan with the lenders.

The maturity profile of the amounts drawn is as follows as at December 31, 2008 and 2007:

	2008 EUR million	2007 EUR million
Between one and two years	**1,346.2**	–
Between two and five years	**75.0**	694.5
	1,421.2	694.5

Uncommitted loan facilities

As at December 31, 2008, the company had drawn EUR 90.0 million (2007: EUR 115.0 million) under an uncommitted loan facility.

Note 13 – Amounts owed to affiliated undertakings
Amounts owed to affiliated undertakings of EUR 4,556.0 million (2007: EUR 5,130.2 million) include the following:

	2008 EUR million	2007 EUR million
Long-term loans (maturity after 5 years)	**287.4**	–
Short-term loans	**382.4**	742.9
Notes	**2,109.1**	2,109.1
Current accounts	**1,777.1**	2,278.2
	4,556.0	5,130.2

As at December 31, 2008 long-term loans represent two loans bearing interest at a rate of 1 month USD Libor plus a margin of 5% and a maturity of May 2018.

Short-term loans bear interest at market rates and are repayable upon demand. 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, 2008 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 933.3 million (2007: EUR 1,336.5 million).

Note 14 – 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 GLOBAL Africa S.A., NSS Latin America Holdings S.A., SES ASTRA 3B 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., SES ASTRA TechCom S.A., SES ENGINEERING S.à r.l., SES ASTRA 1N S.à r.l., SES ASTRA 5 S.à r.l. and SES Digital Distribution Services S.à r.l.), which are part of the Luxembourg fiscal unity, in accordance with Art 164 bis LIR.

Note 15 – Staff costs
As at December 31, 2008, the number of full-time equivalent employees in the workforce was 56 (2007: 59) and the average number of employees in the workforce for 2008 was 54 (2007: 58). Staff costs can be analysed as follows:

	2008 EUR million	2007 EUR million
Wages and salaries	**9.8**	9.5
Social security costs	**0.5**	0.5
	10.3	10.0

Note 16 – Net turnover
In 2008 net turnover amounting to EUR 11.0 million consisted of transponder capacity service revenue generated from trading with affiliated undertakings for which satellite rental costs of EUR 10.6 million are included in external charges.

Note 17 – Other interest payable and similar charges
Other interest payable and similar charges include the following:

	2008 EUR million	2007 EUR million
Interest charges	**184.0**	131.6
Foreign exchange losses, net	**9.7**	–
Other financial charges	**5.7**	9.8
	199.4	141.4

Foreign exchange losses, net, mainly consist of losses realised on the close out of certain derivative instruments during the year.

Note 18 – Other operating income
Other operating income mainly consist of group recharge revenues amounting to EUR 4.5 million (2007: EUR 7.9 million) arising from advisory support services rendered to various affiliates.

Note 19 – Income from participating interests derived from affiliated undertakings
Income from participating interests derived from affiliated undertakings consists of the following:

	2008 EUR million	2007 EUR million
Dividends received from affiliated undertakings	**916.2**	250.9
Net gain on merger with SES Europe (Note 5)	**–**	128.0
	916.2	378.9

Note 20 – Other interest receivable and similar income
Other interest receivable and similar income include the following:

	2008 EUR million	2007 EUR million
Interest income	**5.1**	5.5
Foreign exchange gains, net	**–**	11.5
Other financial income	**3.1**	0.6
	8.2	17.6

Foreign exchange gains, net, mainly consist of gains realised on the close out of certain derivative instruments during the year.

Note 21 – Board of Directors' remuneration
At the Annual General Meeting held on April 3, 2008, 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 2008 were EUR 1.2 million (2007: EUR 0.9 million).

Note 22 – Off balance sheet items
External interest rate swaps
As at December 31, 2008 the company held four interest swaps outstanding which were designated as hedges of future interest expense on an aggregate EUR 350.0 million of syndicated loan and EUR 100.0 million of bilateral multi currency facilities which are floating rate debt.

As at December 31, 2008 and 2007, the company held four interest rate swaps which were designated as hedges of expected future interest expenses on USD 240.0 million of the bilateral multi currency facilities which are floating debt.

As at December 31, 2008 the company held two interest rate swaps which were designated to reduce the expected future floating interest expenses on EUR 120.0 million of bilateral multi currency facilities.

As at December 31, 2007 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 3 month Euribor plus a margin. These agreements were designated as a hedge of the Eurobond EUR 500.0 million. They were terminated in November 2008.

As at December 31, 2007, 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 3 month Libor plus a margin. This interest rate swap was terminated in December 2008.

Forward foreign exchange contracts

As at December 31, 2008 and 2007, the company had outstanding foreign exchange contracts, whose average terms are as follows:

As at December 31, 2008:

Currency sold	Currency bought	Average weighted maturity	Average exchange rate	Note
EUR 27.2 million	USD 42.5 million	June 2009	EUR/USD 1.5631	1
EUR 1,008.1 million	USD 1,345.0 million	January 2009	EUR/USD 1.3341	2
USD 100.0 million	EUR 77.6 million	January 2009	EUR/USD 1.2884	2
EUR 6.2 million	USD 8.0 million	March 2009	EUR/USD 1.2790	1
EUR 30.2 million	USD 42.5 million	May 2009	EUR/USD 1.4050	1
EUR 35.7 million	USD 50.7 million	May 2009	EUR/USD 1.4195	1
EUR 8.4 million	USD 10.7 million	March 2009	EUR/USD 1.2765	1
EUR 77.5 million	USD 98.8 million	June 2009	EUR/USD 1.2746	1
EUR 0.1 million	USD 0.1 million	January 2009	EUR/USD 1.3380	1
EUR 0.5 million	USD 0.7 million	March 2009	EUR/USD 1.2570	1
USD 1.7 million	EUR 1.1 million	April 2009	EUR/USD 1.5503	3
EUR 0.1 million	USD 0.1 million	February 2009	EUR/USD 1.5557	3
USD 2.4 million	TRY 3.4 million	April 2009	USD/TRY 1.4088	4
SEK 1,735.6 million	EUR 157.9 million	January 2009	EUR/SEK 10.9915	1
USD 7.5 million	SEK 55.5 million	June 2009	USD/SEK 7.4515	5

As at December 31, 2007:

Currency sold	Currency bought	Average weighted maturity	Average exchange rate	Note
EUR 6.5 million	USD 8.5 million	January 2008	EUR/USD 1.3147	6
EUR 14.4 million	USD 18.9 million	February 2008	EUR/USD 1.3079	7
USD 16.2 million	EUR 13.0 million	February 2008	EUR/USD 1.2426	7
USD 8.4 million	SEK 55.1 million	June 2008	USD/SEK 6.5584	5
USD 3,400.0 million	EUR 2,325.2 million	March 2008	EUR/USD 1.4623	2
USD 42.8 million	EUR 31.2 million	July 2008	EUR/USD 1.3729	4
EUR 17.2 million	USD 24.6 million	July 2008	EUR/USD 1.4281	4
EUR 17.3 million	USD 24.6 million	July 2008	EUR/USD 1.4253	4
USD 24.6 million	EUR 17.9 million	July 2008	EUR/USD 1.3729	4
USD 1.5 million	TRY 1.9 million	February 2008	USD/TRY 1.2509	4
USD 2.5 million	EUR 1.9 million	August 2008	EUR/USD 1.3165	8
USD 1.0 million	EUR 0.7 million	January 2008	EUR/USD 1.4693	3
SEK 1,792.0 million	EUR 191.4 million	January 2008	EUR/SEK 9.3624	1

1. These foreign exchange contracts have monthly maturities up to December 2009 and correspond to specific contracts relating to satellite procurements for SES Satellite Leasing. These contracts exactly mirror the internal forward foreign exchange contracts entered into with SES Satellite Leasing.

2. These foreign exchange contracts have monthly maturities up to March 2009 and exactly mirror the internal forward foreign exchange contracts entered into with SES Finance.

3. These foreign exchange contracts have monthly maturities to July 2009 and exactly mirror the internal forward foreign exchange contracts entered into with SES ASTRA TechCom.

4. These foreign exchange contracts have monthly maturities up to June 2009 and exactly mirror the internal forward foreign exchange contracts entered into with ND SatCom.

5. These foreign exchange contracts have monthly maturities up to January 2010 and exactly mirror the internal forward foreign exchange contracts entered into with SES SIRIUS.

6. 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.

7. These foreign exchange contracts had 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.

8. These foreign exchange contracts had monthly maturities up to December 2008 and had been designated as cash flow hedges of expected future interest expenses.

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, 2008 and 2007:

	Currency sold	Currency bought	Average weighted maturity	Exchange rate
As at December 31, 2008	EUR 785.8 million	USD 918.1 million	April 2013	USD/EUR 0.8558
As at December 31, 2007	EUR 841.3 million	USD 981.7 million	August 2012	USD/EUR 0.8568

As at December 31, 2008 and 2007, the company had inter-company foreign exchange contracts whose average terms were as follows:

As at December 31, 2008:

Currency sold	Currency bought	Average weighted maturity	Average exchange rate	Note
EUR 800.0 million	USD 1,009.8 million	March 2009	EUR/USD 1.2622	
USD 125.8 million	EUR 100.0 million	January 2009	EUR/USD 1.2580	
USD 42.5 million	EUR 27.2 million	June 2009	EUR/USD 1.5631	1
USD 1,345.0 million	EUR 1,008.1 million	January 2009	EUR/USD 1.3341	2
EUR 77.6 million	USD 100.0 million	January 2009	EUR/USD 1.2884	2
USD 8.0 million	EUR 6.2 million	March 2009	EUR/USD 1.2790	1
USD 42.5 million	EUR 30.2 million	May 2009	EUR/USD 1.4050	1
EUR 6.6 million	USD 8.5 million	January 2009	EUR/USD 1.2933	
USD 50.7 million	EUR 35.7 million	May 2009	EUR/USD 1.4195	1
USD 10.7 million	EUR 8.4 million	March 2009	EUR/USD 1.2765	1
USD 98.8 million	EUR 77.5 million	June 2009	EUR/USD 1.2746	1
EUR 13.5 million	USD 17.0 million	January 2009	EUR/USD 1.2595	
USD 0.1 million	EUR 0.1 million	January 2009	EUR/USD 1.3380	1
USD 0.7 million	EUR 0.5 million	March 2009	EUR/USD 1.2570	1
EUR 1.1 million	USD 1.7 million	April 2009	EUR/USD 1.5503	
USD 0.1 million	EUR 0.1 million	February 2009	EUR/USD 1.5557	3
EUR 0.1 million	USD 0.1 million	February 2009	EUR/USD 1.3317	
TRY 3.4 million	USD 2.4 million	April 2009	USD/TRY 1.4088	4
EUR 157.9 million	SEK 1,735.6 million	January 2009	EUR/SEK 10.9915	1
SEK 55.5 million	USD 7.5 million	June 2009	USD/SEK 7.4515	5
USD 0.4 million	EUR 0.3 million	January 2009	EUR/USD 1.3728	

As at December 31, 2007:

Currency sold	Currency bought	Average weighted maturity	Average exchange rate	Note
SEK 55.1 million	USD 8.4 million	June 2008	USD/SEK 6.5584	5
USD 18.9 million	EUR 14.4 million	February 2008	EUR/USD 1.3079	7
EUR 13.0 million	USD 16.2 million	February 2008	EUR/USD 1.2426	7
EUR 191.4 million	SEK 1,792.0 million	January 2008	EUR/SEK 9.3624	1
TRY 1.9 million	USD 1.5 million	February 2008	USD/TRY 1.2509	4
EUR 31.2 million	USD 42.8 million	July 2008	EUR/USD 1.3729	4
USD 24.6 million	EUR 17.2 million	July 2008	EUR/USD 1.4281	4
USD 24.6 million	EUR 17.3 million	July 2008	EUR/USD 1.4253	4
EUR 17.9 million	USD 24.6 million	July 2008	EUR/USD 1.3729	4
EUR 0.7 million	USD 1.0 million	January 2008	EUR/USD 1.4693	3
EUR 1.9 million	USD 2.5 million	August 2008	EUR/USD 1.3165	8
USD 8.5 million	EUR 6.5 million	January 2008	EUR/USD 1.3147	6
EUR 2,325.2 million	USD 3,400.0 million	March 2008	EUR/USD 1.4623	2

Guarantees:
As at December 31, 2008 the company had outstanding bank guarantees for an amount of EUR 2.6 million (2007: EUR 0.6 million). This relates to performance guarantees for services of satellite operations.

Corporate guarantees:
In 2008 and 2007, 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

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Financial calendar 2009
Annual general meeting of shareholders: April 2, 2009
Dividend payment: April 22, 2009
First quarter trading update: April 24, 2009
Announcement of first-half results: July 31, 2009
Third quarter trading update: October 23, 2009

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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