Annual Report 2004

SES GLOBAL

Your Satellite Connection to the World

Through our family of regional operating companies, the SES Group offers the leading portfolio of satellite-centric services around the world.

Financial summary	2004 EUR millions	2003 EUR millions
Total revenues	**1,146.6**	1,207.5
EBITDA	**842.1**	942.8
Operating profit	**307.3**	371.7
Profit of the Group	**229.9**	205.4
Net operating cash flow	**882.1**	873.8
Free cash flow	**222.0**	940.3
Capital expenditure	**531.6**	317.0
Net debt	**1,619.7**	1,699.1
Shareholders' equity	**3,217.0**	3,247.8
Earnings per A share (EUR)	**0.38**	0.34
Dividend per A share (EUR)	**0.30***	0.22
Employees	**985**	789

Key performance ratios in %		
EBITDA margin	**73.4**	78.1
Net income margin	**20.0**	17.0
Return on average equity	**7.1**	6.0
Net debt / EBITDA	**1.9**	1.8
Net debt / shareholders' equity	**50.3**	52.3

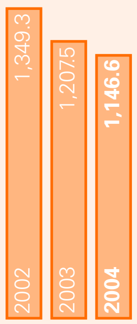
* Recommended by Directors and subject to shareholder approval.

Contents

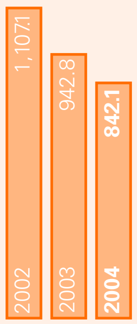
Key 2004 highlights

- Revenues of EUR 1.15 billion
- EBITDA of EUR 842 million
- Profit of the Group of EUR 230 million
- Net operating cash flow of EUR 882 million
- Successful launch of four new satellites: AMC-10, AMC-11, AMC-15 and AMC-16
- New customer contracts worth EUR 1.2 billion
- Listing on Euronext Paris and secondary offering of FDRs

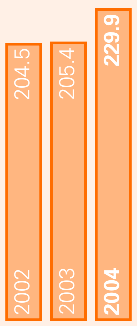
Revenues
(EUR million)



EBITDA
(EUR million)



Profit of the Group
(EUR million)



Recent developments

Following the closure of the 2004 business year, the following important developments occurred:

- In March 2005, SES GLOBAL announced the procurement of a new spacecraft, AMC-18, to be operated by SES AMERICOM. The new satellite is built on the basis of a ground spare initially developed to support the AMC-10 and AMC-11 satellites. AMC-18, an all C-band satellite, is planned for operation at the 105° West orbital position. The use of C-band spectrum for this position was recently secured through an agreement with New Skies Satellites B.V. The procurement of AMC-18 reflects the success of SES AMERICOM's HD-PRIME neighbourhood, where fill rates exceeded 80% at the end of 2004. AMC-18 is planned for launch on an Ariane rocket in the second half of 2006.

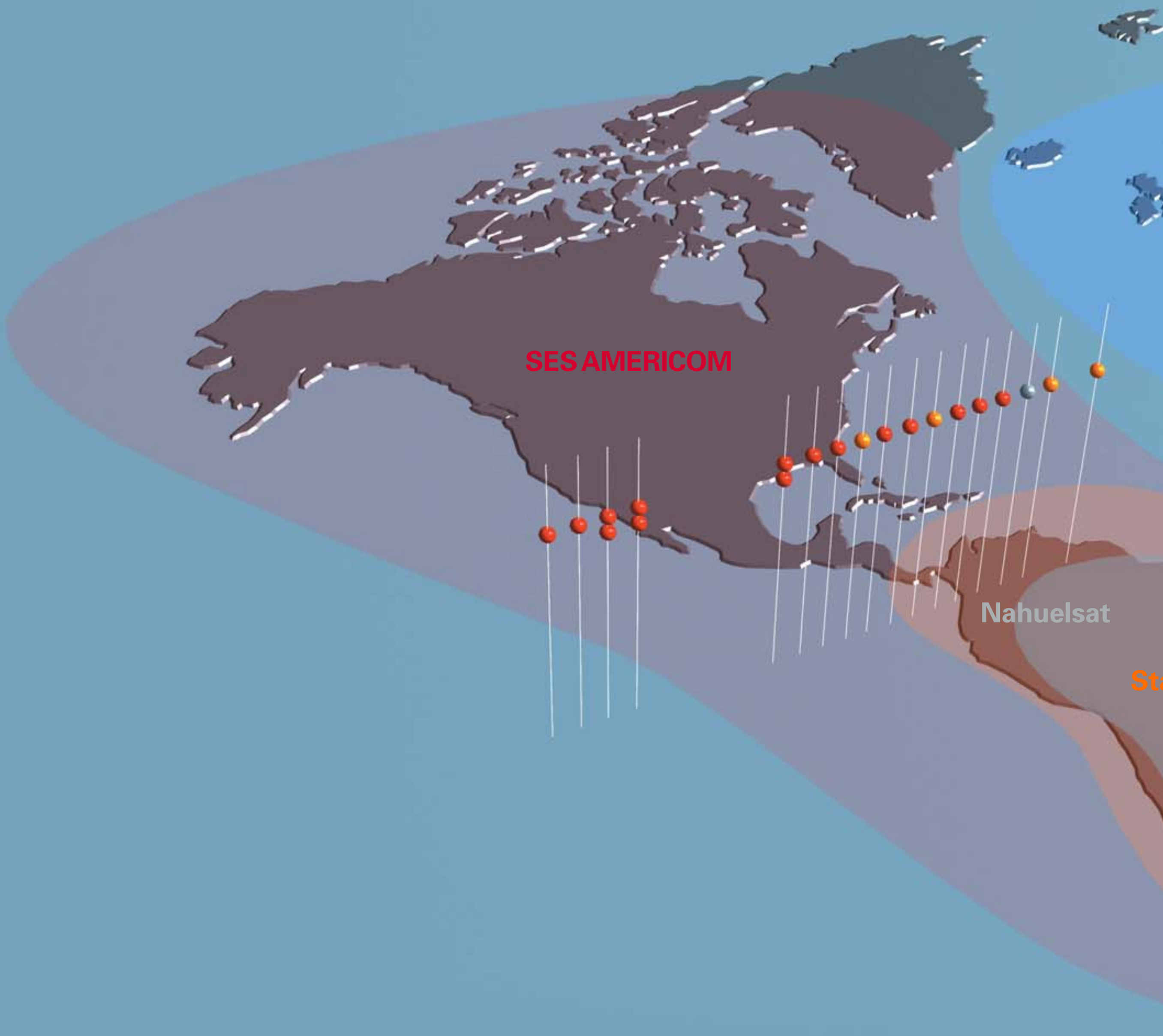
- SES ASTRA announced the beginning of the procurement phase for an additional satellite, ASTRA 1M, to secure business growth at the 28.2° East orbital position. The company decided to advance the procurement of the spacecraft, which is to provide replacement capacity for ASTRA 1H, in order to protect the timely relocation of ASTRA 2C from 19.2° East to 28.2° East. This relocation, scheduled to occur following the launches of ASTRA 1KR and ASTRA 1L, will provide additional capacity to meet the strong demand in the UK and Irish markets.

- SES GLOBAL announced the appointment of Edward D. Horowitz to the position of President and Chief Executive Officer of SES AMERICOM and member of the Executive Committee of SES GLOBAL, effective May 2, 2005.

- In April 2005, the SES Group increased its shareholding in ND SatCom from 10% to 25.1%, as a further step in the Group's strategy to develop its portfolio of satellite service solutions provided to customers in the media, enterprise and government sectors. The transaction was effected through the conversion of an existing shareholder loan into equity, and includes an option to take full control of ND SatCom, to be exercised in 2006 at the sole discretion of SES ASTRA. The SES participation in ND SatCom will be managed through SES ASTRA.

- Also in April, the SES Group increased its shareholding in SATLYNX from 41% to 77%, taking full operational control of the company. The SES participation will be managed through SES ASTRA. The shareholder restructuring enables a further alignment of SATLYNX with the strategic objectives of SES ASTRA to develop the provision of end-to-end customer solutions.

The companies of the SES Group provide access to 38 spacecraft positioned around the globe. These satellites provide outstanding coverage of 95% of the world's population.



Satellite fleet

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

AMERICOM	
AMC-1	103° West
AMC-2	105° West
AMC-3	87° West
AMC-4	101° West
AMC-5	79° West
AMC-6	72° West
AMC-7	137° West
AMC-8	139° West
AMC-9	85° West
AMC-10	135° West
AMC-11	131° West
AMC-15	117° West*
AMC-16	82.1° West*
Satcom C-3	131° West**
Satcom C-4	135° West**
Satcom C-1	37.5° West
SpaceNet-4	172° East
WS-1/AAP-1	108.2° East

* in transfer to final orbital location

** to be redeployed in 2005

ASIASAT	
AsiaSat-2	100.5° East
AsiaSat-3S	105.5° East
AsiaSat-4	122° East

SIRIUS	
SIRIUS 2	5° East
SIRIUS 3	5° East

STAR ONE	
Brasilsat B1	70° West
Brasilsat B2	65° West
Brasilsat B3	84° West
Brasilsat B4	92° West

NAHUELSAT	
Nahuel-1	71.8° West

Satellite fleet as at December 31, 2004

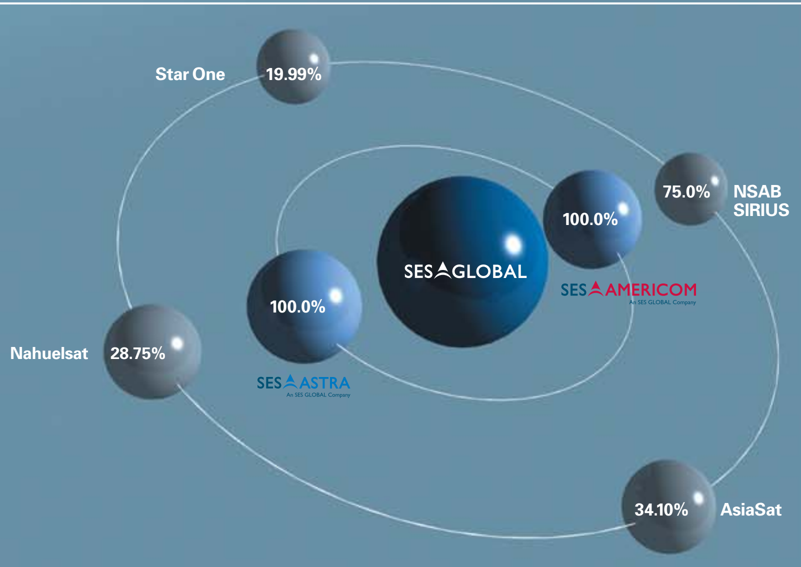
The SES Group

We are the world's premier satellite group. The SES Group consists of a unique network of satellite operators based in the different regions of the world, each a leader in their respective markets.

SES GLOBAL S.A. is the Group management company. It defines and coordinates the strategy of the Group companies and allocates resources to pursue the identified strategy.

SES GLOBAL owns 100% of the operating companies SES ASTRA and SES AMERICOM. These companies operate spacecraft fleet and generate revenues through their commercial operations in the regional markets. SES GLOBAL also holds strategic participations in a number of leading regional satellite operators, such as AsiaSat, Star One, NSAB, as well as in satellite services companies.

This unique structure creates synergy potential which is successfully leveraged through a model of cooperation among the companies of the Group. The CEOs of both SES ASTRA and of SES AMERICOM are members of the Executive Committee of SES GLOBAL, thus ensuring that the interests and strategic priorities of the Group are adequately balanced, while supporting the Group's strategy.



René Steichen
Chairman of the
Board of Directors

Successfully moving the business forward
I am pleased to report consolidated financial results for the SES Group which reinforce our position as the world's leading fixed satellite services Group.

The SES Group showed a solid performance in 2004. As expected, this was a year of transition for us, and our results must be seen against the backdrop of the challenging market environment in our industry.

While demand for capacity grew in some areas, particularly in the US and Europe, it remained slow in others. As in 2003, approximately 40% of our revenues were denominated in US and HK dollars, and the weakness of these currencies against the Euro continued to unfavourably influence our revenue line.

Despite these adverse conditions, the SES Group continued to deliver the highest revenues in the FSS industry, a sustained operating cash flow and an increased net profit in 2004. In addition, we pursued our capital investment programme, geared towards replacing and extending our satellite transmission capacity worldwide.

In 2004, total revenues of the Group reached EUR 1,147 million, a decrease of 5% against 2003. At constant exchange rates, 2004 revenues were 1.2% lower than in the prior-year period. However, the underlying business is strong and has returned to a growth path: on a like-for-like basis, and at constant exchange rates, new business contracts won during the period raised the recurring revenues by 0.5%.

The SES Group achieved earnings before interest, tax, depreciation and amortisation (EBITDA) of EUR 842 million, a reduction of 10.7% compared to the prior year. This reduction denotes the effect of lower one-time contributions, and the greater contribution of lower-margin transactions and services, such as broadband access, enterprise networks and government services. However, the combined EBITDA margin of the Group's core infrastructure capacity business – which continues to generate the bulk of our total revenues – remained strong at 81%.

The profit of the Group was EUR 229.9 million in 2004, 11.9% higher than in 2003. This increase illustrates the underlying strength of the business, and was augmented by favourable financing results, and by the release of provisions of deferred tax related to a restructuring of the Group in 2004.

Our operating cash flow rose to EUR 882 million, and free cash flow was EUR 222 million. We continue to enhance our basis for future growth by investing EUR 531.6 million with a focus on our intensive spacecraft procurement programme.

'As expected, 2004 was a year of transition. 2005 is well set to be the year of resumed growth.'

A positive outlook
In a nutshell: In 2004, we successfully moved our business forward. The impressive list of business wins and successful developments is described in detail in the following pages.

2005 is well set to be the year of resumed growth. Recurring revenues in 2005 and 2006 are expected to grow by no less than 10% at constant exchange rates and on a like-for-like basis. The core infrastructure business of transponder capacity provision is expected to continue to deliver EBITDA margins of approximately 80%. Gross EBITDA margins will remain in the lower 70%, reflecting investments in satellite services businesses. The profit of the Group is expected to rise, benefiting strongly from the ending of the goodwill amortisation, and from increasing revenues.

We recognise the importance of enhancing the efficiency of our balance sheet, and will consider ways to improve returns on equity and to improve our cost of capital, without losing the flexibility to take advantage of suitable investment opportunities.

The SES Group is in excellent financial health and enjoys a leading strategic position in the fixed satellite services industry. We have the financial muscle, and we retain the flexibility to invest in and take advantage of growth opportunities, as they present themselves, if they meet our demanding investment criteria. This flexibility to invest in growth opportunities, and our solid and stable shareholder base, is what will continue to differentiate us from other players in the business.

Let me close this introduction to the Group's 2004 Annual Report with a cordial welcome to the new employees who joined the Group at the end of 2004 via the integration of newly-acquired companies. And I would also like to express a warm 'thank you' to the management and staff of the SES Group. Their commitment to customer service, their culture of excellence, their readiness to embrace new challenges, their dedication to industry leadership and their continuous efforts to develop the Group and its people provides the cornerstone of the Group's performance as we move forward.

René Steichen
Chairman of the Board of Directors

Romain Bausch
President and CEO

In good shape to take advantage of growth opportunities

2004 has been a year of marked change in the satellite industry. During those 12 months, the ownership structure of many satellite operators changed radically, as large chunks of the industry were acquired by private equity funds.

The arrival of these financial groups is testimony to the attractiveness of our industry, which generates high and predictable cash flows. The new players are set to raise the bar in terms of efficient financial and business management in the newly acquired companies. We believe that this will ultimately benefit the entire industry.

Nonetheless, ownership changes are times of turmoil. Unlike many of our competitors, however, who were caught in the intricate moves of acquisition dances, the SES Group has been able to focus its attention on developing its business in 2004.

The SES Group continues to be based on a solid and stable shareholder base. Thanks to this shareholder support, and to the financial strength of our Group, we look confidently to the future. We are in good shape to take advantage of profitable growth opportunities as they present themselves. As we move along, implementing our strategy, we are guided by our commitment to deliver shareholder value. And we measure this both in terms of cash returns, and in terms of a consistent and long-term growth plan.

In 2004, we sustained high performance in our core business area: the provision of capacity for video broadcasting for direct-to-home and cable reception, mainly in Europe and in North America. At the same time, we continued to consistently project our business into the future. We are successfully positioning satellite-delivered services in the face of competing terrestrial and wireless offers. We substantially enhanced our satellite fleet. We expanded our terrestrial capabilities to serve the growing demand for hybridised network solutions. And we are preparing to meet the next wave of capacity demand beyond our core video broadcasting business.

Through our operating companies, our aim is to be the first choice and essential partner to the customers using our satellite fleet. We provide the leading portfolio of satellite services around the world through our leading regional operating companies, which deliver information, entertainment and education to ever-increasing audiences of fixed and mobile services.

During 2004, we scored impressive new business wins which are in line with our strategy to create the satellite architecture of the future.

We have strengthened and developed our core business of providing transmission capacity for broadcast content. Both in Europe and in the US, we saw strong demand especially for suitable capacity for the continued roll-out of digital services, and for the increasing number of High Definition TV channels.

In Europe, we concluded multiple new contracts for direct-to-home broadcast services, including capacity for the distribution of High Definition TV services. SES ASTRA consolidated its position as the market leader in Europe, pioneering the distribution of new HDTV programmes.

‘Thanks to our solid and stable shareholder base, and to the financial strength of the Group, we look confidently to the future.’

In the US, SES AMERICOM confirmed its position as the premier FSS satellite operator. SES AMERICOM signed contracts for DBS-type broadcast applications, including HDTV and ‘local-into-local’ programming, provided via the AMERICOM2Home® platform. EchoStar Communications entered into a long-term service agreement for the entire capacity of AMC-16. In addition, SES AMERICOM developed the HD-PRIME™ cable neighbourhood for high definition content, which had reached an 80% fill rate by year end, while at the same time SES AMERICOM increased the distribution of standard definition cable programming.

We also expanded our services to new geographical markets. SES ASTRA reinforced its presence in Eastern Europe, gaining new customers in the region. SES ASTRA launched commercial satellite services in Africa. And at the end of the year, we significantly extended the available capacity in that region of the world through the successful launch of AMC-12, whose African capacity is now marketed under the name ASTRA 4A. AMC-12, a very large satellite, will also serve the Americas region and provide connections in and out of Europe.

ASTRA 4A is but one example of how we strengthen our position in the area of non-broadcasting services. AMERICOM Government Services continued on its growth track and increased its relative contribution to SES AMERICOM’s revenues. And the SES Group continued to expand its satellite services activities with the successful acquisition of Digital Playout Center (DPC) by SES ASTRA, and of Verestar by SES AMERICOM. DPC provides our Group with an opportunity to create a value-added platform for encryption, multiplexing and uplink services in order to facilitate the launch of additional digital channels in the German-speaking countries of Europe. Verestar extends the Group’s portfolio of infrastructures, managed network solutions and its enterprise and government customer base.

Finally, throughout 2004, we also aimed consistently at developing and streamlining our geographical presence throughout the world. In Europe, our growth strategy in the Northern European and Eastern European markets has been reinforced by the acquisition of a further 25% of NSAB; this enables the efficient exploitation of synergies between the now 75%-owned NSAB and SES ASTRA.

In Canada, we have taken a minority stake in the new Canadian operator Ciel, which was awarded the right to use the 129° West orbital position for Broadcast Satellite Services and direct-to-home services. And in Mexico, jointly with local partners, we invested in a new Mexican operator Quetzsat, who at the end of 2004 gained the right to use the 77° West orbital slot. These investments are expected to fuel the future growth in North America.

Also, during the year, we restructured our holdings in the core satellite infrastructure business and in satellite services companies in order to better align our structure with the Group’s strategy.

2004 was a record year with four successful satellite launches. These spacecraft, which provide both replacement and additional capacity, will contribute to generating growth in the years to come. In 2005, we plan to follow up with a measured investment programme to further expand and enhance our satellite fleet. This will allow us to take advantage of the market opportunities that we have identified.

Throughout 2004, the companies of the SES Group have confirmed their commitment to excellence and to flexible, efficient, highest-quality customer service. We know that we need to earn this reputation every day. Thus, our commitment to excellence will continue to be at the heart of our business culture going forward.

Romain Bausch
President and CEO

SES GLOBAL
Your Satellite Connection to the World

Market developments in 2004
During 2004, the Fixed Satellite Services market showed signs of upturn following several years of challenging market conditions.

In the core area of video broadcasting, which is by far the largest market segment in all regions, 2004 brought significant growth. In the developed video broadcast markets of North America and Western Europe, the number of broadcast TV channels increased by 23% and 11% respectively compared to the prior year.

In Eastern Europe and Asia, the number of broadcast channels increased by 36% and 14% respectively. Latin America experienced a modest 8% growth. However, in Latin America and Asia, continued pressure on transponder pricing prevented the dynamic development in channel choice from being fully transformed into improved financial performance.

In Asia, the recent investments into infrastructure and platform technologies have essentially been fuelled by the region's consistent economic growth, and the market looks promising from a FSS operator's perspective. This positive outlook has however been tempered by the effects of the December 2004 tsunami which are expected to impact the economic fundamentals negatively.

In the United States, the year 2004 was marked by the continued development of a High Definition TV channel offer. The uptake of HDTV at the consumer level is expected to occur on a larger scale as of the second half of 2005. By the end of 2004, more than 230 HDTV channels were broadcast across the globe, a 78% increase compared to the prior year; nine out of ten HDTV channels were targeting the North American television market. In Europe, HDTV is still at an early phase. While transponder demand continues to be driven by the developing offer of digital services, Europe's major broadcasters have firmly set their sights on providing HDTV channels. Several significant platform providers have committed to creating an HDTV offering, the first starting in 2005.

The broadband access markets experienced modest growth during 2004. However, this sector retains significant potential, based on demand for broadband connectivity which is not yet addressed.

VSAT data services have experienced double-digit growth in terminals during 2004. The industry is expected to continue on its current path and to expand as more applications are offered.

2004 was also a year of strong growth in the government services sector. A continuation of the high level of demand is expected, as notably the US government is increasing its reliance on commercial satellite capacity.

Our strategy in a nutshell
In 2004, the SES Group's strategy was based on the four principles which have guided its development to date.

- **Strengthen our core business positions**
  A majority of our revenues is being generated from the transmission of TV content in Europe and in the US, on behalf of the world's leading broadcasters. We are aggressively pursuing opportunities to further strengthen and develop this area of our activities, in particular to meet the capacity demand for the distribution of High Definition TV channels and for the continued increase in the number of digital channels.

- **Introduce existing products and services into new markets**
  The structure of the SES Group guarantees access to unparalleled local market knowledge and expertise. This enables us to migrate successful products and services to new markets, and to adapt them to the markets' particular needs. The AMERICOM2Home® platform, which has become a success in the US, is based on the ASTRA model developed in Europe. The know-how acquired in the area of government services in the US market is supporting the development of an offer of satellite-based government services in Europe.

- **Develop and introduce new services**
  In the age of the Internet and of mobile connectivity, customers and markets require new advanced satellite services. These include mobile broadband connectivity applications, broadband one-way access platforms, and narrowband return channel applications.

- **Develop our regional presence**
  We aim to strengthen our relationships with key regional players, and continue to pursue opportunities to enhance our presence in new and existing markets such as South America, Africa, and Asia.

This strategy provided the roadmap to the SES Group's activities in 2004. In addition to the commercial and operational successes of the operating companies, which are described in detail in the following pages, the 2004 main developments at SES GLOBAL included:

- a strengthening of our presence in North America through a minority investment in Canadian satellite operator Ciel, and through a minority stake in the new Mexican operator Quetzsat. Ciel is incorporated in Canada and is majority-owned by Canadian investors. The company will provide broadcast satellite services to North America from the 129° West orbital position. Quetzsat is majority-owned by Mexican partners and, in early 2005, received a licence to use the BSS frequencies at the 77° West orbital position to provide satellite services to Mexico and North America;
- an increase in SES GLOBAL's interest in NSAB to 75%, which enables the integration of the commercial activities of SES ASTRA and NSAB;
- the acquisition of a 10.5% interest in ORBCOMM Inc., a US-based provider of global satellite data services to industrial, commercial and military customers;
- the acquisition of Verestar which is being fully integrated into SES AMERICOM and which has enhanced the company's ability to deliver managed solutions to government, enterprise and media customers;
- the acquisition of Digital Playout Center in Germany, which adds value-added services such as encryption, multiplexing and uplinking to the European activities portfolio;
- the restructuring of SES GLOBAL's holdings in the core infrastructure business and satellite service companies with the aim to align the Group's structure to the different strategic pillars of activities, and to optimise the Group's corporate and financing structure;
- the successful listing on Euronext Paris, combined with a secondary offering which significantly increased our free float and the trading liquidity of SES GLOBAL FDRs, and which was followed by the delisting of our FDRs from the Frankfurt stock exchange.

Reliable connections

The satellite fleet of our operating companies distributes information, entertainment, education and data around the globe to an area which is home to 95% of the world's population.

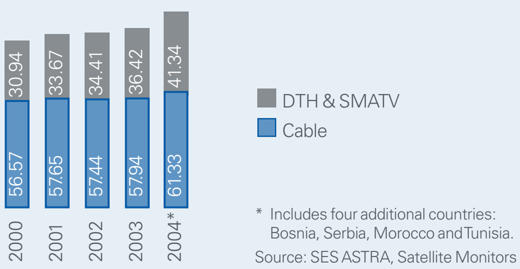
SES ASTRA
An SES GLOBAL Company
A tradition of excellence

Highlights

- ASTRA audience increased to 102 million homes
- Channel choice grew to 1,432
- Transponder utilisation rate increased to 84%
- System availability of 99.99997%
- Reach expanded to include African continent

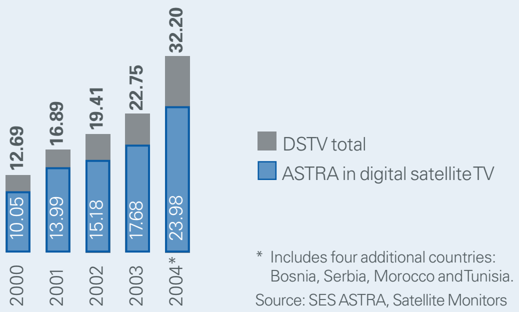
The leading provider of satellite services in Europe

ASTRA is reaching 102 million homes in Europe



* Includes four additional countries: Bosnia, Serbia, Morocco and Tunisia.
Source: SES ASTRA, Satellite Monitors

ASTRA is delivering programmes to 75% of digital satellite homes



* Includes four additional countries: Bosnia, Serbia, Morocco and Tunisia.
Source: SES ASTRA, Satellite Monitors

SES ASTRA in the EMEA market
During 2004, SES ASTRA has

– consolidated its position as the satellite provider of choice for broadcast capacity in Europe;

– deepened its penetration in the Central and Eastern European region;

– extended its coverage area over the EMEA (Europe, Middle East and Africa) region;

– expanded its service offerings in the area of broadband satellite services, and

– further developed managed network services and technical consultancy services.

SES ASTRA developed a range of initiatives aimed at generating future growth:

– the company diversified its positioning in the value chain by acquiring 100% of Digital Playout Center (DPC), a teleport operator and provider of playout, multiplexing, encryption and up-link services based in Germany. As an open and neutral technical platform for value-added services, DPC will support the further development of digital services in the German language markets in Europe as well as new markets in Central and Eastern Europe;

– following the increase of SES GLOBAL's participation in NSAB to 75%, which became effective in February 2004, a programme to integrate the commercial activities of NSAB with ASTRA's activities has been implemented.

Satellite fleet operations
In 2004, the ASTRA spacecraft, located in the orbital arc over Europe (the ASTRA Satellite System at 19.2° East and at 28.2° East, plus the ASTRA spacecraft at 23.5° East and at 5.2° East) operated without any significant disruptions. The combined fleet featured an availability rate on the space segment of 99.99997%.

Of the 196 transponders which are commercially available on the ASTRA satellites at 19.2°, 28.2° and 23.5° East, 164 (84%) were contracted as of December 31, 2004. In addition, ASTRA also provided capacity on ASTRA 1A,at 5.2° East, and via a steerable beam on ASTRA 2B for use outside of Europe, and at 28.5° East, on contracted third-party capacity.

In 2004, the steerable beam on ASTRA 2B was reconfigured to initiate service over Western Africa.

Satellite fleet developments
During the year under review, the construction of ASTRA 1KR and ASTRA 1L – two spacecraft that were commissioned in 2003 – progressed according to schedule.

ASTRA 1 A was operated in inclined orbit until December 2, 2004, when the satellite was de-orbited after 14 years of successful service.

SES ASTRA signed a contract with ILS for the launch of an ASTRA spacecraft in Q4, 2005, on a Proton rocket. This launch vehicle is earmarked to launch ASTRA 1KR. ASTRA 1L has been scheduled for launch on an Ariane 5 rocket.

Broadcast services
During 2004, the total number of broadcast services transmitted via the ASTRA satellites at the 19.2°, 28.2° and 23.5° East orbital locations increased from 1,194 to 1,432. This increase mainly reflects the continued development of digital TV services provided by broadcasters in France, Germany, Austria and Switzerland, as well as the continued development of interactive TV services.

The main developments for broadcast capacity at 19.2° East included:

– RTL Group signed a capacity agreement for the transmission of five digital channels;

– ORF of Austria contracted for additional capacity and extended previously existing capacity agreements;

– BBC World contracted capacity;

– Region Media and Stanice O of the Czech Republic contracted capacity for the distribution of two channels, Ocko TV and the Czech Parliamentary Channel;

– Clear Television Network of the Netherlands contracted for the digital distribution of a Dutch channel, and Raze TV of Germany for the digital distribution of a horse-racing channel;

– 1-2-3.TV of Germany signed up for analogue capacity;

– SES ASTRA signed a cooperation agreement with Globecast aiming to provide access to ASTRA capacity to multicultural TV channels in France and Spain.

SES ASTRA
An SES GLOBAL Company

A tradition of excellence

SES ASTRA achieved an important milestone to develop the emerging HDTV market in Europe, by concluding an agreement with Premiere of Germany to provide capacity for the transmission of three dedicated HDTV channels via ASTRA at 19.2° East, starting in November 2005.

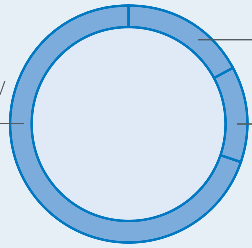
The main developments affecting demand for broadcast capacity at 28.2° East included:

- ITV contracted for two additional transponders;
- Channel 4 signed up for two transponders;
- NTL's Broadcast division contracted for one full transponder;
- BT Broadcast Services signed up for a full transponder;
- Ideal Shopping Direct Plc. contracted for capacity for digital transmissions.

Substantial audience growth
The ASTRA Satellite System experienced substantial audience growth in the period under review. In early 2005, 102.7 million homes received audiovisual broadcast and broadband services via ASTRA at 19.2° and 28.2° East, an increase of 8.3 million (or 8.8%) compared to the prior year.

These results are based on research findings in 34 countries. In addition to the 30 countries[1] surveyed until 2003, the 2004 data include TV reception data from Bosnia, Serbia, Morocco and Tunisia. At constant scope within 30 countries, the ASTRA Satellite System registered an audience increase of 3.6 million homes to 97.9 million homes.

Satellite is by far the most popular digital reception mode



Base: 45.66 million digital TV households.
Source: SES ASTRA, Satellite Monitors

ASTRA consolidated its leadership as the top European satellite system for direct-to-home reception (DTH). By the end of 2004, more than 41 million homes in Europe received ASTRA services directly via satellite, up from 36.4 million in 2003.

The growing choice of informative and entertaining digital TV and radio content boosted total digital reception of broadcast content (via satellite, cable and terrestrial) to more than 45 million homes, an increase of 13 million homes compared to the previous year. Satellite is by far the most popular digital reception mode: digital satellite broadcasts are received by more than 32 million homes, representing a market share of 71%.

ASTRA's overall audience growth reflects the ongoing increase of digital direct-to-home reception in Europe. At year end 2004, 24 million homes received digital services via ASTRA at 19.2° or 28.2° East, up from 17 million at year end 2003.

1 30 countries covered so far by the SES ASTRA Satellite Monitors: Austria, Belarus, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Ukraine, UK.

In a very competitive environment, ASTRA has consolidated its strong position in the digital marketplace. Three out of four digital satellite homes within the ASTRA footprints receive services transmitted via ASTRA. Digital reception now accounts for 58% of ASTRA's total DTH reception, up from 49% in 2003.

In addition, ASTRA is received by 17.4 million exclusively analogue satellite homes. 70% of these homes (more than 12 million) are located in the German-language countries which retain a wide choice of analogue channels.

As broadband use in Europe is increasing, ASTRA homes are an attractive audience for the successful rollout of broadband DSL services via satellite. The proportion of ASTRA digital satellite homes owning a PC (76%) and using an online connection (65%) has further increased and is significantly higher than in average TV homes (PC: 59%; online: 46%).

Broadband services

SES ASTRA continued to build its Europe-wide coverage for satellite broadband one-way services. Despite slow demand for broadband via satellite applications in Europe, SES ASTRA expanded the range of broadband one-way services in Europe's leading markets.

Contracts for the provision of high-speed Internet access capacity were signed

- in the German-language markets: (IP4, Axero, Easynet);
- in Spain (Ya.com, NeoSky, and Innosistema);
- in Poland (Go!Internet);
- in the UK (Silvermead);
- in the Central and Eastern European region (Entrysat, Sharp&Strong and Vodatel).

Launch of services in Africa

SES ASTRA initiated the geographic expansion of its services to Africa, a market featuring dynamic demand for broadband connectivity. SES ASTRA is providing Ku-band capacity on the ASTRA 2B steerable beam to Accelon for two-way broadband services in Western Africa. Accelon, in which SES ASTRA holds a 43.5% participation, initiated commercial services in July 2004.

SES ASTRA also secured additional African capacity by contracting for 33 transponders on the AMC-12 spacecraft which was successfully launched on February 3, 2005. This capacity is to be marketed under the brand name ASTRA 4A.

TechCom services

In 2004, SES ASTRA set up a new affiliate company, SES ASTRA TechCom S.A. This new company is specialised in the provision of products and services related to satellite engineering and operations (consultancy services, hardware and software products, turnkey systems integration services, infrastructure and operations services). SES ASTRA TechCom S.A. started commercial operations as a new legal entity on January 1, 2005.

SES ASTRA TechCom is directly evolved from the TechCom services arm which was established in 2002, and has identified and exploited numerous growth opportunities which have increasingly contributed to SES ASTRA's revenue stream.

Choice

The satellites of the SES Group companies distribute a virtually limitless choice of channels and services provided by the world's leading broadcasters.


Weather
Weather
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SES AMERICOM
An SES GLOBAL Company

Leadership and innovation

Highlights

- Upgrade and expansion of AMERICOM fleet with the successful launch and operation of four satellites: AMC-10, AMC-11, AMC-15 and AMC-16
- Transponder utilisation rate increased to 75%
- System availability of 99.99987%
- Newly launched HD-PRIME™ neighbourhood achieved 80+% fill rate by year end
- Double-digit revenue growth achieved by AMERICOM Government Services
- Successful acquisition of Verestar
- North American regional expansion opportunities underway with new partnership in Canada, Ciel Satellite Group, and BSS slot award in Mexico

Largest provider of satellite services in the US

Satellite fleet developments

At year end 2004, SES AMERICOM operated a satellite fleet consisting of 18 spacecraft at 16 orbital positions. During the year, G-Star 4 was retired. Replacement satellites were brought into operation at key cable television orbital positions. At year end, Satcom C-3 and Satcom C-4 were operated in 'dark mode,' awaiting potential redeployments in 2005.

SES AMERICOM successfully launched four spacecraft in 2004. The all C-band AMC-10 was launched from Cape Canaveral on February 5, 2004 and became operational in May at 135˚ West. Its twin spacecraft, AMC-11, was launched on May 19, 2004 from Cape Canaveral and became operational in November at 131˚ West. The first hybrid Ku/Ka-band satellite in the AMERICOM fleet, AMC-15, was launched on October 15, 2004 from the Baikonur Cosmodrome in Kazakhstan and became operational for its customer EchoStar Communications in the 4th quarter of the year. AMC-16, also a hybrid Ku/Ka-band spacecraft dedicated to serving EchoStar Communications, was launched on December 17, 2004 from Cape Canaveral.

At year end, SES AMERICOM had three spacecraft under construction:

– AMC-12 (formerly known as WORLDSAT-2), a high-powered, multi-beam C-band satellite, which will provide services in the Atlantic Ocean Region including the Americas, Africa and Europe. AMC-12 was successfully launched on a Proton rocket on February 3, 2005 and was scheduled to enter operational service in April 2005;

– AMC-23 (formerly known as WORLDSAT-3), a hybrid C/Ku-band satellite, which will provide services in the Pacific Ocean Region including the Americas and the Pacific Rim nations. This spacecraft is planned for launch on a Proton rocket in late 2005;

– AMC-14, a Ku-band BSS satellite, which will support the AMERICOM2Home® platform. AMC-14 is planned for launch on a Proton rocket in the first half of 2006.

Satellite fleet operations

During 2004, the AMERICOM satellite fleet and the supporting terrestrial networks operated with a high degree of reliability, featuring an availability rate of 99.99987% on the space segment and of 99.99975% on the ground network.

Of the 416 transponders commercially available in the SES AMERICOM satellite fleet, 75% were contracted as of December 31, 2004. In addition, an average of 45 transponders in the occasional use and broadcast special event inventory were regularly under contract throughout the year.

New contracts and services

During 2004, SES AMERICOM's satellite fleet transmitted audiovisual programming on behalf of most major cable programmers and TV and radio broadcasters to all major networks and cable head-ends, multiple dwelling units and hotels in the US. Approximately two thirds of SES AMERICOM's transponder capacity is being used for media distribution; the balance supports a wide range of broadband, enterprise solutions, data and Internet applications and government services.

Main developments in 2004 included:

– EchoStar Communications entered into a long-term agreement for the entire capacity on a new satellite, AMC-16. This agreement came in addition to contracts for the entire capacity of the AMC-15 and AMC-14 spacecraft, concluded in 2003;

– NBC Cable's networks signed a long-term agreement to distribute its major cable channels on AMC-10 and AMC-11, the HD-PRIME™ neighbourhood;

– The NBC TV network and NBC News Channel signed up for multiple Ku-band transponders on AMC-1 and AMC-9 for the next several years in support of their distribution to 200 network affiliates nationwide;

– Scripps Networks expanded its commitment to HD-PRIME™ by contracting for capacity on AMC-10 in addition to its 2003 contract for capacity on AMC-11;

SES AMERICOM
An SES GLOBAL Company

Leadership and innovation

- AMERICOM's faith-based neighbourhood on AMC-4 was expanded to more than a dozen broadcasters;
- TuTV's five channels of Hispanic-oriented content will be distributed on AMC-1;
- A service agreement with Home2US Communications Inc., the operator of an open, pay TV direct-to-home platform based on AMC-4, was signed to distribute popular, foreign-produced television channels to culturally diverse audiences throughout the US. By year end, four services were committed to the Home2US platform: Korea's TanTV, Radio Maryja, TV-TWRAM, and EcuaTV;
- SES AMERICOM entered into a long-term, multi-transponder agreement with Rainbow DBS to distribute VOOM services via AMC-6;
- Strong capacity demand generated by political events in the US, the Olympic Games, natural disasters and other major news events added up to a banner year for SES AMERICOM's broadcast/occasional business;
- XY.tv, a 24-hour network of original lifestyle and entertainment shows, designed for 12 to 34-year-olds, has signed on to use AMC-1 for programme staging and satellite distribution services;
- QVC's television shopping network signed an extended contract for distribution on AMC-10;
- Crawford Communications and SES AMERICOM signed a long-term agreement to offer one-stop origination and distribution of digital networks via Crawford's Atlanta-based facilities and on AMC-10 to expand the reach potential of new channels to almost all cable head-ends in the US;
- 1,500 K-12 schools located across the island of Puerto Rico began to be networked for satellite-delivered educational services and internet access services by Compex using AMC-6 bandwidth;
- New England Sports Network (NESN) signed a multi-year, multi-million-dollar contract extension with SES AMERICOM to distribute regional sports programming in standard and high definition sports programming to fans across the six New England states using AMC-11;
- iN DEMAND distributed the first-ever live boxing event in high definition, the Tyson versus Williams bout, as a pay-tv event on AMC-1;
- SES AMERICOM initiated an agreement with Cable Positive to deliver free of charge the first series of personal star-studded spots in Cable Positive's newest HIV/AIDS awareness and prevention campaign, JOIN THE FIGHT, to cable headends in time for World AIDS Day.

AMERICOM Government Services
AMERICOM Government Services (AGS) continued to expand its leadership in the provisioning of satellite-based network solutions to the US Federal Government, States, and aligned non-US Government programmes. The US Department of Defense and Department of State continue to rapidly expand their reliance and use of commercially-based satellite bandwidth and services around the world. The completion of the acquisition of Verestar and the integration of the Verestar Government Services, positioned AGS to better serve diverse agencies and programmes including the State Department, Federal Aviation Administration, Department of Justice, Department of Commerce, and NASA.

Main developments in 2004 included:

- AGS and prime contractor Marshall Communications were awarded a contract in support of various NASA space missions including Space Shuttle video feeds during pre-launch, launch and re-entry, and the broadcast of NASA TV;
- AGS was awarded a five-year contract to provide turnkey satellite network services to the US Pacific Command/US Forces Korea (USFK);
- Via its GSA schedule, AGS received a contract with the Armed Forces Radio and Television Service (AFRTS). The initiative involves launching a new Pentagon Channel that is broadcast to Pentagon employees, military and federal personnel, and interested consumers in the United States;
- The acquisition of Verestar had a significant impact on AMERICOM Government Services with the addition of key government contracts, expertise in government network design and engineering, and technical facilities that support several defence and civilian networking requirements. Following the integration of Verestar into SES AMERICOM, the AGS organisation expanded its technical and development staff, and its business base was enlarged by over 40%.

Strategic developments

- In the fall, SES AMERICOM announced its participation in Ciel Satellite Communications, a Canadian initiative developed to introduce new satellite resources (DBS and FSS) into the North American region. Ciel shareholders include SES AMERICOM, Smyth Satellite Holdings, Barrett Corp., and Borealis Investment Fund. In the fourth quarter, Ciel was awarded provisional authority to offer DBS services from 129° West.
- At year end, SES AMERICOM submitted the only application accepted by the Mexican Government to participate in an auction of the DBS spectrum at 77° West.
- In April, SES AMERICOM, signed an agreement to purchase Verestar, the Fairfax, Virginia-based company focused on managed satellite-based network solutions for government, broadcast, enterprise and international services markets with strategically located teleport facilities in the US and abroad. Finalising the acquisition in December, the technical resources, facilities and expertise of the group are being fully integrated into SES AMERICOM and AMERICOM Government Services.

Connections for people at work
The satellite fleet of the SES Group companies provides efficient, high-speed pipelines for corporate data flows.

Global partners

AsiaSat

Financial highlights

In HK$ million	2004	2003
Revenues	**1,005**	896
EBITDA	**770**	749
Net profit	**431**	424

AsiaSat maintained its market leadership position in the Asia-Pacific region despite very tough trading conditions in 2004.

AsiaSat achieved a 12% growth in revenues and a marginal rise in net profit after including a one-time contribution of HK$107 million during the year. At the end of 2004, the company continued to be debt-free and was well-positioned to take advantage of future growth opportunities in the region.

AsiaSat operates a fleet of three spacecraft – AsiaSat 2 at 100.5˚ East, AsiaSat 3S at 105.5˚ East and AsiaSat 4 at 122.2˚ East – providing coverage in the Asia-Pacific region which is home to more than two-thirds of the world's population. At year end, the total number of transponders leased and sold for the company's satellites increased by more than 16%.

AsiaSat's new earth station in Tai Po, Hong Kong, which became fully operational during the year, provides an increased level of back-up for customers.

AsiaSat provides satellite services to both the broadcasting and the telecommunications industries. Public and private television and radio broadcasters from around the world use AsiaSat's satellites to distribute a variety of television and radio channels to more than 96 million homes in the region. AsiaSat also provides public telephone networks, private VSAT networks and high-speed Internet and broadband services to telecommunications customers.

AsiaSat invested in Skywave TV Limited, which set up a low-cost regional direct-to-home service in the region. The company also entered into a joint venture, Beijing Asia Sky Telecommunications Technology Company in China, which commenced commercial operations in October 2004.

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

AsiaSat is listed on the stock exchanges of Hong Kong (symbol: 1135) and New York (SAT). AsiaSat employed 89 permanent staff at year end 2004.

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

AsiaSat

Nordic Satellite AB (NSAB)

Financial highlights		
In SEK million	**2004**	2003
Revenues	**359**	459
EBITDA	**184**	205
Net profit	**(72)**	49

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

At the end of 2004, 16.4 million homes received audio-visual broadcast and broadband services via SIRIUS at 5˚ East. Approximately 1.5 million homes receive services transmitted via SIRIUS directly, and another 14.9 million homes are connected to cable networks distributing content transmitted via SIRIUS.

With broadcasting applications (TV and radio distribution) providing the bulk of NSAB's revenues, the company's 2004 results were influenced by the closing down of analogue TV channels and by limited growth within the DTH market.

In 2004, NSAB deployed substantial efforts to promote the distribution of High Definition TV channels. One HDTV channel, HD1, was launched during 2004 on SIRIUS with exclusive rights for the Nordic and Baltic countries.

The company´s sales activities in the Baltic countries and Eastern Europe resulted in new contracts for the distribution of TV and radio services.

In the Baltics, three new TV channels (TV1, TV Riga, and 3+ Estonia) signed up for transmission capacity. In Ukraine, Rada and Channel 5 have joined the line-up of channels distributed via SIRIUS.

NSAB's broadband business unit continued to display significant progress in the area of high-speed Internet services via satellite. Following the successful launch in Sweden of the Internet Service in co-operation with Viasat, a similar service was also launched by Viasat in Finland.

At year end 2004, NSAB's satellite fleet consisted of SIRIUS 2 and SIRIUS 3, both located at 5˚ East. During 2004, NSAB prepared the procurement of a new satellite, SIRIUS 4, which was finalised in January 2005.

Per Norman was appointed General Manager of NSAB, effective January 2005, in replacement of Lennart Hällkvist, who ended his mission with the company on November 30.

NSAB employed 37 permanent staff at year end 2004.

At the end of 2004, SES GLOBAL held an equity stake of 75% in NSAB.

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

Global partners

Star One

Financial highlights		
In R$ million	**2004**	2003
Revenues	**405**	378
EBITDA	**293**	248
Net profit	**198**	182

In 2004, Star One consolidated its portfolio of broadcast and broadband satellite solutions. The company focused on the demand emanating from the Brazilian market, while enhancing its position in other countries of South America.

Star One remains the leading provider of broadband satellite solutions in South America. The company operates the largest C-band satellite system in Latin America, consisting of four geostationary satellites (BrasilSat B1, B2, B3, B4). The capacity of the satellites supports a wide range of satellite solutions for customers in the telephony, TV, data and corporate network segments. BrasilSat B1, received by more than 10 million antennas, transmits TV signals throughout Brazil.

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

SES GLOBAL holds a 19.99% participation in Star One.

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

Nahuelsat

Financial highlights		
In ARS million	**2004**	2003
Revenues	**54**	52
EBITDA	**37**	35
Net profit	**(22)**	(29)

Nahuelsat S.A. is the operator of the Argentinian Nahuel Satellite System which provides Ku-band coverage in Latin America. The company operates its Nahuel-1 spacecraft in the 71.8° West orbital slot, broadcasting TV channels and providing telecommunications services such as telephony, Internet backbone connections and data transmission.

In 2004, Nahuelsat continued to enjoy a privileged market position in Argentina, Chile, and Uruguay. Nahuelsat signed new contracts for the transmission of TV programmes with customers in Honduras, Guatemala and Ecuador, and with customers in the field of broadband services.

SES GLOBAL holds a participation of 28.75% in Nahuelsat.

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

Star One
an Embratel Company

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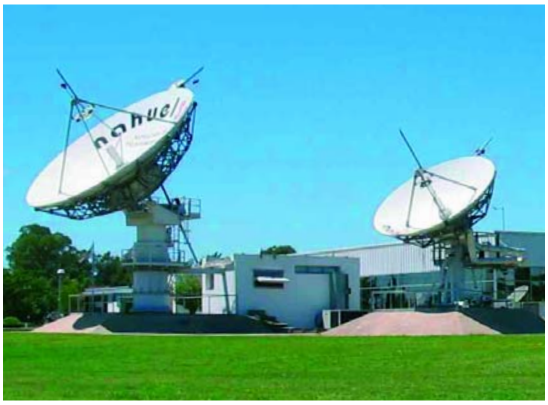
SATELITES DE TELECOMUNICACION



SATLYNX

Financial highlights		
In EUR million	**2004**	2003
Revenues	**24**	26
EBITDA	**(20)**	(18)
Net profit/(loss)	**(91)**[1]	(72)

1 The loss is substantially due to amortisation and impairment charges taken against goodwill and intangible assets.

SATLYNX is headquartered in Betzdorf, Luxembourg, and has operations centres both in Betzdorf and in Backnang, Germany. The company provides an extensive portfolio of two-way satellite services in Europe, either directly to small and large enterprise customers, via telecommunications operators and Internet Service Providers, or by regional resellers or systems integrators. SATLYNX also provides two-way broadband services via satellite to regions which are not covered by terrestrial infrastructures. SATLYNX provides services to a wide range of customers which include Agip, Q8, Esso, Avonline, Sat2Way, IBM, Macab, T-Systems, Telespazio, Siemens, VW, Tiscali, France Telecom and La Poste.

In 2004, SATLYNX made significant improvements to its services, including the installation of a new high-speed DVB-RCS platform, the introduction of a unique bandwidth management tool and of back-up systems for terrestrial infrastructures, the launch of transportable services for emergency response and disaster management, the extension of the coverage areas in Eastern and Southern Europe, and the rationalisation of space segment utilisation to generate operating efficiencies.

SATLYNX

connecting your business is our business

In addition to the enhancement of its market proposition, SATLYNX signed up new value-added resellers, secured the renewal of key contracts, and won new business, specifically a significant SCPC contract from Xantic BV. The company also grew its installed base of active VSATs for major customers.

At year end 2004, SES GLOBAL owned a 41.61% interest in SATLYNX. Other shareholders are Gilat (41.61%) and Alcatel Space (16.78%).

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

SES GLOBAL shareholders

SES GLOBAL shareholders[1]	Number of shares	Voting interest represented by FDRs/ shares held	Economic interest by FDRs/ shares held
A shares			
Rebelco S.A. and Sofina S.A.	15,000,000	2.03%	2.54%
Luxempart S.A.	12,380,000	1.68%	2.10%
Loran Telecommunications S.A.	12,213,875	1.66%	2.07%
Santander Telecommunications S.A.	11,963,125	1.62%	2.03%
Audiolux S.A.	7,810,000	1.06%	1.32%
Other A shareholders below 1%	12,105,054	1.64%	2.05%
A shares held as FDRs (Free float)	238,867,946	32.39%	40.49%
Total A shares	**310,340,000**	**42.08%**	**52.60%**
B shares			
BCEE	80,225,463	10.88%	5.44%
SNCI	80,215,463	10.88%	5.44%
Etat du Grand-Duché de Luxembourg	85,376,910	11.58%	5.79%
Total B shares[2]	**245,817,836**	**33.33%***	**16.67%**
C shares			
GE Capital	148,228,155	20.10%	25.12%
State Street Bank & Trust Company (Voting trust)[3]	33,067,517	4.48%	5.61%
Total C shares	**181,295,672**	**24.58%**	**30.73%**
Total shares (actual)	**737,453,508**	**100.00%**	**100.00%**

1 Significant shareholdings as at December 31, 2004.

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

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

* 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.

Corporate governance

Report of the Chairman on corporate governance and internal control procedures

The respect of best-practice corporate governance standards is at the heart of SES GLOBAL's commitment to shareholders and investors. This includes the publication of information in a timely and transparent fashion.

In preparation for the listing of its FDRs on Euronext Paris, and in the absence of specific Luxembourg corporate governance standards, SES GLOBAL, at an Extraordinary General Meeting of its shareholders held on March 18, 2004, brought its corporate governance standards in line with best practice in France.

Organisation principles

Created in 2001, SES GLOBAL is incorporated in Luxembourg. SES GLOBAL was incepted as a result of the acquisition of GE Americom by SES, the Company's predecessor organisation, which was founded in 1985. SES GLOBAL S.A. is the SES Group's management company.

The Board of Directors has given itself a set of internal regulations to complement the legal and regulatory obligations as well as the articles of incorporation of SES GLOBAL. These regulations describe the functioning of the Company's governing and advisory bodies as well as their relationships, their responsibilities and duties.

The Annual General Meeting of shareholders

Mission

Any regularly constituted ordinary or extraordinary meeting of shareholders represents the entire body of shareholders of the Company.

The Annual General Meeting of shareholders approves the annual and consolidated accounts, including the profit and loss accounts, and decides on the appropriation of the net profits. The shareholders elect the Directors and the auditor and decide by a separate vote on their discharge.

Rules of functioning

Resolutions passed by the Annual General Meeting of shareholders are binding upon all the shareholders, whether absent, abstaining from voting or voting against the resolution.

The meeting is 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.

The Annual General Meeting of shareholders is held at the Company's registered office or at any other place in the Grand Duchy of Luxembourg, on May 6, at 10.30 am.

The Board of Directors convened an extraordinary meeting of shareholders for May 6, 2005, with the sole purpose of advancing the date of the Annual General Meeting from 2006 onwards.

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. Absent shareholders may act at any meeting by appointing a proxy who does not need to be a shareholder.

Each registered shareholder receives notice of the meeting, including the time of the meeting, the agenda as well as the draft resolutions to be proposed for approval to the meeting, by registered mail at least twenty days prior to the meeting. At the same time, each shareholder receives a copy of the annual accounts and the consolidated accounts, including the balance sheets and the profit and loss accounts of the Company.

Holders of the Company's FDRs are represented at the meeting by Banque et Caisse d'Epargne de l'Etat, acting as Fiduciary. Each FDR represents one Class-A share. If a holder of FDRs wishes to attend the Annual General Meeting of shareholders in person he needs to convert at least one FDR into an A share.

The Fiduciary gives notice of the meeting and of the proposed resolutions to the FDR holders by publishing a notice in the press. FDR holders need to give their voting instructions to the Fiduciary in time for the meeting. Unless the Fiduciary has received specific instructions from the holders of FDRs, the Fiduciary votes in favour of the proposals submitted by the Board.

The Annual General Meeting of shareholders may deliberate validly only if at least half of the shares of Classes A and C, taken together, and at least half of the shares of Class-B are represented. In the event that the required quorum is not met, the meeting will be reconvened, in accordance with the articles of incorporation; it may then validly deliberate without consideration of the number of represented shares.

The resolutions of the meeting are adopted by a simple majority vote, except if otherwise provided for by the articles of incorporation or by law.

Shares

The Company has issued three classes of shares; Class-A, Class-B and Class-C shares. Class-A shares are defined as shares held by private investors other than members of the GE Group. Class-B shares are owned by the Luxembourg State and by entities wholly owned by the Luxembourg State. Class-C shares were created when the Company acquired GE Americom. They are held by GE Capital and other members of the GE Group.

Each share 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 20.1% of the Company's shares. Such limit is calculated by taking into account the shares of all classes held by a shareholder of Class-A.

A shareholder or a potential shareholder who intends to acquire by whatever means, directly or indirectly, more than 20.1% 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 intended acquisition. The Government may oppose this intended acquisition within three months from such information, should it be deemed against the general public interest.

In case of no opposition from the Government of Luxembourg, the Board of Directors convenes an extraordinary meeting of shareholders which may decide with a majority of at least two-thirds of the votes of the shareholders present or represented to authorise the demanding party to acquire more than 20.1% of the Company's shares.

Class-B shares entitle their holders to 40% of the dividend paid out to shareholders of classes A and C.

The Board of Directors

Mission

The Board of Directors is responsible for defining the strategic objectives and the overall corporate plan of the Company and its subsidiaries. It approves, upon proposals 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 Annual General Meeting of shareholders. It also approves major investments and is responsible to shareholders and third parties for the management of the Company, which it delegates to the Executive Committee.

Composition

The Board of Directors is comprised of 21 members; all of them are non-executive Directors. Eleven Board members are elected based upon a proposal by holders of Class-A shares; seven Board members are elected based upon a proposal by holders of Class-B shares; and three Board members are elected based upon a proposal by holders of Class-C shares. The mandates of the current Directors expire at the Annual General Meeting of shareholders on May 6, 2005, when a new Board is elected. The Board of Directors has proposed to the shareholders to reduce the size of the Board from 21 to 18 members. In accordance with the new internal regulations, proposals of candidates for the Board are submitted by the Nomination Committee.

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

In the event of a vacancy in the Board of Directors, the remaining Directors may, on a temporary basis, fill the vacancy by a majority vote. In this event, the next Annual General Meeting of shareholders shall confirm the election of the new Director who will complete the term of the Director whose seat became vacant.

In accordance with internal regulations adopted by the Board of Directors on March 18, 2004, 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 or her judgement.

This is defined as:

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

Ten out of 21 Directors are considered independent. They are Messrs. Wolfgang Baertz, Ernst-Wilhelm Contzen, Kevin Copp, Richard Goblet d'Alviella, Joachim Kröske, Hadelin de Liedekerke Beaufort, Christian Schaack, Gaston Schwertzer, Gerd Tenzer and François Tesch.

The General Counsel, Mr. Roland Jaeger acted as Secretary to the Board. Following the resignation of Mr. Jaeger at the end of December 2004, Mr. Pierre Margue, VP Legal and Corporate Affairs, was appointed as Secretary to the Board on February 17, 2005.

Rules of functioning

The Board of Directors meets when required by the Company's business, but 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, without considering abstentions.

Any material contract that the Company or any of its wholly-owned operating subsidiaries intends to sign 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 of Directors.

Each Director who has a direct or indirect interest conflicting with the Company's interest in a matter submitted to the approval of the Board, must inform the Board. He may not deliberate or vote on this matter.

Activities of the Board of Directors in 2004

The Board of Directors held seven meetings in 2004, with an average attendance rate of 89%. Focusing on the strategic development of the SES GLOBAL Group, the Board adopted the business plan for the 2004–2011 period, the 2005 budget, and approved various business transactions at the level of SES AMERICOM, SES ASTRA and NSAB, relating in particular to satellite and launch service procurements, as well as equity investments in satellite and service companies.

The Board approved SES GLOBAL's listing on Euronext Paris, combined with a secondary offering of SES GLOBAL FDRs, and the subsequent delisting from the Deutsche Börse in Frankfurt. The Board approved changes to the Company's corporate governance structure, and adopted a new set of internal regulations, including criteria for the qualification of independent Board members.

The Board also decided to create additional regional holding companies, which resulted in a major restructuring of the Group's holdings. The Board decided to incept a captive reinsurance company for the Group.

The Board also approved the acquisition of 100% of DPC and ratified the acquisition of 100% of the assets of Verestar.

The Board was informed on a monthly basis by the Executive Committee on the Group's activities and financial situation according to a defined reporting format. The Board was also informed at each meeting on ongoing matters and received information related to possible upcoming investment or divestment decisions.

Corporate governance continued

The Board of Directors

In 2004, the members of the Board of Directors were:

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

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

Gerd Tenzer, born August 4, 1943. Mr. Tenzer became a Director on March 11, 1999, and was elected Vice Chairman on May 7, 2002. 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 advisor to the CEO of Deutsche Telekom AG from December 2002 until December 2004. He also sits on the Board of ECI Israel and Sutter Germany. Mr. Tenzer graduated with a degree in Communications Engineering (Dipl. Ing.) from the Technical University in Aachen.

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

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

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

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

Kevin Copp, born December 18, 1964. Mr. Copp became a Director on May 6, 2004, replacing Dr. Raphael Kübler. Mr. Copp has been with Deutsche Telekom AG in Bonn, Germany for over ten years and is currently Senior Executive Vice President in the finance department responsible for the group's M&A activities, having previously been head of the group's International Legal Affairs department. He also sits on the Board of various subsidiaries within the Deutsche Telekom group. Mr. Copp graduated with a juris doctorate degree in law from the Catholic University of America in Washington, D.C.

Gilbert Ernst, born July 30, 1952. Mr. Ernst became a Director on March 18, 2004, replacing Mr. Raymond Kirsch. He is Executive Vice President and has been a member of the Executive Board of Banque et Caisse d'Epargne de l'Etat since 1995. He currently holds positions on the Board of Directors of EBA in Paris, of insurance companies La Luxembourgeoise and La Luxembourgeoise Vie, as well as of CETREL and LUXEXPO in Luxembourg. Mr. Ernst is a graduate in Business Administration of the Faculty of Law of the University of Liège in Belgium.

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

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

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

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

Denis J. Nayden, born April 9, 1954. Mr. Nayden became a Director on November 29, 2001, as a GE representative and to whom he continues to be a Financial Services Advisor. Mr. Nayden is a Managing Partner of Oak Hill Capital, a private equity firm whom he represents on the Boards of Directors of Duane Reade, Inc., GE Capital International Services, GMH Communities Trust and Accretive Healthcare. Mr. Nayden also sits on the Board of Advisors of Alix Partners/Questor Partners and Building with Books (a non-profit organisation). He is a graduate of the University of Connecticut where he serves on the Board of Trustees and also holds an MBA in Finance.

Gaston Reinesch, born May 17, 1958. Mr. Reinesch became a Director on July 1, 1998. Mr. Reinesch is Professor of Economics at the Legal and Economics Department of the University of Luxembourg. He is Chairman of the Société Nationale de Crédit et d'Investissement, and of the Board of Directors of Entreprise des Postes et Télécommunications. He is also 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.

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

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

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

Georges Schmit, born April 19, 1953. Mr. Schmit became a Director on November 12, 1992. He served as Vice Chairman from May 31, 2001 to May 6, 2002. Mr. Schmit is 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 SNCI and Vice Chairman of the Board of Entreprise des Postes et Télécommunications, Luxembourg. He is also a member of the Board of Directors of Arcelor, Banque et Caisse d'Epargne de l'Etat, Luxembourg, Paul Wurth and CTI Systems. Mr. Schmit graduated with a degree in economics from the Catholic University of Louvain and an MA in Economics from the University of Michigan.

Gaston Schwertzer, born July 18, 1932. Mr. Schwertzer became a Director on September 12, 1992. Mr. Schwertzer is currently Chairman of Luxempart and Administrateur délégué of Audiolux, member of the Board of Directors of Dexia, SEO, Sichel, Le Foyer Finance, Dexia Banque Internationale à Luxembourg, Presta - Gaz and Energus. Mr. Schwertzer graduated with a degree in law from the University of Grenoble and also holds a doctorate in law.

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

Committees of the Board of Directors

The Chairman's Office

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

At the end of 2004, members of the Chairman's Office were:

René Steichen,
John F. Connelly,
Gerd Tenzer,
Jean-Paul Zens.

The Chairman's Office held seven meetings in 2004, with a members' attendance rate of more than 96%.

The Remuneration Committee

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

Following the adoption of new internal regulations on March 18, 2004, the Remuneration Committee is composed of five members, a majority of whom are independent Board members. On December 31, 2004 members of the Remuneration Committee were:

René Steichen,
Wolfgang Baertz,
John F. Connelly,
Hadelin de Liedekerke Beaufort,
Gaston Schwertzer.

The Remuneration Committee was chaired in 2004 by the Chairman of the Board. Mr. Gerd Tenzer and Mr. Jean-Paul Zens may attend the meetings of the Remuneration Committee as observers.

The Remuneration Committee held six meetings with an attendance rate of 96%. Matters addressed related to the changes in the executive bonus scheme, the issuance of restricted and performance shares as part of a long-term incentive plan for senior executives of the Group, the determination of criteria for bonus payments to the members of the Executive Committee, the adaptation of the SES complementary pension scheme and the assessment of the SES Group executive remuneration packages. The Committee submitted proposals to the Board of Directors for determining the exercise price applicable for the 2004 stock option grant.

In view of the implementation of the stock option plan, the Company continued the acquisition of its own FDRs with the objective to have them distributed to the staff according to the approved stock option plan. At the end of 2004, SES owned 5,301,462 FDRs and 100,000 shares of Class-A.

The Audit Committee

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

Following the adoption of the new internal regulations on March 18, 2004, the number of members of the Audit Committee increased from four to six, two-thirds of which are independent Board members.

Corporate governance continued

Following this change, the members of the Audit Committee for 2004 were:

Richard Goblet d'Alviella, Chairman of the Audit Committee,
Ernst-Wilhelm Contzen,
Jean-Claude Finck,
Dr. Joachim Kröske,
Gaston Reinesch,
François Tesch.

The Audit Committee held four meetings with a members' attendance rate of 86%. Meetings were dedicated in particular to the review of the 2003 results before their submission to the Board and their subsequent approval by the shareholders at the statutory Annual General Meeting, the implementation of the internal and external audit plans, the adoption of a revised Audit Committee Charter and the implementation of the IFRS standards and their impact on the SES Group financial statements.

The Audit Committee also reviewed the half-year results before their publication and decided that, as of 2005, the Company will publish unaudited quarterly reports.

The Nomination Committee

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

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

The role of the Nomination Committee also consists to propose candidates for Executive Committee membership for election by the Board. During its sole meeting in 2004, which was attended by all members of the Nomination Committee, it approved the nomination of Mr. Mark Rigolle as Chief Financial Officer of the Company.

Jürgen Schulte, who served as CFO of the Company for 13 years, retired in August 2004. On behalf of the Board of Directors, the Chairman wishes to thank Mr. Schulte for his significant contribution in helping a start-up satellite operator grow into a global public company that is now the industry leader in its field.

The members of the Nomination Committee were in 2004:

René Steichen,
Wolfgang Baertz,
John F. Connelly,
Hadelin de Liedekerke Beaufort,
Gaston Schwertzer.

Mr. Gerd Tenzer and Mr. Jean-Paul Zens may attend the meetings of the Nomination Committee as observers.

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

The Executive Committee may approve specific transactions for an amount up to EUR 10 million per project. The Executive Committee informs the Board on each such transaction, it being understood that the aggregate amount for such projects can at no time be higher than EUR 20 million.

The Executive Committee submits to the Board of Directors those measures which it deems necessary to meet the objectives of the Company. Prior to the beginning of each fiscal year, the Executive Committee submits a consolidated and investment budget for approval to the Board of Directors.

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, 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 Directors 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 2004, the Executive Committee held 43 meetings, with an attendance rate of 94%. The General Counsel acted as Secretary to the Executive Committee. He was seconded by the Vice President Legal and Corporate Affairs.

The Executive Committee
(from right to left)
Romain Bausch, Mark Rigolle, Robert Bednarek, Ferdinand Kayser and Edward D. Horowitz.

Composition

The following persons are members of the Executive Committee: the President and CEO of SES GLOBAL who assumes the chairmanship of the Executive Committee, the Chief Financial Officer of SES GLOBAL, the Executive Vice President Corporate Development of SES GLOBAL, the President and CEO of SES ASTRA, and the President and CEO of SES AMERICOM.

Members of the Executive Committee are nominated by the Board, upon proposal from the Nomination Committee. At year-end 2004, the members of the Committee were:

Mr. Romain Bausch, President and CEO; Mr. Robert Bednarek, Executive Vice President Corporate Development; Mr. Ferdinand Kayser, President and CEO SES ASTRA; and Mr. Mark Rigolle, Chief Financial Officer.

During 2004, the following changes occurred in the composition of the Executive Committee:

Mr. Mark Rigolle was appointed Chief Financial Officer of SES GLOBAL in July 2004, to succeed Mr. Jürgen Schulte who retired after 13 years of service as Chief Financial Officer of SES; Mr. Dean Olmstead, President and CEO of SES AMERICOM, left the company in September 2004 to pursue other interests. Mr. Romain Bausch, together with the members of SES AMERICOM's Management Committee, jointly executed the company's business strategy until the appointment of Edward D. Horowitz took effect.

The members of the Executive Committee:

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

continued overleaf →

Corporate governance continued

The members of the Executive Committee continued

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

Edward D. Horowitz, born on November 16, 1947, and appointed President and Chief Executive Officer of SES AMERICOM as of May 2005. Mr. Horowitz joined SES GLOBAL from EdsLink LLC, a venture fund which provides strategic financial, operations, and technology consulting services. Prior to forming EdsLink LLC, Mr. Horowitz was Executive Vice President for Advanced Development of Citigroup and Founder and Chairman of e-Citi, and served as a member of the Management and Investment Committees of Citigroup and as senior advisor on the Internet to the Office of the Chairman. Before joining Citigroup, Mr. Horowitz served as Senior Vice President, Viacom Inc., as Chairman and Chief Executive Officer of Viacom Interactive Media and as a member of the Viacom Executive Committee. Prior to Viacom, Mr. Horowitz held various senior management positions at Home Box Office (HBO), a subsidiary of Time Warner, and was a founder of Suburban Cable. Mr. Horowitz holds a B.S. in Physics from the City College of New York and an M.B.A. from Columbia University. Mr. Horowitz is a member of the Board of SES AMERICOM and of SES ASTRA. He is also a member of the Board of iVillage, Acterna and Musicnet.

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

Mark Rigolle, born on April 11, 1965, and appointed Chief Financial Officer of SES GLOBAL in August 2004. Mr. Rigolle joined SES GLOBAL 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, Mr. Rigolle worked for ABN AMRO and for Sanwa Bank. Mr. Rigolle holds a degree in Economic Science from the University of Leuven, Belgium. Mr. Rigolle is a member of the Board of SES ASTRA, SES AMERICOM, NSAB, AsiaSat, and Star One.

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. The members of the Board of Directors are entitled to a fixed fee and to a variable fee. The variable part of the fee is calculated on the basis of the Directors' attendance at Board and Committee meetings. In 2004, the total remuneration fees paid to the members of the Board of Directors amounted to EUR 630,450, of which EUR 277,950 were paid as variable fees, with the remaining EUR 352,500 representing the fixed fee.

Both the fixed and the variable fee, approved by the Annual General Meeting on May 6, 2004, remained unchanged from 2003.

Company stock owned by members of the Board of Directors

On March 31, 2005 the members of the Board of Directors owned a combined total of 676,010 shares, FDRs, and options.

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.

During 2004, the Remuneration Committee amended the executive bonus scheme and added, as of 2005, a long-term incentive plan for senior executives of the Group. This programme includes the issuance of restricted and performance shares. The total gross remuneration paid to the members of the Executive Committee relative to the year 2004 amounted to EUR 2,579,580.

Members of the Executive Committee participate in the Company's Executive Stock Options Plan established by the Board of Directors on January 31, 2002. During 2004, a combined total of 303,437 options to acquire Company FDRs were awarded to the members of the Executive Committee.

Company stock owned by members of the Executive Committee

On March 31, 2005, the members of the Executive Committee owned a combined total of 546,873 shares, FDRs, and options.

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 May 6, 2004, the meeting retained Ernst & Young for another year. The auditor's mandate expires at the Annual General Meeting on May 6, 2005.

Internal control procedures

Objectives

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

The purpose of implementing internal control procedures is to help manage risks, and to provide reasonable assurance regarding the achievement of the objectives of the Company.

The internal control procedures are designed to ensure:

- that operations are performed efficiently and achieve effective results;
- the integrity and reliability of financial and operational information, both for internal and external use;
- that assets are safeguarded; and
- that actions and decisions are in compliance with applicable laws, regulations, standards, internal rules, and contracts.

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 GLOBAL, who in turn works closely with the Management Committees of the primary operating companies in drawing up control policies and procedures.

Each operating company of the Group applies two levels of internal control policies:

– common policies formalised by several coordination committees or cross-functional teams to apply to the operations of all the Group's fully or proportionately consolidated subsidiaries as the general framework for their own business process design; and

– the policies and procedures specific to each entity and adapted to their activity, size and organisation, and to the relevant legal and regulatory environment. The organisation, application and monitoring of these policies and procedures, and therefore, risk management, are the responsibility of the operating companies.

Internal control procedures

The internal controls in the area of accounting and financial reporting include the following key components:

– 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. Business plans and budgets are elaborated according to a detailed process and are brought to the Board for approval. The Board receives detailed monthly financial reporting against the approved budget; and

– the Group's financial statements are subject to limited review, for the half-year financial statements, and to full audit, for the full-year financial statements, by the external auditors.

The internal controls in the area of treasury management include the following key components:

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

– a treasury manual giving detailed guidance on derivative instruments used and the appropriate accounting treatment has been drawn up; and

– the activities of the Group Treasurer, and in particular the hedging activities engaged during the year, are authorised and approved by the Board of Directors. The Group Treasurer reports on a formal basis every quarter to the Board of Directors.

The internal controls in the area of satellite operations include the following key components:

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

– crisis management systems and infrastructures have been designed in order to address satellite in-orbit anomaly situations at the appropriate level of responsibility.

The internal controls in the area of information technology include the following key components:

– management is committed to ensure that data, infrastructure and information technology systems are as secure as is reasonably practicable. Security controls 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 offsite; and

– for non-satellite related applications, disaster recovery plans are in the process of being finalised and will be tested in the course of 2005.

Evaluation of the internal control procedures

The SES GLOBAL 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, the Internal Audit function reports to the President and CEO of SES GLOBAL, 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 derived from a three-year strategic audit plan established using risk mapping methodology. The annual audit plan is reviewed and approved by the Audit Committee.

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

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

Other functions

Investor Relations

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

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

Corporate governance continued

Our people

The SES Group is dedicated to sourcing, hiring, developing and retaining world-class talent. We believe that our focus on operational excellence is reinforced through our people and their commitment to the work they do and to the customers they serve.

Customer satisfaction is our primary objective in all our markets worldwide. SES GLOBAL companies employ a widely diverse workforce. This diversity is a strength that we leverage in order to maximise our creativity and foster innovative solutions at the service of the market.

At year-end 2004, the SES Group employed a total of 985 staff, up from 789 a year earlier. The detail is shown in the table below.

	2004	2003
SES ASTRA	**353**	301
SES AMERICOM	**449**	291
AsiaSat	**89**	83
Other[1]	**94**	114
Total	**985**	789

1 Other: SES GLOBAL S.A. and SES Group share of the proportionally consolidated participation in SATLYNX.

During the year, headcount increased as a result of the increased consolidation of NSAB (included in the SES ASTRA staff numbers) and, mainly, the integration of Verestar into SES AMERICOM.

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

In % of total	Male	Female
SES ASTRA	80	20
SES AMERICOM	79	21
Other	74	26

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

Our values and culture

The SES GLOBAL 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. Our 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.

Stock-related compensation schemes

Equity Incentive Compensation Plan

SES GLOBAL applies an Equity Incentive Compensation Plan (EICP). The purpose of the plan is to attract and retain highly qualified leadership-level staff. By fostering share ownership among the executive staff, the plan aims to strengthen leadership-level employees' commitment to the development of the Company. This policy applies to executive-level employees of SES GLOBAL S.A., SES ASTRA and SES AMERICOM. 956,447 stock options were granted in 2004 to 69 executives.

Stock Appreciation Rights Plan

SES ASTRA and SES GLOBAL S.A. implement a Stock Appreciation Rights (STAR) Plan, which applies to the non-executive level staff. Through the grant of Stock Appreciation Rights, the Company aims to encourage the long-term commitment of the staff towards the Company, and to provide the possibility to share in the value creation of the Company. 487,140 STARs were granted in 2004.

Our Human Resources (HR) functions

Our organisation is supported by HR functions, which have responsibility for SES GLOBAL, SES ASTRA and SES AMERICOM. The HR team consists of one employee at SES GLOBAL, seven employees at SES ASTRA and 11 employees at SES AMERICOM. Our HR teams are committed to identify, hire, develop, reward and retain world-class talent and also provide HR strategy advice and direction to their respective entity as well through the HR Coordination Committee to the SES Group.

Skills development

Our HR functions focus on the development of the know-how and expertise of our people, which is one of our most precious assets. Our culture aspires to create an environment in which people are continuously learning, sharing best practices and demonstrating respect towards each other. Our training and development, reward and job exchange programmes support this culture. These programmes reach across the companies of the Group and continue to develop the skill set of our employee base in order to enhance job satisfaction for the benefit of our customers.

In SES ASTRA and SES GLOBAL S.A., the training and eduction programme was further developed. The training and skills development budget of SES ASTRA and of SES GLOBAL S.A. was equivalent to approximately 3% of the companies' payroll costs in 2004. SES AMERICOM spent close to 1% of total payroll costs on training and development.

The SES Group companies implement a Global Development Programme, which enables the temporary exchange of employees between SES GLOBAL S.A., SES AMERICOM and SES ASTRA. Following its vision of being a learning organisation, SES AMERICOM has further developed the AMERICOM University in 2004. Approximately 100 classes (equivalent to 275 hours) of learning and development activities were provided, focusing on a wide range of subjects which ranged from leadership and sales to technical and engineering topics. These programmes had more than 900 participants.

The SES Group also implements a PASSPORT programme, which provides employees with career development opportunities within SES AMERICOM. These rotations provide employees with increased learnings, new skills, personal and professional development, and an opportunity to utilise their existing skills to enhance different parts of the business.

Social dialogue within SES GLOBAL

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

At SES ASTRA, the legal framework provides for:

– a Personnel Delegation whose seven members are elected for a five-year term and whose mandate is to protect the interests of the workforce with regard to working conditions, job security and social matters. The Personnel Delegation is kept informed on the developments affecting the Company and advises on amendments to work rules; and

– a Mixed Committee composed of three employer representatives and three employee representatives. The Mixed Committee has co-decision powers in matters covering performance assessment, health and safety and in the general criteria applied in the recruitment, promotion and dismissal policies. The Mixed Committee is consulted on all important decisions regarding investments in plant or equipment, work processes and working conditions. The Committee is informed about the general development of the Company and employment trends.

SES GLOBAL S.A. also has a Personnel Delegation comprised of two members.

Our Company culture aims at constantly enhancing and harnessing the strengths and qualities of our employees. Therefore, we apply best practices of people management in order to foster the creativity and innovation potential of our staff. In 2004, we implemented continuous improvement initiatives based on the feedback collected from employees on the 2003 'voice of the employee' survey. SES ASTRA, SES AMERICOM, and SES GLOBAL S.A. participated in the survey.

Our corporate social responsibility policy

In 2004, SES GLOBAL continued to implement a corporate social responsibility (CSR) programme which is deeply rooted in the Company's values.

We believe that global reputation relies on local action. Therefore, in the framework of our CSR programme we deploy decentralised activities in those areas of the world in which the SES Group companies provide commercial and technical services.

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

In 2004, SES GLOBAL pursued its cooperation with the University of Sankt Gallen, Switzerland, by financing a scholarship for one student in the university's MBA programme on media and communications management.

We also continued our support of the educational activities of the Society of Satellite Professionals International, based in Washington, D.C., by financing a scholarship for one student in 2004.

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

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

The SES Group companies and the companies' staff participated in the humanitarian relief effort in the aftermath of the Indian Ocean tsunami disaster which occurred in December 2004. As of March 2005, EUR 112,000 were donated to a variety of humanitarian organisations participating in the relief effort, and 40% of this amount was generated through staff donations. SES Group companies also participated in the aid effort by providing satellite transmission capacity free of charge to support the aid effort.

Cultural sponsorships

In 2004, SES GLOBAL provided financial support for the Luxembourg Philharmonic Orchestra's concert tour in the US. The Company also continued its financial support to a local music festival in Luxembourg.

SES GLOBAL initiated a sponsorship programme with the Steichen Foundation, a Luxembourg and US-based cultural organisation named after photo-artist Edward Steichen. SES GLOBAL contributes to the financing of a scholarship which enables artists from the 'Greater Luxembourg region' (including parts of Belgium, France and Germany) to temporarily work in New York City.

Caring for the environment

The SES GLOBAL companies are committed to respecting the world's natural environment, and to aligning the companies' and the staff's conduct with the principles of sustainable development.

We apply the basic principle that all activities and services which we provide to third-party customers, or which are supplied to us by third-party vendors, should comply with the highest standards of environmental protection. Compliance is benchmarked against the legal rules and regulations applied in the countries in which the SES GLOBAL 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 GLOBAL and its operating companies are mainly office and technology-based. In our operations, we promote the most efficient use of energy and natural resources. We have successfully implemented a programme to rely on co-generation power wherever possible, in order to make maximum use of energy.

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

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

Management discussion and analysis

1. Key financial highlights

Financial summary	2004 EUR millions	2003 EUR millions
Total revenues	**1,146.6**	1,207.5
Operating expenses	**(304.5)**	(264.7)
EBITDA	**842.1**	942.8
Depreciation	**(349.4)**	(331.4)
Amortisation	**(185.4)**	(239.7)
Operating profit	**307.3**	371.7
Net financing charges including value adjustments	**6.9**	(7.4)
Taxes	**(57.1)**	(131.2)
Share of associates' result	**1.2**	4.5
Minority interest	**(28.4)**	(32.2)
Profit of the Group	**229.9**	205.4

Net operating cash flow	**882.1**	873.8
Free cash flow	**222.0**	940.3
Capital expenditure	**531.6**	317.0
Net debt	**1,619.7**	1,699.1
Shareholders' equity	**3,217.0**	3,247.8
Earnings per A share (EUR)	**0.38**	0.34
Dividend per A share (EUR)	**0.30***	0.22
Employees	**985**	789

Key performance ratios in %		
EBITDA margin	**73.4**	78.1
Net income margin	**20.0**	17.0
Return on average equity	**7.1**	6.0
Net debt / EBITDA	**1.9**	1.8
Net debt / shareholders' equity	**50.3**	52.3

* Recommended by Directors and subject to shareholder approval.

2. Commentary to Group financial results

Group revenues

Reported revenues at EUR 1,146.6 million are EUR 60.9 million, or 5.0%, below 2003. On a constant exchange rate basis, the reduction against the prior year is 1.2%, and at same scope 3.3%.

This decline reflects primarily the higher level of non-recurring revenues in 2003 compared to 2004. New business, and the full consolidation of NSAB, raised recurring revenues on a constant exchange rate basis to levels 2.0% – and at same scope 0.5% – ahead of the prior year.

Operating expenses

Reported operating expenses, at EUR 304.5 million are EUR 39.8 million, or 15.0%, higher than in 2003. On a constant exchange rate basis, the increase is EUR 49.7 million, or 19.5%.

The main driver behind the constant exchange rate increase is the cost of sales of EUR 21.4 million relating to the sale of SES AMERICOM's interest in the SIRIUS 2 satellite to NSAB on January 1, 2004. The full consolidation of NSAB also added around EUR 8.5 million to the Group's operating expense base for the year. With operating expenses in the infrastructure capacity business having been held in line with the prior year, the investment in the development of satellite service businesses in Europe and North America was the main factor behind the remaining increase.

Earnings before interest, tax, depreciation and amortisation ('EBITDA')

The EBITDA for the year of EUR 842.1 million is EUR 100.7 million, or 10.7%, lower than in the prior year. On a constant exchange rate basis, the reduction is EUR 63.6 million, or 7.0%.

The decline to prior year on a constant exchange rate basis is driven by two main factors:

1. 2003 revenues and EBITDA included EUR 48.4 million arising in the framework of the acquisition of the remaining 50% shareholding in AAP from Lockheed Martin.
2. 2004 includes a greater contribution from lower margin transactions, both of a one-off nature, such as the sale of the pan-European beam of the SIRIUS 2 satellite by SES AMERICOM to NSAB on January 1, 2004, or from Group companies offering satellite-based services such as broadband access, enterprise networks and government services.

The combined EBITDA margin of the Group's core infrastructure capacity business division remained strong (around 81%).

Depreciation and amortisation

At EUR 349.4 million, the Group's depreciation charge is EUR 18.0 million, or 5.4%, higher than in 2003. On a constant exchange rate basis, the increase is EUR 33.3 million, or 10.5%.

This constant exchange rate increase reflects two items:

1. The full-year impact of two satellites entering service in 2003 (AMC-9 and AsiaSat 4, both in June), and the partial year impact of three satellites entering service in 2004 (AMC-10 in May, AMC-11 in November, and AMC-15 in December). Whilst four satellites in the SES GLOBAL fleet reached the end of their depreciation lives in the fourth quarter of 2004, this did not significantly reduce the current year depreciation charge compared to the prior year.
2. The full consolidation of the depreciation of NSAB's satellite fleet added around EUR 7.3 million to the Group's annual depreciation charge compared to the prior year.

At EUR 185.4 million the Group's amortisation charge is EUR 54.3 million, or 22.7% lower than in 2003. On a constant exchange rate basis, the reduction is EUR 41.0 million or 18.1%.

This is almost entirely a reflection of the one-off charge of EUR 45.0 million taken in 2003 in the framework of the acquisition of the remaining 50% shareholding in AAP, with the balance owing largely to the Group's share of an increased level of SATLYNX impairment charges.

Operating profit

Reflecting the items above, the Group's operating profit is EUR 307.3 million for 2004, a reduction of EUR 64.4 million, or 17.3% on 2003. On a constant exchange rate basis the reduction was EUR 55.9 million, or 15.4%.

Net financing charges including value adjustments on financial assets

For the year ending December 31, 2004, the Group had net financing income of EUR 6.9 million, compared to a net financing expense of EUR 7.4 million in the prior year. The development of the individual components of the finance charge is set out below:

	2004 EUR million	2003 EUR million	Variance EUR million
Net interest expense	**(36.3)**	(56.6)	20.3
Capitalised interest	**20.2**	20.3	(0.1)
Net foreign exchange gains	**28.9**	34.5	(5.6)
Value adjustments	**(5.9)**	(5.6)	(0.3)
Financing charges and value adjustments	**6.9**	(7.4)	14.3

Whilst the borrowing levels remained relatively consistent in 2004, there had been a fall in net debt of 36% in 2003 and the full-year impact of this, and the impact of the weaker USD on dollar-denominated interest charges, are the main drivers of the fall in net interest charges in the year. The Group also generated favourable interest margins on financial derivatives, further reducing the overall net interest burden.

Capitalised interest continued at the levels seen in 2003 as the satellite procurement programmes developed.

Net foreign exchange gains, at EUR 28.9 million, arose primarily on the short-term USD positions and the valuation to market of financial instruments.

The value adjustments in 2004 reflect predominantly a provision made of EUR 6.7 million against the carrying value of the investment in ORBCOMM.

Taxation

For the year ended December 31, 2004, the Group reports a tax charge of EUR 57.1 million compared to EUR 131.2 million in 2003, representing a reduction of EUR 74.1 million, or 56.5%.

This reduction is generated primarily by the EUR 60.0 million release of provisions for deferred tax as part of the Group restructuring. The balance of the reduction of EUR 14.1 million is mainly attributable to lower profits before tax of EUR 50.1 million.

Share of associates' result

The share of associates' result decreases from EUR 4.5 million in 2003 to EUR 1.2 million in 2004, a reduction of EUR 3.3 million. The main contributor to this reduction is Accelon where the continuing build-up of business operations generated an increase to the share of associates' loss of EUR 2.5 million.

Minority interest

The allocation of EUR 28.4 million (2003: EUR 32.2 million) relates to the 65.9% minority interest in AsiaSat and the 25% minority interest in NSAB subsequent to its full consolidation from February 2004. Whilst the minority interest in AsiaSat statutory earnings remained in line with 2003, NSAB reports negative statutory net income for the first half of 2004. The allocation of part of this loss to the minority shareholder results in the slight fall in overall minority interests year-on-year.

Profit of the Group

Profit of the Group is EUR 229.9 million for 2004, an increase of EUR 24.5 million, or 11.9%, over the corresponding period of the prior year.

Earnings per A Share are EUR 0.38, compared to EUR 0.34 in 2003.

Capital expenditure

Capital expenditure in the period was EUR 531.6 million, a significant increase over the prior year level of EUR 317.0 million, and a reflection of the intensive satellite procurement programme.

SES ASTRA is procuring two new satellites ASTRA 1KR and ASTRA 1L, due for launch in November 2005 and November 2006 respectively. SES AMERICOM launched four satellites in the course of 2004: AMC-10 in February; AMC-11 in May; AMC-15 in October; and AMC-16 in December. Furthermore, the satellite AMC-12 was launched in February 2005, and two further satellite programmes for SES AMERICOM are underway, AMC-14 and AMC-23.

Cash flow

Net operating cash flow for the year rose EUR 8.3 million from EUR 873.8 million in 2003 to EUR 882.1 million.

At the free cash flow level, the Group recorded EUR 222.0 million, as against EUR 940.3 million in 2003. The reduction of EUR 718.3 million is primarily attributable to the following two factors:

1. Exceptional contributions of EUR 439.4 million in 2003 from insurance claim proceeds and settlement of swap transactions; and
2. An increase of EUR 219.3 million in the cash applied to the acquisition of tangible assets driven by the intense satellite procurement programme.

Net debt

Net debt at the end of 2004 shows a further fall of 4.7% from EUR 1,699.1 million to EUR 1,619.7 million.

	Cash EUR million	Borrowings EUR million	Net debt EUR million
Net debt at December 31, 2003	(309.7)	2,008.8	1,699.1
Net increase of borrowings	(154.4)	154.4	0.0
Reduction in cash holdings	5.4	0.0	5.4
Exchange movement on borrowings	–	(84.8)	(84.8)
Net debt at December 31, 2004	(458.7)	2,078.4	1,619.7

Contract backlog

Group contract backlog fell from EUR 6.4 billion at the year-end 2003 to EUR 6.2 billion at December 31, 2004. This reduction is significantly attributable to the weaker USD at the end of 2004, with the reduction on a constant exchange rate basis being only 1.4%.

3. Transition to International Financial Reporting Standards (‘IFRS’)

In compliance with the European Parliament and Council Regulation 1606/2002 on the application of IFRS adopted on July 19, 2002, the Group will prepare its consolidated financial statements in accordance with IFRS beginning on January 1, 2005. Currently, the financial statements of the Group are drawn up in accordance with accounting principles and regulations generally accepted in the Grand Duchy of Luxembourg (‘Lux-GAAP’).

As the IFRS reporting framework has developed, the SES GLOBAL Group has consistently sought to adopt Lux-GAAP policies consistent with the new regulations, and hence the impact of the full transition to IFRS is limited.

The main differences between the profit and loss account for 2004 drawn up under IFRS compared to the current Lux-GAAP basis as they affect SES GLOBAL are as follows:

1. Under IFRS, AsiaSat is partially, rather than fully consolidated (no net profit impact).
2. Goodwill and indefinite-life intangible assets are no longer amortised, but rather are held at their carrying value as at December 31, 2003 and are then subject to impairment testing at each reporting date.

We set out below a summary reconciliation between net profit under Lux-GAAP and IFRS.

	EUR million
Net profit for 2004 as reported under Lux-GAAP	229.9
Non-amortisation of goodwill and indefinite life intangible assets	126.7
Other valuation adjustments	(8.9)
Net profit for 2004 as reported under IFRS	347.7

Full reconciliations for all financial statements will be provided in our IFRS financial reporting for the interim and full-year results of 2005.

Report of the independent auditor

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

Following our appointment by the Annual General Meeting of the Shareholders on May 6, 2004, we have audited the accompanying consolidated accounts of SES GLOBAL S.A. for the year ended December 31, 2004 and have read the related consolidated management report. These consolidated accounts and the consolidated management report are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these consolidated accounts based on our audit and to check that the consolidated management report is consistent with the consolidated accounts.

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

In our opinion, the accompanying consolidated accounts give, in conformity with Luxembourg legal and regulatory requirements, a true and fair view of the consolidated financial position of SES GLOBAL S.A. as at December 31, 2004 and of the consolidated results of its operations for the year then ended.

The consolidated management report is consistent with the consolidated accounts.

Ernst & Young
Société Anonyme
Réviseur d'entreprises

Werner WEYNAND

Luxembourg, February 17, 2005

Consolidated balance sheet

December 31, 2004

Assets	Note	2004 EUR million	2003 EUR million
Fixed assets			
Intangible assets	4		
Goodwill		**1,546.8**	1,781.0
Other intangibles		**937.4**	979.5
		2,484.2	2,760.5
Tangible assets in use	5		
Land and buildings		**92.9**	100.0
Plant and machinery			
– space segment		**2,404.4**	2,290.6
– ground segment		**126.8**	111.4
Other fixtures and fittings, tools and equipment		**14.3**	14.6
		2,638.4	2,516.6
Payment on account and assets in course of construction	6	**648.6**	686.7
		3,287.0	3,203.3
Financial assets			
Investments in associates	9	**74.6**	79.5
Long-term investments	10	**–**	5.0
Other financial assets	11	**91.8**	35.7
		166.4	120.2
Current assets			
Inventories	12	**2.5**	3.4
Trade debtors	13	**121.6**	119.8
Other debtors		**47.7**	37.3
Investments	14	**61.3**	36.2
Cross currency and interest rate swap agreements	15	**271.2**	113.7
Cash at bank and on deposit		**458.7**	309.7
		963.0	620.1
Prepayments and deferred charges		**69.2**	68.4
Deferred tax assets	18	**4.9**	4.5
Total assets		**6,974.7**	6,777.0

The notes are an integral part of the consolidated accounts.

Liabilities	Note	2004 EUR million	2003 EUR million
Capital and reserves			
Subscribed capital	16	**921.8**	921.8
Treasury shares at cost		**(19.7)**	(17.7)
Share premium account		**2,819.7**	2,819.7
Reserves			
– Legal reserve		**31.3**	24.5
– Other reserves		**124.4**	61.0
– Currency exchange reserve		**(891.6)**	(768.1)
Result brought forward		**1.2**	1.2
Profit of the Group		**229.9**	205.4
		3,217.0	3,247.8
Minority interests			
In capital and reserves		**251.0**	208.4
In the result for the year		**28.5**	32.2
		279.5	240.6
Provisions for liabilities and charges			
Provisions for pensions	17	**0.7**	0.6
Other provisions	17	**9.6**	10.3
Provisions for deferred taxes	18	**657.8**	635.1
		668.1	646.0
Creditors			
Amounts payable after more than one year			
Notes and bonds	19	**1,578.2**	1,621.9
Amounts owed to credit institutions	19	**500.1**	386.9
Other liabilities	20	**10.4**	32.6
		2,088.7	2,041.4
Amounts payable in less than one year			
Amounts owed to credit institutions	19	**–**	–
Payments received on account		**18.7**	12.8
Trade creditors		**103.4**	119.1
Tax and social security payable		**219.2**	155.9
Other liabilities	20	**109.6**	73.4
		450.9	361.2
Deferred income			
Upfront payments		**175.4**	163.3
Other deferred income		**95.1**	76.7
		270.5	240.0
Total liabilities		**6,974.7**	6,777.0

Consolidated profit and loss account

Year ended December 31, 2004

	Note	2004 EUR million	2003 EUR million
Net turnover	28	**1,079.8**	1,121.1
Other operating income	21	**66.8**	86.4
Total revenues	3	**1,146.6**	1,207.5
External charges	21	**(206.3)**	(171.2)
Staff costs	22	**(86.6)**	(78.8)
Other operating charges		**(11.6)**	(14.7)
Depreciation and amortisation	4,5	**(534.8)**	(571.1)
Operating profit		**307.3**	371.7
Interest receivable and similar income		**117.6**	102.3
Interest payable and similar charges		**(104.6)**	(103.4)
Value adjustment on investments	10,11	**(6.0)**	(6.3)
Profit on ordinary activities		**314.3**	364.3
Taxes	23	**(57.1)**	(131.2)
Profit for the financial year		**257.2**	233.1
Share of associates' result	9	**1.2**	4.5
Profit attributable to minority interests		**(28.5)**	(32.2)
Profit of the Group		**229.9**	205.4
Basic and diluted earnings per share (in Euro)	24		
A shares		**0.38**	0.34
B shares		**0.15**	0.14
C shares		**0.38**	0.34

The notes are an integral part of the consolidated accounts.

Consolidated statement of cash flow

Year ended December 31, 2004

	2004 EUR million	2003 EUR million
Cash flow from operating activities		
Consolidated net income before taxes	**314.3**	364.3
Taxes paid during the year	**(32.8)**	(81.5)
Net financing charges	**24.3**	23.7
Depreciation and amortisation	**534.8**	571.2
Amortisation of client upfront payments	**(31.9)**	(88.8)
Other non-cash items in profit and loss account	**13.0**	32.3
Provision for pension and other provisions	**(1.6)**	4.0
Result on disposal of fixed assets	**0.1**	2.9
Consolidated operating profit before working capital changes	**820.2**	828.1
Changes in operating assets and liabilities		
Decrease in inventories	**0.8**	0.2
(Increase)/decrease in trade debtors	**(4.2)**	43.4
(Increase)/decrease in other debtors	**(9.1)**	4.2
(Increase) in prepayments and deferred charges	**(4.4)**	(4.2)
(Decrease) in trade creditors	**(5.2)**	(36.9)
Increase/(decrease) in other creditors	**9.1**	(14.1)
Increase in payments received on account	**5.9**	7.3
Increase in upfront payments	**51.5**	61.7
Increase/(decrease) in other deferred income	**17.5**	(15.9)
Cash generated by operations	**61.9**	45.7
Net operating cash flow	**882.1**	873.8
Cash flow from investing activities		
Purchase of intangible assets	**(17.2)**	(2.2)
Purchase of tangible assets	**(514.6)**	(315.4)
Proceeds of insurance claims received for asset disposals	**–**	336.5
Disposal of tangible assets	**0.7**	2.2
Acquisition of further AAP shareholding (net of cash acquired)	**–**	(47.0)
Acquisition of further NSAB shareholding (net of cash acquired)	**(30.0)**	–
Acquisition of business assets from Verestar (net of cash acquired)	**(20.1)**	–
Realised proceeds on settlement of swap transactions	**–**	102.9
Proceeds on disposal of consolidated financial assets	**–**	3.6
Investment in non-consolidated financial assets	**(85.0)**	(16.3)
Proceeds on disposal of non-consolidated financial assets	**6.0**	2.2
Net cash (absorbed)/generated by investing activities	**(660.2)**	66.5
Cash flow from financing activities		
New borrowings	**154.4**	1,708.8
Repayment of borrowings	**0.3**	(2,372.2)
Dividends paid on ordinary shares (net of dividends received)	**(130.8)**	(123.7)
Dividends paid to minority shareholders	**(9.1)**	(53.1)
Net financing paid on non-operating activities	**(24.3)**	(23.7)
Acquisition of FDRs	**(12.8)**	(1.6)
Dividends from equity investments	**15.3**	4.5
Net cash absorbed by financing activities	**(7.0)**	(861.0)
Movements in exchange	**(65.9)**	(56.5)
Increase in cash	**149.0**	22.8
Net cash at beginning of the year	**309.7**	286.9
Net cash at end of the year	**458.7**	309.7

The notes are an integral part of the consolidated accounts.

Consolidated statement of changes in shareholders' equity

Year ended December 31, 2004

	Subscribed capital EUR million	Treasury shares EUR million	Share premium account EUR million	Legal reserve EUR million	Other reserves EUR million	Currency exchange reserve EUR million	Result brought forward EUR million	Profit of the year EUR million	Total EUR million
At January 1, 2003	**921.8**	**(17.8)**	**2,819.7**	**17.6**	**9.8**	**(380.8)**	**0.3**	**204.5**	**3,575.1**
Allocations of results	–	–	–	6.9	78.7	–	118.9	(204.5)	–
Dividend	–	–	–	–	(6.3)	–	(118.0)	–	(124.3)
Disposal of treasury shares	–	0.1	–	–	–	–	–	–	0.1
Result for the year	–	–	–	–	–	–	–	205.4	205.4
Impact of currency translation	–	–	–	–	–	(387.3)	–	–	(387.3)
Transfer to other liabilities (Note 26)	–	–	–	–	(21.2)	–	–	–	(21.2)
At December 31, 2003	**921.8**	**(17.7)**	**2,819.7**	**24.5**	**61.0**	**(768.1)**	**1.2**	**205.4**	**3,247.8**
Allocations of results	–	–	–	6.8	68.8	–	129.8	(205.4)	–
Dividend	–	–	–	–	–	–	(129.8)	–	(129.8)
Purchase of treasury shares	–	(2.0)	–	–	–	–	–	–	(2.0)
Result for the year	–	–	–	–	–	–	–	229.9	229.9
Impact of currency translation	–	–	–	–	–	(123.5)	–	–	(123.5)
Transfer to other liabilities (Note 26)	–	–	–	–	(5.4)	–	–	–	(5.4)
At December 31, 2004	**921.8**	**(19.7)**	**2,819.7**	**31.3**	**124.4**	**(891.6)**	**1.2**	**229.9**	**3,217.0**

The notes are an integral part of the consolidated accounts.

Notes to the consolidated accounts

December 31, 2004

Note 1 Corporate information

The consolidated financial statements of SES GLOBAL S.A. for the year ended December 31, 2004 were authorised for issue in accordance with a resolution of the Directors on February 17, 2005.

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

SES GLOBAL trades under 'SESG' on the Luxembourg Stock Exchange and Euronext Paris. Trading on the Frankfurt Stock Exchange ceased on December 8, 2004.

Note 2 Summary of significant accounting policies

Basis of preparation

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

Basis of consolidation

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

Use of estimates

The preparation of financial statements in accordance with Luxembourg GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated accounts, and reported amounts of revenues and expenses during that reporting period. Actual results could differ from those estimates.

Joint ventures

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

Investments in associates

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

Group restructuring

In June 2004, the Company commenced a restructuring of its shareholdings in Group subsidiaries. The purpose of the restructuring was to align the Group's structure with its different strategic pillars, both within the regional and the business segment dimensions, and to optimise the corporate Group and financing structure. The restructuring included the establishment of four new Luxembourg-based companies: SES GLOBAL Africa S.A., SES GLOBAL Europe S.A., SES GLOBAL Latin America S.A. and SES GLOBAL Participations S.A. The restructuring was substantially completed in 2004.

Note 2 Summary of significant accounting policies continued

Consolidated subsidiaries, joint ventures and associates

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

	Effective interest (%) 2004	Effective interest (%) 2003	Method of consolidation
SES ASTRA S.A., Luxembourg ('SES ASTRA')	**100.00**	100.00	Full
SES GLOBAL-Americas Inc., USA ('SES AMERICOM')	**100.00**	100.00	Full
SES GLOBAL-Americas Finance Inc., USA	**100.00**	100.00	Full
SES GLOBAL Asia S.A., Luxembourg [1]	**100.00**	100.00	Full
SES GLOBAL Europe S.A., Luxembourg	**100.00**	–	Full
SES GLOBAL Africa S.A., Luxembourg	**100.00**	–	Full
SES GLOBAL Latin America S.A., Luxembourg	**100.00**	–	Full
SES GLOBAL Participations S.A., Luxembourg	**100.00**	–	Full
Held through SES ASTRA S.A.:			
ASTRA Marketing GmbH, Germany	**100.00**	100.00	Full
ASTRA Marketing Ltd, United Kingdom	**100.00**	100.00	Full
ASTRA Marketing Iberica S.A., Spain	**100.00**	100.00	Full
ASTRA Marketing France S.A., France	**100.00**	100.00	Full
ASTRA Marketing Polska Sp. z o.o., Poland	**100.00**	100.00	Full
ASTRA Marketing GmbH, Austria	**100.00**	100.00	Full
SES Ré S.A., Luxembourg	**100.00**	100.00	Full
SES Capital Luxembourg S.A ., Luxembourg	**100.00**	100.00	Full
Nordic Satellite AB, Sweden ('NSAB') [2,3]	**75.00**	50.00	Full
Sirius Satellite Services SIA, Latvia [2,3]	**75.00**	50.00	Full
SES ASTRA Satellite Company 1 S.à r.l, Luxembourg	**100.00**	–	Full
SES ASTRA Satellite Company 2 S.à r.l, Luxembourg	**100.00**	–	Full
SES ASTRA Satellite Company 3 S.à r.l, Luxembourg	**100.00**	–	Full
SES ASTRA Satellite Company 4 S.à r.l, Luxembourg	**100.00**	–	Full
Held through SES GLOBAL-Americas Inc.:			
SES Subsidiary 23 Inc., USA	**100.00**	100.00	Full
SES Subsidiary 24 Inc., USA	**100.00**	100.00	Full
SES Subsidiary 25 Inc., USA	**100.00**	100.00	Full
SES Subsidiary 26 Inc., USA	**100.00**	100.00	Full
SES AMERICOM, Inc., USA	**100.00**	100.00	Full
SES AMERICOM PAC, Inc., USA	**100.00**	100.00	Full
Worldsat LLC, USA	**100.00**	100.00	Full
Communications Satellite Int. Marketing Inc., USA	**100.00**	100.00	Full
SES AMERICOM International Holdings, Inc., USA	**100.00**	100.00	Full
SES AMERICOM Canada, Inc., Canada	**100.00**	100.00	Full
SES AMERICOM (Brazil) Holdings, LLC, USA	**100.00**	100.00	Full
SES AMERICOM do Brasil, Ltda., Brazil	**100.00**	100.00	Full
SES AMERICOM do Brasil Multimidia Holdings, Ltda., Brazil	**100.00**	100.00	Full
SES AMERICOM do Brasil Multimidia, Ltda., Brazil	**100.00**	100.00	Full
SES AMERICOM UK Ltd., United Kingdom	**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**	–	Equity
SES GLOBAL Insurance Ltd, Bermuda	**100.00**	–	Full
Columbia Communications Corporation, USA	**100.00**	100.00	Full
Columbia/WIGUSA Communications, Inc., USA	**100.00**	100.00	Full
SES Satellites International, Inc., USA	**100.00**	100.00	Full
SES Satellites (Gibraltar) Ltd., Gibraltar	**100.00**	100.00	Full
SES AMERICOM Colorado, Inc., USA	**100.00**	100.00	Full
AMC-1 Holdings LLC, USA	**100.00**	–	Full
AMC-2 Holdings LLC, USA	**100.00**	–	Full
AMC-3 Holdings LLC, USA	**100.00**	–	Full

Note 2 Summary of significant accounting policies continued

	Effective interest (%) 2004	Effective interest (%) 2003	Method of consolidation
AMC-5 Holdings LLC, USA	**100.00**	–	Full
AMC-6 Holdings LLC, USA	**100.00**	–	Full
AMC-8 Holdings LLC, USA	**100.00**	–	Full
AMC-9 Holdings LLC, USA	**100.00**	–	Full
AMC-10 Holdings LLC, USA	**100.00**	–	Full
AMC-11 Holdings LLC, USA	**100.00**	–	Full
SES AMERICOM (Asia 1A) LLC, USA	**100.00**	100.00	Full
AMERICOM Asia Pacific LLC, USA ('AAP')	**100.00**	100.00	Full
Worldsat-2 Holdings LLC, USA	**100.00**	–	Full
Worldsat-3 Holdings LLC, USA	**100.00**	–	Full
SES AMERICOM California, Inc., USA	**100.00**	100.00	Full
AMC-4 Holdings LLC, USA	**100.00**	–	Full
AMC-7 Holdings LLC, USA	**100.00**	–	Full
AMC-15 Holdings LLC, USA	**100.00**	–	Full
AMC-16 Holdings LLC, USA	**100.00**	–	Full
Starsys Global Positioning Inc., USA	**80.00**	80.00	Full
Held through SES GLOBAL Asia S.A.[1]:			
SES GLOBAL Holding AG, Switzerland	**100.00**	–	Full
Bowenvale Ltd, British Virgin Islands	**49.50**	49.50	Full
Asia Satellite Telecommunications Holdings Ltd, Bermuda	**34.10**	34.10	Full
Auspicious City Limited, Hong Kong	**34.10**	34.10	Full
PhoenixNet Holdings Ltd, Hong Kong ('PhoenixNet')	**36.52**	36.52	Equity
Speedcast Ltd, Hong Kong ('Speedcast')	**36.52**	36.52	Equity
Held through SES GLOBAL Europe S.A.:			
SES Capital Belgium S.A., Belgium[4]	**100.00**	100.00	Full
ND SatCom AG, Germany ('ND SatCom')[4]	**10.00**	10.00	Equity
iBEAM Europe Ltd., U.K. (liquidated)[4]	**–**	33.33	Equity
SES ASTRA TechCom S.A., Luxembourg	**100.00**	–	Full
SES ASTRAnet S.A., Luxembourg[4,5]	**100.00**	100.00	Full
SATLYNX S.A., Luxembourg ('Satlynx')[3]	**41.61**	45.23	Proportional
SATLYNX sro, Czech Republic[3]	**41.61**	45.23	Proportional
SATLYNX S.A., France[3]	**41.61**	45.23	Proportional
SATLYNX GmbH, Germany[3]	**41.61**	45.23	Proportional
SATLYNX Srl, Italy[3]	**41.61**	45.23	Proportional
SATLYNX Ltd., U.K.[3]	**41.61**	45.23	Proportional
SATLYNX BV, The Netherlands[3]	**41.61**	45.23	Proportional
SATLYNX Europe SL, Spain[3]	**41.61**	45.23	Proportional
Held through SES GLOBAL Africa S.A.:			
Accelon Ltd, South Africa ('Accelon')[4,6]	**43.55**	40.96	Equity
SES GLOBAL Satellite Leasing Ltd, Isle of Man	**100.00**	–	Full
SES GLOBAL Pty., South Africa	**100.00**	–	Full
Held through SES GLOBAL Latin America S.A.:			
SES do Brasil Ltda., Brazil[3]	**100.00**	100.00	Full
Star One S.A., Brazil ('Star One')[3]	**19.99**	19.99	Equity
SES GLOBAL-South Americas Inc., USA	**100.00**	100.00	Full
Nahuelsat S.A., Argentina	**28.75**	28.75	Equity

1 Formerly SES Finance S.A.
2 42.66% held by SES ASTRA S.A. 32.34% held by SES GLOBAL Americas Holdings GP
3 Previously held by SES GLOBAL Asia S.A. (formerly SES Finance S.A.)
4 Previously held by SES ASTRA S.A.
5 Formerly SES Multimedia S.A.
6 Formerly IP Direct (Proprietary) Ltd.

Notes to the consolidated accounts continued

December 31, 2004

Note 2 Summary of significant accounting policies continued

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

Partnership interests

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

Intangible assets

Goodwill

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

Other intangibles

Intangible assets, consisting principally of rights of usage of orbital frequencies and acquired transponder service agreements, are amortised on a straight-line basis over a period not exceeding 21 years.

Development costs

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

Tangible assets

Land and buildings

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

Plant and machinery – space segment

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

Plant and machinery – ground segment

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

Other fixtures, fittings, tools and equipment

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

Payments on account and assets in course of construction

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

Impairment of long-lived and intangible assets

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

Loan origination costs

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

Financial assets

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

Note 2 Summary of significant accounting policies continued

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

Debtors
Debtors are stated at anticipated realisable value.

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

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

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

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

Revenue recognition
The Group enters into contracts to provide high quality satellite transponder capacity and broadcasting services through which television, radio and data broadcasting make available programming services to the general public. Revenues are generated primarily from service agreements with customers to provide satellite transponder services.

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

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

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

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

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

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

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

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

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

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

EUR 1 =	Closing rate December 31, 2003	Average rate for the year 2004	Closing rate December 31, 2004
US dollar	1.26	1.24	1.36
Hong Kong dollar	9.78	9.67	10.60
Swedish krona	9.05	9.12	9.02

Note 2 Summary of significant accounting policies continued

Concentration of credit risk

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

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

Basic and diluted earnings per share

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

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

Advertising costs

The Group expenses all advertising costs as incurred.

Derivative financial instruments

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 profit and loss account 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 either:

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

1. Fair value hedges

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

2. Cash flow hedges

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

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

3. Net investment hedges

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

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

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

Note 2 Summary of significant accounting policies continued

Accounting for pension obligations

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

Leases

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

Note 3 Segment information

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

SES ASTRA is the leading direct-to-home satellite operator in Europe. The ASTRA fleet comprises 12 satellites, delivering TV and radio services to homes throughout Europe. SES ASTRA also transmits high-speed broadband services and provides capacity for two-way satellite applications. Additionally, the product portfolio includes direct-to-cable and occasional use services.

SES AMERICOM operates a fleet of 18 satellites serving the Americas, Europe and the Asia-Pacific region, including satellites providing transoceanic services. The company also offers a full range of broadband services to enterprise and government markets.

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

The 'Other Participations' segment includes the Group's participations in the holding companies SES GLOBAL S.A. and SES GLOBAL Asia S.A., and from June 2004 onwards, SES GLOBAL Europe S.A., SES GLOBAL Africa S.A., SES GLOBAL Latin America S.A. and SES GLOBAL Participations S.A. In addition, the segment also includes affiliated companies such as SATLYNX and Star One. Up until January 2004, the 'Other Participations' segment also included NSAB, although this was transferred to the ASTRA segment upon the Group taking a controlling shareholding in the company in February 2004. Until June 2003, the 'Other Participations' segment had also included AAP, which was transferred to AMERICOM on the Group's acquisition of full control in July 2003.

The Group plans to re-align its segmental reporting in 2005 following the finalisation of the Group restructuring.

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

Notes to the consolidated accounts continued

December 31, 2004

Note 3 Segment information continued

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

For the year ended December 31, 2004 and as at that date:

	SES ASTRA EUR million	SES AMERICOM EUR million	AsiaSat EUR million	Other EUR million	Elimination and consolidation adjustments EUR million	Total EUR million
Segmental result						
External sales	691.0	367.6	104.4	16.6	(33.0)	1,146.6
Inter-segment sales	6.4	0.8	–	–	(7.2)	–
Total revenue	**697.4**	**368.4**	**104.4**	**16.6**	**(40.2)**	**1,146.6**
Operating expenses	(135.0)	(137.1)	(26.0)	(35.8)	29.4	(304.5)
EBITDA	**562.4**	**231.3**	**78.4**	**(19.2)**	**(10.8)**	**842.1**
Depreciation	(180.1)	(128.3)	(30.0)	(11.0)	–	(349.4)
Amortisation of goodwill	(2.5)	(98.6)	(1.0)	(15.6)	–	(117.7)
Amortisation of other intangible assets	(33.5)	(17.6)	(10.2)	(6.4)	–	(67.7)
Operating profit	**346.3**	**(13.2)**	**37.2**	**(52.2)**	**(10.8)**	**307.3**
Segmental assets						
Goodwill	34.3	1,505.4	4.7	2.4	–	1,546.8
Other intangible assets	509.7	281.3	146.4	–	–	937.4
Tangible assets	1,138.6	1,861.1	278.6	8.7	–	3,287.0
Financial assets	65.1	–	1.9	99.4	–	166.4
Other assets	149.9	31.6	35.4	345.1	–	562.0
Segmental assets	1,897.6	3,679.4	467.0	455.6	–	6,499.6
Unallocated assets						475.1
Total assets						**6,974.7**
Segmental liabilities						
Segmental liabilities	336.4	146.8	33.5	14.8	–	531.5
Unallocated liabilities						2,946.7
Total liabilities						**3,478.2**
Capital expenditure	**108.0**	**416.4**	**5.4**	**34.7**	**(32.9)**	**531.6**

Of the total reported share of associates' results for 2004 of EUR 1.2 million, EUR (3.6) million arose in the SES ASTRA segment and EUR (1.3) million in the AsiaSat segment. The balance of EUR 6.1 million was attributable to the Other Participations segment.

Note 3 Segment information continued

For the year ended December 31, 2003 and as at that date:

	SES ASTRA EUR million	SES AMERICOM EUR million	AsiaSat EUR million	Other EUR million	Elimination and consolidation adjustments EUR million	Total EUR million
Segmental result						
External sales	655.5	412.6	103.1	36.3	–	1,207.5
Inter-segment sales	5.8	4.1	–	0.7	(10.6)	–
Total revenue	**661.3**	**416.7**	**103.1**	**37.0**	**(10.6)**	**1,207.5**
Operating expenses	(116.1)	(87.7)	(18.2)	(53.3)	10.6	(264.7)
EBITDA	**545.2**	**329.0**	**84.9**	**(16.3)**	**–**	**942.8**
Depreciation	(157.3)	(134.7)	(25.5)	(13.9)	–	(331.4)
Amortisation of goodwill	(0.9)	(107.9)	(1.0)	(20.4)	–	(130.2)
Amortisation of other intangible assets	(30.6)	(66.2)	(10.2)	(2.5)	–	(109.5)
Operating profit	**356.4**	**20.2**	**48.2**	**(53.1)**	**–**	**371.7**
Segmental assets						
Goodwill	–	1,720.7	15.2	45.1	–	1,781.0
Other intangible assets	483.4	308.9	152.9	34.3	–	979.5
Tangible assets	1,077.1	1,741.7	325.7	58.8	–	3,203.3
Financial assets	9.3	1.9	0.7	108.3	–	120.2
Other assets	131.8	15.0	21.0	211.0	–	378.8
Segmental assets	1,701.6	3,788.2	515.5	457.5	–	6,462.8
Unallocated assets						314.2
Total assets						**6,777.0**
Segmental liabilities						
Segmental liabilities	275.2	144.6	39.2	33.8	–	492.8
Unallocated liabilities						2,795.8
Total liabilities						**3,288.6**
Capital expenditure	**83.3**	**234.4**	**19.3**	**2.6**	**(22.6)**	**317.0**

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

Note 4 Intangible assets

	Goodwill EUR million	Other intangibles* EUR million	Development costs EUR million	Total EUR million
Net book value at January 1, 2003	**2,470.1**	**928.0**	**7.9**	**3,406.0**
Movements in 2003 on cost				
Cost at January 1, 2003	2,676.1	1,007.5	8.5	3,692.1
Change of scope	(4.3)	3.9	–	(0.4)
Additions	1.7	2.0	–	3.7
Disposals	–	(48.4)	–	(48.4)
Reclassification	(250.1)	257.6	–	7.5
Impact of currency translation	(385.7)	(72.6)	–	(458.3)
Cost at December 31, 2003	2,037.7	1,150.0	8.5	3,196.2
Movements in 2003 on accumulated amortisation				
Amortisation at January 1, 2003	(206.0)	(79.5)	(0.6)	(286.1)
Amortisation – change of scope	1.0	–	–	1.0
Amortisation	(121.1)	(106.0)	(1.2)	(228.3)
Impairment	(9.1)	–	(2.3)	(11.4)
Reclassification	44.2	(44.2)	–	–
Reversal of accumulated amortisation	–	48.4	–	48.4
Impact of currency translation	34.3	6.4	–	40.7
Accumulated amortisation as at December 31, 2003	(256.7)	(174.9)	(4.1)	(435.7)
Net book value at December 31, 2003	**1,781.0**	**975.1**	**4.4**	**2,760.5**
Movements in 2004 on cost				
Cost at January 1, 2004	2,037.7	1,150.0	8.5	3,196.2
Change of scope	(1.6)	29.5	–	27.9
Additions	4.2	17.5	–	21.7
Disposals	–	(6.8)	(8.5)	(15.3)
Impact of currency translation	(145.5)	(26.3)	–	(171.8)
Cost at December 31, 2004	1,894.8	1,163.9	–	3,058.7
Movements in 2004 on accumulated amortisation				
Amortisation at January 1, 2004	(256.7)	(174.9)	(4.1)	(435.7)
Amortisation – change of scope	1.8	0.1	–	1.9
Amortisation	(106.7)	(59.1)	(0.9)	(166.7)
Impairment	(11.0)	(4.1)	(3.6)	(18.7)
Reversal of accumulated amortisation	–	3.2	8.5	11.7
Impact of currency translation	24.6	8.3	0.1	33.0
Accumulated amortisation as at December 31, 2004	(348.0)	(226.5)	–	(574.5)
Net book value at December 31, 2004	**1,546.8**	**937.4**	**–**	**2,484.2**

* Includes rights of usage of orbital frequencies and acquired transponder service agreements.

Note 4 Intangible assets continued

Goodwill

Goodwill disclosed arose on the acquisition of SES AMERICOM, Bowenvale Ltd., NSAB and SATLYNX. Furthermore goodwill was generated at SATLYNX on the acquisition of certain subsidiaries. All goodwill is being amortised over a useful life which currently does not exceed 20 years.

During the year impairment charges of EUR 11.0 million (2003: EUR 9.1 million) have been recorded in the books of SATLYNX to reflect the current trading position of the company. As at December 31, 2004, all the goodwill arising on the acquisition of SATLYNX subsidiaries was fully written down.

Goodwill amounting to EUR 1.5 million arose on the acquisition of an additional 25% of the share capital of NSAB with a further addition of EUR 1.6 million to goodwill arising on the acquisition of certain business assets of Verestar. Additional detail on these transactions can be found in Note 7.

The principal component of the addition in 2003 of EUR 1.7 million related to the contingent settlement of a purchase agreement between SES AMERICOM and Columbia Communications Corporation.

Other intangible assets

Other intangible assets comprise rights of usage of orbital frequencies relating to SES ASTRA, SES AMERICOM, AsiaSat and NSAB and acquired transponder service agreements arising on the acquisition of SES AMERICOM. SES ASTRA has concluded an agreement 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. As such these usage rights are being written off on a straight-line basis over the 21-year term of the agreement. Arising from the acquisition of the additional 25% interest in NSAB in 2004, the Group decided to align its accounting treatment for the classification of acquired orbital frequencies usage rights. As a result EUR 238.9 million (EUR 224.0 million net of amortisation) has been reclassified from goodwill to other intangibles. The comparative figures have been adjusted for comparability purposes.

A termination fee payment from Lockheed Martin in respect of contracted revenues for use of the AAP orbital position was received during 2003 (see Note 21). As a result, the intangible asset representing the value of this contract was completely written off in the same year through an amortisation charge of EUR 45.0 million.

In 2004, an impairment charge of EUR 4.1 million was made on the intangible assets held by SATLYNX.

Development costs

The Group capitalised development costs amounting to EUR 8.5 million relating to the development of satellite interactive terminals, which allow the use of two-way interactive services technology. In 2003 and 2004, impairments of EUR 2.3 million and EUR 3.6 million respectively were recognised on this asset to reflect changes in business assumptions concerning these development projects. As at the end of the year, 2004, these capitalised costs have been fully written off.

Notes to the consolidated accounts continued

December 31, 2004

Note 5 Tangible assets in use

	Land and buildings EUR million	Plant and machinery Space segment EUR million	Plant and machinery Ground segment EUR million	Other fixtures and fittings, tools and equipment EUR million	Total EUR million
Net book value at January 1, 2003	**94.6**	**2,332.6**	**120.8**	**17.9**	**2,565.9**
Movements in 2003 on cost					
Cost at January 1	139.7	3,850.5	339.8	61.5	4,391.5
Change of consolidation scope	(0.5)	39.1	(0.7)	(0.2)	37.7
Additions	2.2	6.6	14.2	4.1	27.1
Disposals	(0.5)	(138.2)	(16.4)	(1.8)	(156.9)
Adjustment finance lease	(0.2)	–	–	–	(0.2)
Transfers from assets in the course of construction	13.0	433.5	14.2	2.7	463.4
Reclassification	–	–	1.6	–	1.6
Impact of currency translation	(4.5)	(307.9)	(29.9)	(2.6)	(344.9)
Cost at December 31	149.2	3,883.6	322.8	63.7	4,419.3
Movements in 2003 on amortisation					
Accumulated amortisation at January 1	(45.1)	(1,517.9)	(219.0)	(43.6)	(1,825.6)
Change of consolidation scope	–	1.4	2.1	0.1	3.6
Depreciation	(7.0)	(287.0)	(27.8)	(9.6)	(331.4)
Depreciation on disposals	0.5	138.2	12.5	1.8	153.0
Reclassifications	–	–	(1.6)	–	(1.6)
Impact of currency translation	2.4	72.3	22.4	2.2	99.3
Accumulated amortisation at December 31	(49.2)	(1,593.0)	(211.4)	(49.1)	(1,902.7)
Net book value at December 31, 2003	**100.0**	**2,290.6**	**111.4**	**14.6**	**2,516.6**
Movements in 2004 on cost					
Cost at January 1	149.2	3,883.6	322.8	63.7	4,419.3
Change of consolidation scope	(0.4)	110.0	9.6	0.5	119.7
Additions	2.0	5.7	37.8	5.8	51.3
Disposals	–	(183.0)	(1.9)	(1.6)	(186.5)
Transfers from assets in the course of construction	0.2	465.3	8.3	1.1	474.9
Impact of currency translation	(2.3)	(141.9)	(12.5)	(1.0)	(157.7)
Cost at December 31	148.7	4,139.7	364.1	68.5	4,721.0
Movements in 2004 on amortisation					
Accumulated amortisation at January 1	(49.2)	(1,593.0)	(211.4)	(49.1)	(1,902.7)
Change of consolidation scope	–	(36.5)	(8.6)	(0.2)	(45.3)
Depreciation	(7.6)	(306.6)	(28.3)	(6.9)	(349.4)
Depreciation on disposals	–	164.7	1.6	1.1	167.4
Reclassifications	–	–	–	–	–
Impact of currency translation	1.0	36.1	9.4	0.9	47.4
Accumulated amortisation at December 31	**(55.8)**	**(1,735.3)**	**(237.3)**	**(54.2)**	**(2,082.6)**
Net book value at December 31, 2004	**92.9**	**2,404.4**	**126.8**	**14.3**	**2,638.4**

The carrying value of fixed assets held under finance lease contracts at December 31, 2004 is EUR 9.1 million (2003: EUR 7.9 million).

Note 6 Payment on account and assets in course of construction

	Land and buildings EUR million	Space segment EUR million	Ground segment EUR million	Total EUR million
Cost and net book value as at January 1, 2003	**7.4**	**983.2**	**17.5**	**1,008.1**
Movements in 2003				
Additions	6.5	274.8	8.6	289.9
Disposals	–	–	–	–
Transfers to assets in use	(13.0)	(433.5)	(16.9)	(463.4)
Impact of currency translation	(0.9)	(146.2)	(0.8)	(147.9)
Cost at December 31, 2003	**–**	**678.3**	**8.4**	**686.7**
Movements in 2004				
Change of consolidated scope	–	–	–	–
Additions	0.1	470.8	9.4	480.3
Asset write-downs related to disposals	–	–	–	–
Transfers to assets in use	(0.1)	(465.3)	(9.5)	(474.9)
Impact of currency translation	–	(43.1)	(0.4)	(43.5)
Cost at December 31, 2004	**–**	**640.7**	**7.9**	**648.6**

Borrowing costs of EUR 20.2 million (2003: EUR 20.3 million) arising on financing specifically relating to satellite construction were capitalised during the year and are included in 'Space segment' additions in the above table. A weighted average capitalisation rate of 2.53% (2003: 2.76%) was used, representing the borrowing cost of the relevant loans.

Note 7 Business combinations

NSAB

On February 2, 2004, the Group acquired a further 25% of the share capital in NSAB from Swedish Space Corporation for a total consideration of EUR 38.8 million, raising the Group's shareholding from 50% to 75%. As from that date, NSAB is fully consolidated in the Group's financial statements.

The fair value of the net assets acquired, and goodwill arising, on the transaction were as follows:

	Fair value EUR million
Intangible assets	14.9
Tangible assets	36.7
Financial assets	0.1
Trade and other debtors	2.4
Cash at bank and on deposit	4.4
Prepayments and deferred charges	1.0
Provisions	(9.5)
Other long-term liabilities	(10.4)
Current liabilities	(1.0)
Other deferred income	(1.3)
Net assets	37.3
Goodwill arising on acquisition	1.5
Total consideration	**38.8**

Verestar

On December 1, 2004, the Group acquired certain business assets from Verestar for a total consideration of EUR 20.1 million.

	Fair value EUR million
Intangible assets	0.5
Tangible assets	21.5
Trade and other debtors	2.3
Cash at bank and on deposit	1.6
Prepayments and deferred charges	4.9
Provisions	(7.8)
Current liabilities	(4.5)
Net assets	18.5
Goodwill arising on acquisition	1.6
Total consideration	**20.1**

Notes to the consolidated accounts continued

December 31, 2004

Note 7 Business combinations continued

AMERICOM Asia Pacific LLP ('AAP')

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

Note 8 Interests in joint ventures

SATLYNX S.A.

In May 2002, the Group and Gilat Satellite Networks (Holland) B.V. ('Gilat') created a joint venture company, SATLYNX S.A. On June 3, 2003, SATLYNX increased its share capital by means of the issuance of new shares to Alcatel Spacecom S.A.S and Skybridge LP. This resulted in a dilution of the Group's shareholding from 50% to 45.23% at that date.

On March 10, 2004, SATLYNX issued additional new shares to Alcatel Spacecom S.A.S, resulting in a further dilution of the Group's shareholding to 41.69%. This transaction, along with other smaller issuances, has resulted in an overall dilution in the Group's shareholding to 41.61% as at December 31, 2004.

The Group's share of the assets, liabilities, revenue and expenses included in the consolidated accounts (before the elimination of intra-Group transactions) are as follows at December 31, 2004 and December 31, 2003 and for the years then ended.

	2004 EUR million	2003 EUR million
Fixed assets	**7.7**	35.4
Current assets	**3.2**	5.7
Prepayments, deferred charges and deferred tax assets	**0.2**	4.7
Provisions for liabilities and charges	**0.7**	0.6
Amounts payable after more than one year	**8.8**	8.9
Amounts payable in less than one year	**6.2**	6.9
Deferred income	**0.1**	0.1
Revenue	**9.9**	12.2
Operating expenses	**(47.9)**	(45.6)
Finance income/(expenses)	**0.1**	0.3
Loss before income tax	**(37.9)**	(33.1)
Taxes	**–**	(0.1)
Net loss	**(37.9)**	(33.2)

Note 9 Investments in associates

On December 31, 2004, the Group held interests in five associates accounted for under the equity method. These were: Star One (19.99%); Nahuelsat (28.75%), Speedcast (36.52%), Accelon (43.55%) and ND SatCom (10.00%).

At December 31, 2004, these investments have the following carrying values in the consolidated financial statements:

	Brought Forward EUR million	Dividends EUR million	Additions EUR million	Transfer EUR million	Share of results EUR million	Impact of currency translation EUR million	Carrying value EUR million
Star One	77.8	(15.3)	–	–	7.6	1.0	71.1
Nahuelsat	1.5	–	–	–	(1.5)	–	–
Speedcast	–	–	2.5	–	(1.3)	0.1	1.3
Accelon	0.2	–	2.2	1.2	(3.7)	0.1	–
ND SatCom	–	–	–	2.1	0.1	–	2.2
2004	**79.5**	**(15.3)**	**4.7**	**3.3**	**1.2**	**1.2**	**74.6**
2003	77.5	(4.4)	1.4	–	4.5	0.5	79.5

Investments in associates at December 31, 2004 include goodwill of EUR 24.0 million (2003: EUR 26.7 million). Amortisation of goodwill of EUR 2.9 million (2003: EUR 4.2 million) is included in the share of associates' result.

The investment in ND SatCom was accounted for in the prior year, and in the current year up to July 15, as a long-term investment. On that date, the Group acquired an option to increase their shareholding in ND SatCom up to 25%, exercisable at the discretion of the Group. As a result, subsequent to July 15, 2004, the investment has been accounted for as an associate.

SES GLOBAL's share of shareholders' equity of the interests listed above was as follows at December 31, 2004: Speedcast EUR 0.5 million; Star One EUR 41.0 million; Nahuelsat EUR (1.1) million; Accelon EUR (0.5) million; ND SatCom EUR 1.5 million.

Note 10 Long-term investments

At December 31, 2004 the Group held long-term equity investments in the following companies:

	Historic cost EUR million	Brought forward book value EUR million	Additions/ disposals EUR million	Transfer EUR million	Impact of currency translation EUR million	Value adjustment EUR million	Carrying value EUR million
ND SatCom[1]	–	2.1	–	(2.1)	–	–	–
NetSystem.com	–	–	–	–	–	–	–
Gilat	–	2.9	(3.4)	–	(0.2)	0.7	–
ORBCOMM	6.7	–	6.7	–	–	(6.7)	–
Total 2004	**6.7**	**5.0**	**3.3**	**(2.1)**	**(0.2)**	**(6.0)**	**–**
Total 2003	28.5	8.4	2.8	–	(0.1)	(6.1)	5.0

1 The treatment of the investment in ND SatCom was changed with effect from July 15, 2004 from an investment to an associate, accounted for using equity accounting, to reflect the Company's significant influence on the business.

Note 11 Other financial assets

At December 31, 2004 the Group held the following other financial assets:

	Historic cost EUR million	Brought forward book value EUR million	Additions/ disposals EUR million	Transfer EUR million	Impact of currency translation EUR million	Value adjustment EUR million	Carrying value EUR million
Loan to Able Star[2]	29.7	32.2	–	–	(2.4)	–	29.8
Loan to ND SatCom	4.8	0.7	4.0	–	–	–	4.7
Loan to Accelon	0.5	1.8	–	(1.2)	(0.2)	–	0.4
DPC prepayment[3]	55.7	–	55.7	–	–	–	55.7
Other assets	3.1	1.0	0.1	–	–	–	1.1
2004	**93.8**	**35.7**	**59.8**	**(1.2)**	**(2.6)**	**–**	**91.7**
2003	39.1	40.1	2.2	–	(6.4)	(0.2)	35.7

2 The loan of USD 40.5 million was made in 1999 to Able Star Associates Limited, British Virgin Islands, a fully owned subsidiary of the Chinese International Trust and Investment Corporation ('CITIC'). The purpose of this loan was to enable CITIC to purchase additional shares in Bowenvale Ltd. to achieve the desired ownership structure. The loan bears interest at market rates and is repayable on January 15, 2006. No repayments were made in 2004.

3 This relates to a deposit to the lawyers acting for the DPC selling shareholders in connection with the purchase of that company (see Note 29).

Note 12 Inventories

	2004 EUR million	2003 EUR million
Raw materials at net realisable value	**0.5**	–
Work-in-progress (at cost)	**1.9**	1.8
Finished goods	**0.1**	1.6
Total inventories at lower of cost and net realisable value	**2.5**	3.4
Raw material at cost	**0.8**	–
Finished goods at cost	**0.1**	2.1

Note 13 Trade debtors

	2004 EUR million	2003 EUR million
Outstanding invoices on billed revenues	**32.8**	33.4
Unbilled accrued revenue	**88.8**	86.4
Trade debtors	**121.6**	119.8

Unbilled accrued revenue represents revenues for use of satellite capacity under long-term contracts but not billed. Billing will occur based on the terms of the contracts. Trade debtors are stated net of accumulated provisions of EUR 32.2 million (2003: EUR 27.6 million). The charge to debtor provisions for 2004 of EUR 5.3 million (2003: EUR 3.7 million) is included in other operating charges.

Trade debtors at December 31, 2004 include EUR 58.0 million (2003: EUR 46.8 million) of amounts becoming due and payable in more than one year.

Notes to the consolidated accounts continued

December 31, 2004

Note 14 Investments

	2004 EUR million	2003 EUR million
Investments in SES GLOBAL Fiduciary Deposit Receipts	**34.8**	25.0
Other investments	**26.5**	11.2
Total investments	**61.3**	36.2

SES ASTRA and SES GLOBAL have, in agreement with the shareholders, purchased Fiduciary Deposit Receipts ('FDRs') in respect of 'A' shares for use in connection with two staff stock-option programmes. The 'Other investments' are bonds, negotiable certificates of deposit and investment fund assets held by subsidiaries.

Note 15 Financial instruments

At December 31, 2004, the Group held 17 cross currency swap agreements (16 in the name of SES GLOBAL S.A. and one in the name of SES GLOBAL Americas Holdings GP). Of these, 16 have been designated as a hedge of the net investment in the US subsidiary, SES AMERICOM. The average terms of these contracts were as follows:

Currency sold	Currency bought	Average weighted maturity	Average exchange rate
USD 2,164.3 million	EUR 1,839.0 million	February 2007	EUR/USD 1.1769

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

As at December 31, 2004, the fair value of these contracts amounted to EUR 264.5 million. Of this amount EUR 174.0 million (net of deferred tax of EUR 76.0 million) is included in the currency exchange reserve, with the remainder, EUR 14.5 million being recognised in the profit and loss account as the ineffective portion of the hedging relationship.

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

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

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

As at December 31, 2003, the fair value of these contracts amounted to EUR 105.8 million. Of this amount EUR 73.5 million (net of deferred tax of EUR 32.1 million) is included in the currency exchange reserve, with the remainder, EUR 0.3 million being recognised in the profit and loss account as the ineffective portion of the hedging relationship.

At December 31, 2004 and 2003, the Group also held five (2003: six) interest rate swap agreements (fair value hedges) with a notional amount of USD 1,000.0 million (2003: USD 1,045.4 million) whereby the Group receives a fixed rate of interest semi-annually and pays a variable rate equal to three-month and six-month LIBOR plus a margin. The interest rate swaps were put in place at the same time as the pricing of the US Private Placement (July 2003) with a maturity profile between 2013 and 2015, amortising as of September 2007. As at December 31, 2004 the fair value of these contracts amounted to EUR 3.8 million (2003: EUR 7.9 million).

In addition, the Group also held one interest rate swap agreement with a notional amount of USD 45.4 million whereby the Group receives a fixed rate of interest semi-annually and pays a variable rate equal to six months LIBOR plus a margin with a maturity profile as of September 2013, amortising as of September 2007. As at December 31, 2004 the fair value of this contract amounted to EUR (0.2) million.

As at December 31, 2004 the Group held two interest rate swap agreements with a notional amount of USD 370.0 million whereby the Group receives a fixed rate of interest semi-annually and pays a variable rate of six-month LIBOR plus a margin. These interest rate swaps mature in December 2007. As at December 31, 2004 the fair value of these contracts amounted to EUR (0.4) million.

At December 31, 2004, the Company had outstanding forward foreign exchange contracts (cash flow hedges) for an amount of USD 127.0 million against EUR 111.7 million (2003: USD 143.2 million against EUR 127.5 million) with an average all-in rate of 1.1370. These foreign exchange contracts have monthly maturities out to December 2005 and correspond to specific contracts relating to satellite procurements for SES ASTRA. As at December 31, 2004 the fair value of the contracts for which no asset or liability had yet been recorded in the balance sheet amounted to EUR 6.6 million (2003: EUR 3.0 million), net of deferred tax of EUR 2.9 million (2003: EUR 3.0 million), and is included in the currency exchange reserve.

Note 15 Financial instruments continued

In addition, the Group had other outstanding foreign contracts. The average terms of these contracts are as follows:

Currency sold	Currency bought	Average weighted maturity	Average exchange rate
USD 1.8 million	SEK 13.8 million	April 2005	USD/SEK 7.4529
USD 120.1 million	EUR 90.5 million	January 2005	EUR/USD 1.3265

Note 16 Subscribed capital

The Company has share capital of EUR 921.8 million, represented by Class-A, B and C shares with no par value. The share capital is divided into the following classes:

	Ordinary A shares	Ordinary B shares	Ordinary C shares	Preferred C shares	Total shares
Subscribed at December 31, 2004 and 2003	310,340,000	245,817,836	176,799,314	4,496,358	737,453,508

Fiduciary Deposit Receipts (FDRs) with respect to the Class-A shares of the Company are listed at the Luxembourg Stock Exchange and, since May 5, 2004, on the Euronext Paris 'Premier Marché'. These FDRs can be traded freely and are convertible to Class-A shares at any time at the option of the holder, under the conditions applicable in the Company's articles of association and in accordance with the terms of the FDRs.

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

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

SES GLOBAL has a Nomination Committee in place, which is responsible for presenting a list of suitable candidates for the Board of Directors to the shareholders. One-third of the total number of the members of the Board of Directors are appointed from a list of candidates put to the Nomination Committee by the holders of Class-B shares. The Nomination Committee will submit a list of up to three directors representing the holders of Class-C shares, depending on the percentage of total subscribed shares represented by the Class-C shares. The remaining Board members on the list submitted by the Nomination Committee will represent shareholders of Class-A shares and independent Board members.

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

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

The Company has acquired FDRs in connection with share-based compensation schemes. The total holding of FDRs was 5,301,462, an increase of 1,845,272 compared to the end of the prior year.

Notes to the consolidated accounts continued

December 31, 2004

Note 17 Provisions for pensions and other provisions

Contributions made in 2004 under pension schemes totalled EUR 1.9 million (2003: EUR 2.3 million).

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

Management has made provisions for charges arising in the ordinary course of business and believes that the provisions represent the best estimate based on the information available at the balance sheet date.

The movements on the provisions are set out below:

	Provisions for pensions EUR million	Other provisions EUR million
At January 1, 2003	**0.6**	**6.7**
Change of consolidation scope	(0.1)	–
Provision for 2003	0.1	4.0
Reversal of provisions	–	(0.1)
Impact of currency translation	–	(0.3)
At December 31, 2003	**0.6**	**10.3**
Change of consolidation scope	–	–
Provision for 2004	0.1	1.7
Reversal of provisions	–	(2.4)
Impact of currency translation	–	–
At December 31, 2004	**0.7**	**9.6**

Note 18 Deferred taxes

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

The movements on the provisions are set out below:

	Provisions for deferred tax assets EUR million	Provisions for deferred tax liability EUR million
At January 1, 2003	**4.3**	**709.0**
Adjustment made on purchase of shareholding in AAP	–	7.5
Provision for 2003	0.2	106.9
Reversal of provisions	–	(106.1)
Impact of currency translation	–	(82.2)
At December 31, 2003	**4.5**	**635.1**
Change in consolidation scope of NSAB	0.2	10.9
Provision for 2004	0.2	182.7
Reversal of provisions	–	(133.7)
Impact of currency translation	–	(37.2)
At December 31, 2004	**4.9**	**657.8**

Note 19 Interest-bearing loans and borrowings

At the end of 2004 and 2003, the amounts outstanding on the loan accounts for the Group were as follows:

	2004 EUR million	2003 EUR million
US Private Placement 2013 – 2015 (USD 1billion and GBP 28 million)	**778.2**	821.9
Eurobond 2008 (EUR 500 million)	**500.0**	500.0
Eurobond 2007 (EUR 300 million)	**300.0**	300.0
Bilateral multi-currency credit facilities	**500.1**	386.9
	2,078.3	2,008.8

The maturity profile of these loans at December 31, 2004 and 2003 is as follows:

	2004 EUR million	2003 EUR million
Within one year	**–**	–
Between one and two years	**243.5**	–
Between two and five years	**1,199.1**	1,287.6
More than five years	**635.7**	721.2
More than one year	**2,078.3**	2,008.8

US Private Placement

On September 30, 2003, SES GLOBAL Americas Holdings GP issued in the US Private Placement market unsecured Notes amounting to USD 1,000.0 million and GBP 28.0 million. The US 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 GLOBAL is committed under the US Private Placement to maintaining a number of financial covenants within agreed limits in order to provide sufficient security to the lenders.

EUR 500.0 million Eurobond

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

EUR 300.0 million Eurobond

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

Bilateral multi-currency facilities

On December 31, 2004, SES GLOBAL had unsecured bilateral multi-currency revolving credit facilities in place with nine banks (2003: eight banks) for a total of EUR 800.0 million (2003: EUR 775.0 million) with a weighted average maturity of June 2007, of which USD 681.2 million (EUR 500.1 million) was drawn. These bilateral facilities are available to both SES GLOBAL and SES GLOBAL Americas Holdings GP.

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

NSAB

NSAB had no outstanding loans with third parties as at December 31, 2004. A credit facility was negotiated for SEK 40.0 million with no assets pledged in 2004.

Notes to the consolidated accounts continued

December 31, 2004

Note 20 Other liabilities

Other liabilities can be analysed as follows:

	Less than one year EUR million	Between one and five years EUR million	More than five years EUR million	Total – more than one year EUR million
Interest accrued	16.5	–	–	–
Personal payables	13.8	–	–	–
Movements on forward exchange contracts	20.0	–	–	–
Finance leases	1.1	7.9	–	7.9
Shareholder loans	0.4	2.4	–	2.4
Founder share entitlement (see Note 26)	24.6	–	–	–
Sundry liabilities	33.2	0.1	–	0.1
Total other liabilities	**109.6**	**10.4**	**–**	**10.4**

Shareholder loans

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

Sundry liabilities

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

Note 21 Other operating income

Other operating income of EUR 66.8 million for 2004 includes EUR 32.9 million relating to the non-Group share of the sale by SES AMERICOM of its interest in the SIRIUS 2 satellite to NSAB on January 1, 2004. A corresponding charge of EUR 21.4 million for the non-Group share of the cost of goods sold is recorded under 'External charges'.

Amounts included in other operating income for 2003 include EUR 48.4 million arising from the purchase of the remaining 50% shareholding in AAP (see Note 7). This amount comprises the following:

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

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

Note 22 Employees

The analysis of personnel as of December 31, 2004 and 2003 was:

	2004	2003
SES ASTRA	**353**	301
SES AMERICOM	**449**	291
AsiaSat	**89**	83
Other	**94**	114
Total employees	**985**	789

The average number of employees for 2004 was 835 (2003: 799).

Staff costs can be analysed as follows:

	2004 EUR million	2003 EUR million
Wages and salaries	**74.5**	67.5
Social security costs	**12.1**	11.3
Total staff costs	**86.6**	78.8

Note 23 Taxes

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

	2004 EUR million	2003 EUR million
Current	**68.7**	85.0
Deferred	**(11.6)**	46.2
Total taxes	**57.1**	131.2

Note 24 Basic and diluted earnings per share

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

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

For the year 2004, earnings per share of EUR 0.38 per A share (2003: EUR 0.34), EUR 0.15 per B share (2003: EUR 0.14), and EUR 0.38 per C share (2003: EUR 0.34), have been calculated on the following basis:

	2004 EUR million	2003 EUR million
Profit of the Group	**229.9**	205.4
Founder shares entitlement	**(5.5)**	(5.4)
Profit attributable to shareholders	**224.4**	200.0

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

	2004	2003
A shares	**310,340,000**	310,340,000
B shares	**245,817,836**	245,817,836
C shares	**181,295,672**	181,295,672

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

Note 25 Board of Directors' remuneration

The total payments to directors for attendance at Board and Committee meetings in 2004 amounted to EUR 0.9 million (2003: EUR 0.8 million). These payments are computed on a fixed and variable basis, the variable part being based upon attendance at Board and Committee meetings.

Note 26 Founder shares

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

In 2003, an amount of EUR 21.2 million, representing the remaining unallocated profit entitlement for the years up to and including 2002, has been transferred out of reserves into other liabilities and settled during 2003. In 2004, a further amount of EUR 5.4 million has been transferred out of reserves into other liabilities representing the reserved profit entitlement for 2003, of which EUR 1.3 million has been paid in 2004. A payment on account of EUR 0.6 million was made during the year relating to the 2004 profit entitlement.

Note 27 Off balance sheet items

Capital commitments

The Group had outstanding commitments in respect of contracted capital expenditure totalling EUR 543.7 million at December 31, 2004 (2003: EUR 895.9 million). These commitments largely reflect the purchase and launch of future satellites for the expansion and replacement of the Group satellite system, together with necessary expansion of the associated ground station and control facilities.

Operating lease commitments

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

	2004 EUR million	2003 EUR million
Within one year	**4.5**	2.4
Within two to five years	**15.4**	8.9
More than five years	**8.9**	11.9
Total minimum rentals payable	**28.8**	23.2

Notes to the consolidated accounts continued

December 31, 2004

Note 27 Off balance sheet items continued

Customer contracts

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

Guarantees

On December 31, 2004 the Group had outstanding bank guarantees for an amount of EUR 0.9 million (2003: EUR 0.9 million). This relates to performance guarantees for services of satellite operations.

Restrictions on the use of cash

At the year-end, the Group portion of cash held under restrictions amounted to EUR 0.1 million (2003: nil). This related to a deposit held by SATLYNX in connection with a transponder rental contract.

Satellite acquisitions

SES AMERICOM has contractual rights to return one ground spare satellite in course of construction to the manufacturer under certain conditions which, if elected, would increase the aggregate cost of the primary satellite programs by EUR 17.7 million.

Note 28 Related parties

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

GE Capital holds a 20.1% voting interest in the Company. The following transactions and balances with GE Capital and its subsidiaries and affiliates are included in the consolidated accounts. Other debtors include a receivable from GE Capital of EUR 0.5 million (2003: EUR 0.5 million). Revenues include EUR 0.2 million (2003: EUR 17.2 million) through sales to various General Electric companies. External charges include an amount of EUR 2.5 million (2003: EUR 2.5 million) relating to the supply of a variety of services by various General Electric companies.

The Group generated revenues of EUR 20.8 million (2003: EUR 24.0 million) from Deutsche Telekom AG ('DT') in the year ended December 31, 2004 when DT held a voting interest of 10.52%. DT disposed of its interest in the Company in two transactions during 2004.

During the period from May 1, 2004 to November 30, 2004, SES AMERICOM recognised revenue from Verestar under service agreements in existence before the purchase of Verestar by SES AMERICOM for an amount of EUR 3.0 million.

The Group generated revenues in 2004 of EUR 6.4 million (2003: EUR 5.6 million) from SATLYNX S.A., a company in which the Group owns 41.61% of the share capital (2003: 45.23%).

In January 2004, the Group generated revenues of EUR 0.1 million (full year 2003: EUR 3.9 million) from NSAB, a company in which the Group owned 50% of the share capital. In addition, the Group paid EUR Nil (full year 2003: EUR 0.5 million) to NSAB for the rental of transponder capacity.

During 2004, SES AMERICOM sold its interest in the SIRIUS 2 satellite to NSAB for the equivalent of EUR 65.7 million. At the time of the transaction, SIRIUS 2 had a book value of approximately EUR 42.7 million.

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

Note 29 Subsequent events

DPC Digital Playout Center GmbH ('DPC')

On January 1, 2005, the Group acquired 100% of the shares of DPC for a consideration of EUR 55.7 million. DPC will be fully consolidated into the Group accounts as of that date.

Report of the independent auditor

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

Following our appointment by the Annual General Meeting of the Shareholders on May 6, 2004, we have audited the accompanying annual accounts of SES GLOBAL S.A. for the year ended December 31, 2004. These annual accounts are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these annual accounts based on our audit.

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

In our opinion, the accompanying annual accounts give, in conformity with Luxembourg legal and regulatory requirements, a true and fair view of the financial position of SES GLOBAL S.A. as at December 31, 2004 and of the results of its operations for the year then ended.

Ernst & Young
Société Anonyme
Réviseur d'entreprises

Werner Weynand

Luxembourg, February 17, 2005

SES GLOBAL S.A. balance sheet

December 31, 2004

Assets	Note	2004 EUR million	2003 EUR million
Formation expenses	3	**0.4**	0.5
Intangible assets	4	**3.6**	1.3
Tangible assets	5		
Other fixtures and fittings, tools and equipment		**0.5**	0.6
Payments on account and tangible assets in course of construction		–	–
		0.5	0.6
Financial assets			
Shares in affiliated undertakings	6	**8,340.8**	6,103.5
Amounts owed by affiliated undertakings	7	**–**	547.5
Other financial assets	8	**22.4**	8.8
		8,363.2	6,659.8
Current assets			
Debtors (amounts receivable in less than one year)			
Amounts owed by affiliated undertakings	7	**109.8**	10.0
Other debtors		**7.9**	10.6
Cash at bank and on hand		**158.8**	2.6
		276.5	23.2
Prepayments		**14.8**	21.0
Total assets		**8,659.0**	6,706.4

Liabilities	Note	2004 EUR million	2003 EUR million
Capital and reserves			
Subscribed capital	9	**921.8**	921.8
Share premium		**2,925.0**	2,925.0
Legal reserve	10	**31.3**	24.5
Other reserves		**64.8**	66.0
Result brought forward		**1.3**	1.3
Profit for the financial year		**126.7**	135.4
		4,070.9	4,074.0
Creditors			
Amounts payable after more than one year			
Notes and bonds	11	**1,708.8**	1,708.8
Amounts owed to credit institutions	12	**521.2**	412.9
		2,230.0	2,121.7
Amounts payable within one year			
Amounts owed to credit institutions	12	**–**	1.8
Trade creditors		**1.5**	1.4
Amounts owed to affiliated undertakings	13	**2,169.3**	351.8
Taxes and social security payable	15	**166.2**	136.9
Other creditors		**21.1**	18.8
		2,358.1	510.7
Total liabilities		**8,659.0**	6,706.4

The notes are an integral part of the annual accounts.

SES GLOBAL S.A. profit and loss account

Year ended December 31, 2004

	Note	**2004 EUR million**	2003 EUR million
Other operating income		**7.2**	6.1
External charges		**(14.4)**	(13.1)
Staff costs	14	**(7.4)**	(6.3)
Other operating charges		**(1.6)**	(4.4)
Depreciation and amortisation	3, 5	**(0.4)**	(0.3)
Operating result		**(16.6)**	(18.0)
Income in respect of affiliated undertakings	16	**245.2**	120.9
Interest receivable and similar income	17	**35.0**	174.3
Interest payable in respect of affiliated undertakings		**(30.2)**	(35.3)
Interest payable and similar charges		**(50.7)**	(26.7)
Value adjustments in respect of financial assets	6, 8	**(79.0)**	(44.2)
Profit on ordinary activities		**103.7**	171.0
Taxes	15	**23.0**	(35.6)
Profit for the financial year		**126.7**	135.4

The notes are an integral part of the annual accounts.

SES GLOBAL S.A. Statement of changes in shareholders' equity

Year ended December 31, 2004

	Subscribed capital EUR million	Share premium EUR million	Legal reserve EUR million	Other reserves EUR million	Result brought forward EUR million	Result for the year EUR million
Balance, beginning of the year	921.8	2,925.0	24.5	66.0	1.3	135.4
Allocation of result	–	–	6.8	(1.2)	–	(5.6)
Dividend	–	–	–	–	–	(129.8)
Result for the year	–	–	–	–	–	126.7
Balance, end of the year	921.8	2,925.0	31.3	64.8	1.3	126.7

The notes are an integral part of the annual accounts.

Notes to the SES GLOBAL S.A. accounts

December 31, 2004

Note 1 General

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

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

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

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

Note 2 Accounting practices

The annual accounts are prepared in accordance with the generally accepted accounting principles and regulations in force in the Grand Duchy of Luxembourg.

Formation expenses

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

Intangible assets

Development costs

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

Payments on account

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

Fixed assets

Other fixtures, fittings, tools and equipment

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

Assets in course of construction

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

Financial assets

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

Loan origination costs

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

Dividends

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

Translation of foreign currencies

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

The cost of fixed assets are translated at the historical rate. Long-term financial liabilities, which are hedged by financial derivatives, are translated at historical rate.

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

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

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

Financial derivatives

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

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

Note 3 Formation expenses

The development of the formation expenses during the financial years 2004 and 2003 is as follows:

	2004 EUR million	2003 EUR million
Cost at beginning and end of year	**0.8**	0.8
Accumulated amortisation at beginning of year	**(0.3)**	(0.2)
Amortisation	**(0.1)**	(0.1)
Accumulated amortisation at end of year	**(0.4)**	(0.3)
Net book value at beginning of year	**0.5**	0.6
Net book value at end of year	**0.4**	0.5

Note 4 Intangible assets

	Payment on account	
	2004 EUR million	2003 EUR million
Cost and net book value at beginning of year	**1.3**	–
Additions	**2.3**	1.3
Cost and net book value at end of year	**3.6**	1.3

During the year, the Company capitalised development costs incurred amounting to EUR 2.3 million (2003: EUR 1.3 million) in order to develop prototypes of advanced Ka-band outdoor unit technology and Ku-band multi-feed technology.

Note 5 Tangible assets

The development of tangible assets during the financial years 2004 and 2003 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 2004 EUR million**	Total 2003 EUR million
Cost at beginning of year	0.8	–	**0.8**	0.6
Accumulated depreciation at beginning of year	(0.2)	–	**(0.2)**	–
Net book value at beginning of year	0.6	–	**0.6**	0.6
Movements of the year:				
Additions	0.2	–	**0.2**	0.2
Depreciation	(0.3)	–	**(0.3)**	(0.2)
Cost at end of year	1.0	–	**1.0**	0.8
Accumulated depreciation at end of year	(0.5)	–	**(0.5)**	(0.2)
Net book value at end of year	0.5	–	**0.5**	0.6

Note 6 Shares in affiliated undertakings

	2004 EUR million	2003 EUR million
Cost at beginning of year	**6,149.1**	4,510.1
Additions	**3,994.5**	1,639.0
Disposals	**(90.8)**	–
Capital reimbursements	**(1,677.5)**	–
Cost at end of year	**8,375.3**	6,149.1
Value adjustments at beginning of year	**(45.6)**	–
Value adjustments of the year	**(79.7)**	(45.6)
Reversal of value adjustments on disposals	**90.8**	–
Value adjustments at end of year	**(34.5)**	(45.6)
Net book value at end of year	**8,340.8**	6,103.5

Notes to the SES GLOBAL S.A. accounts continued

December 31, 2004

Note 6 Shares in affiliated undertakings continued

As at December 31, 2004, the Company holds the following investments:

	Participation	Net book value EUR million
SES ASTRA S.A., Betzdorf, Luxembourg	100.00%	**1,769.0**
SES GLOBAL-Americas, Inc., Princeton, United States	99.94%	**4,455.8**
SES GLOBAL Asia S.A. (formerly SES Finance S.A.), Betzdorf, Luxembourg	99.99%	**864.1**
SES ASTRAnet S.A. (formerly SES Multimedia S.A.), Betzdorf, Luxembourg	0.01%	**–**
SES GLOBAL Americas Finance Inc, Delaware, United States	100.00%	**–**
Nordic Satellite A.B., Stockholm, Sweden	32.34%	**50.1**
SES GLOBAL Europe S.A., Betzdorf, Luxembourg	100.00%	**95.7**
SES GLOBAL Participations S.A., Betzdorf, Luxembourg	100.00%	**200.0**
SES GLOBAL Latin America S.A., Betzdorf, Luxembourg	100.00%	**494.8**
SES GLOBAL Africa S.A., Betzdorf, Luxembourg	100.00%	**411.3**
Betzdorf Holding Ltd., Dublin, Ireland	100.00%	**–**
		8,340.8

During the year SES GLOBAL S.A. undertook a group restructuring, through which a number of regional holding companies were created.

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

Note 7 Amounts owed by affiliated undertakings

	2004 EUR million	2003 EUR million
Balance at beginning of year	**547.5**	567.2
Movements of the year:		
Advances	**10.9**	15.8
Reimbursements	**(194.3)**	(35.5)
Transferred to Betzdorf Holding Ltd.	**(364.1)**	–
Balance at end of year	**–**	547.5

Amounts owed by affiliated undertakings in the prior year relate to an intercompany loan with SES GLOBAL Asia S.A., bearing a floating interest rate.

Amounts owed by affiliated undertakings receivable within one year at the end of 2004 and 2003 relate to short-term non-interest bearing advances to affiliated undertakings.

Note 8 Other financial assets

	2004 EUR million	2003 EUR million
Balance at beginning of year	**8.8**	5.6
Movements of the year:		
Additions	**13.3**	1.8
Disposals	**(0.4)**	–
Value adjustments	**–**	–
Reversal of value adjustments	**0.7**	1.4
Balance at end of year	**22.4**	8.8

Own Fiduciary Deposit Receipts

The Company purchased a quantity of FDRs (Fiduciary Deposit Receipts) in respect of A shares for use in connection with the Director/Employee option scheme and the executive option plan set up in 2002. These shares are valued at the lower of cost and market value.

Note 9 Subscribed capital

As at December 31, 2003 and 2004 the issued and fully paid share capital amounted to EUR 921.8 million represented by 737,453,508 shares with no par value (310,340,000 Class-A ordinary shares; 245,817,836 Class-B ordinary shares and 176,799,314 Class-C ordinary shares and 4,496,358 Class-C preferred shares).

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

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

Note 10 Legal reserve

In accordance with Luxembourg legal requirements, a minimum of 5% of the yearly net profit is transferred to a legal reserve from which distribution is restricted. This requirement is satisfied when the reserve reaches 10% of the issued share capital. An allocation of EUR 6.3 million is required in the current year.

Note 11 Notes and bonds (in Euro)

US Private Placement

On September 30, 2003, SES GLOBAL S.A., through SES GLOBAL Americas Holdings GP, issued in the US Private Placement market unsecured Notes amounting to USD 1,000.0 million and GBP 28.0 million. The US 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 GLOBAL S.A. is committed under the US Private Placement to maintaining a number of financial covenants within agreed limits in order to provide sufficient security to lenders.

EUR 500.0 million Eurobond

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

EUR 300.0 million Eurobond

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

The maturing profile of notes and bonds is as follows as at December 31, 2004 and 2003:

	2004 EUR million	2003 EUR million
Between one to two years	**–**	–
Between two to five years	**965.9**	910.5
After five years	**742.9**	798.3
Total after one year	**1,708.8**	1,708.8

Note 12 Amounts owed to credit institutions

Bilateral multi-currency facilities

On December 31, 2004, SES GLOBAL S.A. has unsecured bilateral multi-currency revolving credit facilities in place with nine banks (2003: eight) for a total of EUR 800.0 million (2003: EUR 775.0 million) with a weighted average maturity of June 2007, of which USD 680.9 million (EUR 521.2 million) was drawn (2003: USD 487.2 million, or EUR 412.9 million).

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

The maturity profile of the amounts drawn down is as follows as at December 31, 2004 and 2003:

	2004 EUR million	2003 EUR million
Within one year	**–**	1.8
Between one and two years	**258.3**	–
Between two and five years	**262.9**	412.9
After one year	**521.2**	412.9

Notes to the SES GLOBAL S.A. accounts continued

December 31, 2004

Note 13 Amounts owed to affiliated undertakings

Amounts owed to affiliated undertakings of EUR 2,169.3 million (2003: EUR 351.8 million) include the following:

	2004 EUR million	2003 EUR million
Short-term loans	**1,633.9**	125.2
Current accounts	**535.4**	226.6
Total amounts owed to affiliated undertakings	**2,169.3**	351.8

Short-term loans in general bear floating interest rates and are repayable upon demand or at latest on the second anniversary of the loans.

As at December 31, 2004 current accounts include short-term advances bearing interest at market rate owed to SES ASTRA S.A. of EUR 514.2 million (2003: EUR 210.3 million).

Note 14 Staff costs

The average number of employees in the workforce for 2004 was 46 (2003: 45). Staff costs are analysed as follows:

	2004 EUR million	2003 EUR million
Wages and salaries	**7.0**	5.9
Social security costs	**0.4**	0.4
Total staff costs	**7.4**	6.3

Note 15 Taxes

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

Note 16 Income in respect of affiliated undertakings

	2004 EUR million	2003 EUR million
Dividend income	**224.9**	100.0
Interest income	**20.3**	20.9
Total income in respect of affiliated undertakings	**245.2**	120.9

Note 17 Interest receivable and similar income

	2004 EUR million	2003 EUR million
Interest income	**4.6**	0.7
Foreign exchange gains, net	**30.4**	173.4
Other financial income	**–**	0.2
Total interest receivable and similar income	**35.0**	174.3

Note 18 Board of Directors' remuneration

At the Annual General Meeting held on May 6, 2004, 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 2004 were EUR 0.8 million (2003: EUR 0.8 million).

Note 19 Off balance sheet items

At December 31, 2004, the Company held 17 cross currency swap agreements (16 in the name of SES GLOBAL S.A. and one in the name of SES GLOBAL Americas Holdings GP). Of these, 16 have been designated as a hedge of the net investment in the US subsidiary, SES AMERICOM. The average terms of these contracts were as follows:

Currency sold	Currency bought	Average weighted maturity	Average exchange rate
USD 2,164.3 million	EUR 1,838.9 million	February 2007	EUR/USD 1.1769

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

Note 19 Off balance sheet items continued

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

Currency sold	Currency bought	Average weighted maturity	Average exchange rate
USD 1,570.0 million	EUR 1,351.5 million	October 2006	EUR/USD 1.1616

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

At December 31, 2004 and 2003, the Company also held five (2003: six) interest rate swap agreements with a notional amount of USD 1,000.0 million (2003: USD 1,045.4 million) whereby the Group receives a fixed rate of interest semi-annually and pays a variable rate equal to three-month and six-month LIBOR plus a margin. The interest rate swaps were put in place at the same time as the pricing of the US Private Placement (July 2003) with a maturity profile between 2013 and 2015, amortising as of September 2007.

In addition, the Company also held one interest rate swap agreement with a notional amount of USD 45.4 million whereby the Company receives a fixed rate of interest semi-annually and pays a variable rate equal to six-month LIBOR plus a margin with a maturity profile as of September 2013, amortising as of September 2007.

As at December 31, 2004 the Company held two interest rate swap agreements with a notional amount of USD 370.0 million whereby the Company receives a fixed rate of interest semi-annually and pays a variable rate of six-month LIBOR plus a margin. These interest rate swaps mature in December 2007.

As at December 31, 2004, an amount of EUR 7.6 million (2003: EUR 10.0 million) is included in other debtors relating to the net accrued interest on these agreements.

At December 31, 2004, the Company had outstanding forward foreign exchange contracts for an amount of USD 127.0 million against EUR 111.7 million (2003: USD 143.2 million against EUR 127.5 million) with an average all-in rate of 1.1370. These foreign exchange contracts have monthly maturities out to December 2005 and correspond to specific contracts relating to satellite procurements for SES ASTRA. These contracts exactly mirror the internal foreign contracts entered into with SES ASTRA.

In addition, the Company had other outstanding foreign contracts. The average terms of these contracts are as follows:

Currency sold	Currency bought	Average weighted maturity	Average exchange rate
USD 1.8 million	SEK 13.8 million	April 2005	USD/SEK 7.4529
USD 120.1 million	EUR 90.5 million	January 2005	EUR/USD 1.3265

Inter-company financial instruments

In addition, the Company arranged several inter-company foreign exchange contracts in order to hedge the US 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, 2004:

Currency sold	Currency bought	Maturity	Exchange rate
EUR 897.1 million	USD 1,045.4 million	August 2012	EUR/USD 1.1653
EUR 479.1 million	USD 623.3 million	February 2005	EUR/USD 1.3011

The average terms of these inter-company contracts were as follows as at December 31, 2003:

Currency sold	Currency bought	Maturity	Exchange rate
EUR 897.1 million	USD 1,045.4 million	August 2012	EUR/USD 1.1653
EUR 395.6 million	USD 487.5 million	January 2004	EUR/USD 1.2321

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

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

As at December 31, 2004, the Company had outstanding inter-company currency foreign contracts. The average terms of these contracts as at December 31, 2004 are as follows:

Currency sold	Currency bought	Maturity	Exchange rate
SEK 13.6 million	USD 1.8 million	March 2005	USD/SEK 7.3822

Capital commitments

As at the year-end, the Company had commitments in respect of capital expenditure amounting to a maximum of EUR 2.3 million (2003: EUR 3.6 million).

Guarantees

On December 31, 2004 the Company had outstanding bank guarantees for an amount of EUR 0.9 million (2003: EUR 0.9 million). This relates to performance guarantees for services of satellite operations.

Five year financial summary

	2004 EUR million	2003 EUR million	2002 EUR million	2001 EUR million	2000 EUR million
Total revenues	**1,146.6**	1,207.5	1,349.3	978.2	835.9
EBITDA[1]	**842.1**	942.8	1,107.1	794.6	708.7
Operating profit	**307.3**	371.7	529.1	524.3	516.6
Profit of the Group	**229.9**	205.4	204.5	280.3	244.5
Net operating cash flow	**882.1**	873.8	1,051.8	682.4	422.6
Capital expenditure	**531.6**	317.0	683.8	432.3	254.3
Net debt	**1,619.7**	1,699.1	2,661.1	3,140.0	834.6
Shareholders' equity	**3,217.0**	3,247.8	3,575.1	3,917.4	1,040.1
Earnings per A share (in EUR)	**0.38**	0.34	0.34	0.68	0.64
Key performance ratios in %					
EBITDA margin	**73.4**	78.1	82.1	81.2	84.8
Net income margin	**20.0**	17.0	15.2	28.7	29.2
Return on average equity	**7.1**	6.0	5.5	11.3	25.9
Net debt to equity	**50.3**	52.3	74.4	80.2	80.2

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

Shareholder information

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2005 Financial calendar

Annual General Meeting of Shareholders	May 6, 2005
Dividend payment	May 11, 2005
Announcement of first-half 2005 results	August 8, 2005

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

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