Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of Application by	)	
	)	
SES AMERICOM, INC.	)	File No.
	)	
For Authority to Launch and Operate A Ku-Band Replacement Satellite	))	

APPLICATION OF SES AMERICOM, INC.

Of Counsel

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February 14, 2003

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SUMMARY

In this application, SES AMERICOM, Inc. ("SES AMERICOM") is proposing to replace the existing GSTAR 4 Ku-band satellite at 105º W.L. with the Ku-band payload of a new Ku/Ka-band hybrid spacecraft, referred to herein as AMC-15.

The license for GSTAR 4 expired November 20, 2000. SES AMERICOM has continued to operate the spacecraft subsequent to that date pursuant to requests for Special Temporary Authority. SES AMERICOM currently estimates that the spacecraft has sufficient fuel to operate until December 2004. Construction of AMC-15 is well under way, and SES AMERICOM proposes to launch the spacecraft by December 2004, in advance of the expected end of life of GSTAR 4.

The replacement of GSTAR 4 with AMC-15 will permit SES AMERICOM to enhance services to its existing customers by using the 105º W.L. orbital slot for a new spacecraft with a state-of-the-art Ku-band payload. As a result, grant of authority to launch and operate the proposed replacement satellite described herein will serve the public interest.

This Application is fully consistent with previous Commission actions authorizing replacement satellites. SES AMERICOM respectfully requests that this Application for AMC-15 be granted promptly.

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APPLICATION OF SES AMERICOM, INC.

SES AMERICOM, Inc. ("SES AMERICOM") hereby applies for authority under the Communications Act of 1934, as amended, and the Federal Communications Commission's regulations thereunder, to launch and operate a Ku-band payload on a Ku/Ka-band hybrid satellite to be designated AMC-15. The Ku-band capacity of AMC-15 will be used to replace GSTAR 4 at 105º W.L. A completed FCC Form 312 relating to this application is attached.

The replacement capacity will provide high quality voice, video and data services, including direct-to-home services. This Application should be processed outside the context of a processing round because it seeks authority only to launch and operate replacement Ku-band capacity. This would be a direct replacement, with no reduction in the number of orbital locations available.

INTRODUCTION

SES AMERICOM is a leading provider of satellite telecommunications. Since 1976, SES AMERICOM (formerly GE American Communications, Inc.) has offered a wide variety of C-band and Ku-band satellite services to the public, including video and audio services to cable head-ends. SES AMERICOM also has authority to launch and operate a Ka-band satellite system and has a pending application for authority for a satellite system to operate in the V-band.

SES AMERICOM's first satellite became operational early in 1976, and since then the system has grown to its present size of fifteen in-orbit satellites. Numerous customer-owned earth stations access SES AMERICOM's satellite fleet directly, and millions of receive-only stations currently receive video and audio transmissions from service providers that utilize capacity on SES AMERICOM's fleet.

At present, GSTAR 4 is operating in inclined orbit at the 105º W.L. orbital location. The license for GSTAR 4 expired November 20, 2002. Subsequent to expiration of the license, SES AMERICOM has continued to operate GSTAR 4 pursuant to requests for Special Temporary Authority.[1] Last June, SES AMERICOM requested a modification of its authority for GSTAR 4 to extend the satellite's license term for five years, through November 20, 2005.[2] At the time it submitted the modification application, SES AMERICOM estimated that GSTAR 4 would be capable of providing commercial Ku-band services in inclined orbit for several more years. SES AMERICOM currently projects that GSTAR 4 will have sufficient fuel to operate through December 31, 2004. SES AMERICOM proposes to

[1] *See* File Nos. SAT-STA-20001114-00161; SAT-STA-20010619-00057.

[2] *See* File No. SAT-MOD-20020628-00094.

launch AMC-15 by December 2004, in advance of the expected end of life of GSTAR 4, ensuring uninterrupted service to customers.

In this application, SES AMERICOM is requesting that the Commission grant launch and operating authority for replacement Ku-band capacity for GSTAR 4 on SES AMERICOM's proposed AMC-15 Ku/Ka-band hybrid spacecraft. SES AMERICOM is concurrently filing an application for modification of its Ka-band system license, requesting authority to use a hybrid Ku/Ka-band spacecraft to fulfill its Ka-band authorization at 105º W.L. SES AMERICOM seeks authority to locate AMC-15 at 105º W.L., the same orbital position occupied by GSTAR 4. Grant of the requested authority will permit SES AMERICOM to continue to provide high-quality satellite services to customers from the 105º W.L. orbit location. Furthermore, use of a hybrid satellite to fulfill SES AMERICOM's Ku-band and Ka-band authority at 105º W.L. is consistent with Commission policies recognizing the inherent efficiencies of hybrid satellites.[3]

SES AMERICOM also seeks any necessary authority to provide capacity for the delivery of DTH services using the Ku-band payload of AMC-15. All such services will be provided on a non-common carrier, subscription basis. Grant of the requested authority will make clear that SES AMERICOM has the same authority to provide DTH delivery as other U.S.-licensed satellite operators. As a

[3] *See, e.g., Hughes Communications Galaxy, Inc.,* 5 FCC Rcd 3423 (Com. Car. Bur. 1990) ("hybrid satellites can provide cost savings to operators and customers with no decrease in technical performance").

result, it will promote competition in the satellite services market and will serve the public interest.

SES AMERICOM has recently submitted a group of modification applications and amendments relating to DTH service that set forth in greater detail the legal basis for SES AMERICOM's request for DTH authority and the benefits to consumers that will result. *See, e.g.,* File No. SAT-MOD-20021108-00204, Narrative Exhibit. Rather than repeat that lengthy presentation here, SES AMERICOM hereby incorporates by reference the showing provided in that application.

SES AMERICOM is confident that the proposed replacement Ku-band capacity for GSTAR 4 will be fully utilized upon achieving operational status, and will remain so throughout its operational life. AMC-15 is being constructed by Lockheed Martin and will reflect state-of-the-art system design engineering.

SECTION 304 WAIVER

SES AMERICOM hereby waives any claim to the use of any particular frequency or of the electromagnetic spectrum as against the regulatory power of the United States because of the previous use of the same, whether by license or otherwise.

INFORMATION REQUIRED BY SECTION 25.114(c)

(1) Name, Address, and Telephone Number of Applicant

SES AMERICOM, Inc.
Four Research Way
Princeton, New Jersey 08540
(609) 987-4000

(2) Inquiries or Correspondence

Inquiries or correspondence regarding this application should be directed to:

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(3) Type of Authorization Requested

SES AMERICOM requests authority to launch and operate the Ku-band payload of AMC-15, a hybrid Ku/Ka-band spacecraft. The Ku-band capacity on AMC-15 will replace GSTAR 4 at 105° W.L.

(4) General System Description

The proposed Ku-band payload on AMC-15 will reflect state-of-the-art technology. AMC-15 will have twenty-four 36 MHz operational transponders. The Ku-band payload of AMC-15 will have downlink transponders that can be switched between linear and circular polarization. When the linear polarization configuration is used, the shaped beam antenna will cover the 50 states, Bahamas and Mexico. When the circular polarization is used on the downlink, a different shaped beam antenna is used with coverage of the lower 48 states and Bahamas. In order to provide full frequency re-use, twelve transponders operate on one orthogonal polarization (either vertical linear or left-hand circular polarization, depending on the configuration used) and twelve operate on the other orthogonal polarization (either horizontal linear or right-hand circular polarization, depending on the configuration). SES AMERICOM will coordinate its proposed operations with adjacent satellite networks.

Additional, detailed technical information regarding the proposed spacecraft is provided in Attachment A.

(5) Technical Information Regarding Radio Frequencies, Emissions, and Antenna Characteristics

The information required by Section 25.114(c)(5) is provided in Attachment A, the Technical Appendix, and Attachment B, the Interference Analysis. These attachments describe both the Ku- and Ka-band payloads of AMC-15. For the Commission's convenience, specific references to the information required are provided below:

1. Radio frequencies and polarization plan (including beacon, telemetry and telecommand functions): Attachment A at Sections 2.1 & 3.1.

2. Center frequency and polarization of transponders (both receiving and transmitting frequencies): Attachment A at Section 2.1.

3. Emission designators and allocated bandwidth of emission: Attachment A at Section 2.2.

4. Final amplifier output power (including identification of net losses between output of final amplifier and input of antenna and specification of the maximum EIRP for each antenna beam): Attachment A at Section 2.3.1.

5. Identification of which antenna beams are connected or switchable to each transponder and TT&C function: Attachment A at Section 2.1.

6. Receiving system noise temperature: Attachment A at Section 2.4.

7. The relationship between satellite receive antenna gain pattern and gain-to-temperature ratio and saturation flux density for each antenna beam: Attachment A at Section 2.7.

8. The gain of each transponder channel (between output of receiving antenna and input of transmitting antenna) including any adjustable gain step capabilities: Attachment A at Section 2.8.

9. Predicted receiver and transmitter channel filter response characteristics: Attachment A at Section 2.9.

(6) Orbital Location

SES AMERICOM requests that the 105° W.L. orbital location be assigned to the proposed AMC-15 Ku/Ka-band hybrid satellite. This orbital location is already assigned to SES AMERICOM, and grant of authority to position the proposed Ku-band replacement payload at this location will permit continuity of service for the customers currently served by GSTAR 4. The Ku-band antennas of AMC-15 at the proposed orbital location of 105° W.L. will provide coverage of the Continental United States (CONUS), Hawaii, Alaska, Bahamas and Mexico when the linear polarization configuration is used. When the circular polarization configuration is used, AMC-15 will have coverage of CONUS and Bahamas.

(7) Predicted Space Station Antenna Gain Contours

The information required by this subsection is provided in the Technical Appendix, Attachment A, Appendix 1.

(8) Description of Services to be Provided and Areas to be Served

The proposed replacement satellite will be used to provide voice, data and video services, including direct-to-home services. The Ku-band antennas of AMC-15 at the proposed orbital location of 105º W.L. will provide coverage of the Continental United States (CONUS), Hawaii, Alaska, Bahamas and Mexico in the linear polarization configuration. In the circular polarization configuration, AMC-15's Ku-band payload will provide coverage of CONUS and Bahamas. The Interference Analysis (Attachment B) and the technical characteristics provided in Sections 2.2-2.7 and 2.12 of Attachment A provide additional information regarding the transmission characteristics and performance objectives for each type of proposed service, details of the link noise budget, typical or baseline earth station parameters, modulation parameters, and overall link performance analysis.

(9) Accuracy with which the Orbital Inclination, the Antenna Axis Attitude, and Longitudinal Drift Will Be Maintained

See Attachment A at Section 3.2.

(10) Power Flux Density Levels

See Attachment A at Section 2.3.1.

(11) Arrangement for Tracking, Telemetry, and Control

See Attachment A at Section 3.1.

(12) Physical Characteristics of the Space Station

See Attachment A at Section 3.

(13) Financial Information

The capital expenditure for space and ground segment is projected to be approximately $345 million for AMC-15. This amount includes costs relating to the construction of the spacecraft and the respective launch, launch vehicle service, launch insurance and associated satellite control costs. Total expenditures including the first year of operating costs are estimated to be approximately $370.5 million.

Provided as Attachment D hereto are financial statements from the most recent annual report of SES Global S.A., which demonstrate that SES AMERICOM is financially qualified under the Commission's rules.

(14) Non-Common Carrier Operations

SES AMERICOM intends to offer capacity on AMC-15 on a private, non-common carrier basis, pursuant to the Commission's decision in *Domestic Fixed-Satellite Transponder Sales,* 90 FCC 2d 1238 (1982), *aff'd. sub nom. Wold Communications, Inc. v. FCC,* 735 F.2d 1465 (D.C. Cir. 1984), *modified*, *Martin Marietta Communications Systems*, 60 R.R.2d 779 (1986). *See also Amendment to the Commission's Regulatory Policies Governing Domestic Fixed Satellites and Separate International Satellite Systems,* 11 FCC Rcd 2429, 2436 (1996).

(15) Construction and Launch Schedule

Construction of AMC-15 is well under way, and is scheduled to be completed by the 3rd quarter of 2004. SES AMERICOM proposes to launch and commence operation of AMC-15 by December 2004.

(16) Public Interest Considerations

SES AMERICOM launched its first domestic communications satellite in December 1975. Since that time, it has successfully launched more than twenty spacecraft, the most recent launch being in December of 2000. SES AMERICOM also has authority for a Ka-band satellite system and is seeking authority to launch and operate a V-band satellite system. SES AMERICOM was a pioneer in the satellite communications industry and continues to be an industry leader.

The application to construct, launch, and operate the proposed Ku-band replacement capacity for GSTAR 4 reflects SES AMERICOM's continuing commitment to serving the existing and future needs of customers in the evolving market for Ku-band satellite services. Replacing GSTAR 4 with the Ku-band capacity of the AMC-15 Ku/Ka-band hybrid will allow SES AMERICOM to achieve additional efficiencies, permitting more economical pricing of services. Grant of authority to replace GSTAR 4 with the Ku-band payload of AMC-15 will enable SES AMERICOM not only to continue providing services to consumers at 105° W.L., but also to enhance its service offerings at that location. Consequently, grant of authority to include a Ku-band payload on AMC-15 will enable SES AMERICOM to respond to consumer demand and will promote competition in the satellite communications industry. Grant of such authority also is consistent with the Commission's policy of maximizing the efficient use of spectrum and orbital resources.

(17) Licensee Qualifications

SES AMERICOM is a wholly-owned subsidiary of SES Global S.A. ("SES Global").[4] Prior to SES Global's acquisition of SES AMERICOM, the Commission routinely approved SES AMERICOM's legal, technical and financial qualifications to construct, launch and operate domestic satellite systems on numerous occasions. For example, the Commission staff observed that the company's legal, technical and financial "qualifications as a satellite operator are a matter of record." *Contel Corp.*, 9 FCC Rcd 5775, 5776 (Com. Car. Bur. 1994). In approving SES Global's acquisition of SES AMERICOM, the Bureaus found that SES Global was qualified to control SES AMERICOM and its licenses (¶ 19) and that the acquisition was in the public interest and consistent with the Commission's statutory requirements (¶ 2). Specific information demonstrating SES AMERICOM's financial qualifications is provided in item (13) above.

(18) through (21)

Not Applicable.

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[4] *See General Electric Capital Corporation and SES Global S.A., Order and Authorization*, DA 01-2100 (Int'l Bur. & Wireless Tel. Bur. rel. Oct. 2, 2001) ("*Transfer Order*"); *General Electric Capital Corporation and SES Global S.A., Supplemental Order*, DA 01-2482 (Int'l Bur. & Wireless Tel. Bur. rel. Oct. 26, 2001).

CERTIFICATIONS

The undersigned hereby certifies individually that the statements made in this Application are true, complete, and correct to the best of her knowledge and belief and are made in good faith. The undersigned also hereby certifies under penalty of perjury that neither the applicant nor any party to this Application is subject to a denial of federal benefits that includes FCC benefits pursuant to Section 5301 of the Anti-Drug Act of 1988, 21 U.S.C. § 862.

CONCLUSION

SES AMERICOM is requesting here, and in the related materials attached hereto, authority to launch and operate the Ku-band portion of the AMC-15 Ku/Ka-band hybrid satellite at 105º W.L. Such authority will enable SES AMERICOM to continue and improve the services provided at the 105º W.L. location. In view of the foregoing, SES AMERICOM submits that the public interest, convenience, and necessity will be served by a grant, in accordance with this Application, of authority to launch and operate the proposed replacement Ku-band capacity for GSTAR 4 at the 105° W.L. orbital location.

Respectfully submitted,

SES AMERICOM, INC.

By: *<u>/s/ Nancy J. Eskenazi</u>*
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Dated: February 14, 2003

	2001[1] Group EUR million	2000[2] Group EUR million	2001[3] Group excluding SES AMERICOM EUR million
Group revenues	**978.2**	835.9	897.6
Staff costs	**(47.2)**	(38.9)	(40.9)
External and other operating charges	**(139.3)**	(100.0)	(132.1)
Exceptional income	**2.9**	11.7	2.9
EBITDA	**794.6**	708.7	727.5
EBITDA margin in %	**81.2%**	84.8%	81.1%
Depreciation	**(203.8)**	(179.0)	(181.4)
Amortisation	**(66.5)**	(13.1)	(42.8)
Operating profit	**524.3**	516.6	503.3
Net financing charges[4]	**(68.6)**	(27.6)	(48.3)
Profit on ordinary activities	**455.7**	489.0	455.0
Taxes	**(112.6)**	(185.0)	(100.3)
Share of associates' result	**(9.8)**	(6.6)	(9.8)
Profit attributable to minority interests	**(53.0)**	(52.9)	(53.0)
Profit of the Group	**280.3**	244.5	291.9
Net profit margin in %	**28.7%**	29.2%	32.5%
Capital expenditure	**432.3**	254.3	371.1
Net operating cash flow	**682.4**	422.6	599.8
Net debt	**3,140.0**	834.6	867.7

[1] The amounts presented represent the results for the period January 1, 2001 to December 31, 2001, as if the exchange offer between Société Européenne des Satellites S.A. and SES Global S.A. had not occurred.

[2] The prior year comparative figures are taken from the consolidated profit and loss account of Société Européenne des Satellites S.A. as at December 31, 2000.

[3] These figures exclude the impact of the acquisition of SES AMERICOM, which was effected on November 9, 2001.

[4] Net financing charges for 2001 include value adjustments of EUR 20.8 million.

Changes in Group structure and accounting treatment of participations

The financial results for the year ended December 31, 2001, include the first time consolidation of SES AMERICOM, which is fully consolidated in the SES GLOBAL results from the date of acquisition (November 9, 2001) to December 31, 2001.

The results of the Group's 50% joint venture Nordic Satellite AB ("NSAB") are this year reflected in the results for the whole year compared to just the three month post-acquisition period in 2000. On November 9, 2001, within the framework of the SES AMERICOM acquisition, the Group acquired a 50% shareholding in AMERICOM Asia-Pacific LLC which is proportionally consolidated as of that date.

As of November 9, 2001, the results of Star One S.A. (Brazil) are accounted for under the equity method as described in the notes to the accounts.

Group revenues

Group revenues for 2001 grew by EUR 142.3 million or 17% to EUR 978.2 million. Provision of satellite transponder and related services was EUR 962.4 million of the total compared to EUR 829.0 million in 2000. Other operating revenues were EUR 15.8 million (2000: EUR 6.9 million).

Excluding the first time consolidation of SES AMERICOM, Group revenues increased by EUR 61.7 million or 7.4%. On a similar scope basis, this increase was primarily due to:

- The continued growth of digital services at 28.2° East orbital position
- The commencement of services at a third orbital position
- Termination payments relating to the conversion of analogue services to digital for the United Kingdom and Irish markets.

Staff costs

The Group's staff costs for 2001 were EUR 47.2 million (2000: EUR 38.9 million). Excluding the first time consolidation of SES AMERICOM, staff costs increased by EUR 2.0 million, or 5.1%, with the principle drivers being an increase in the average number of employees. The increase in headcount reflects the continued geographical diversification of the business and the development of new activities and services.

Other operating expenses (comprising external charges and other operating charges)

The Group's other operating expenses increased by EUR 39.3 million, or 39.3%, to EUR 139.3 million. Excluding the first time consolidation of SES AMERICOM, the increase was EUR 32.1 million or 32.1%.

The principal drivers of this increase were:

- Rental of third party transponder capacity of EUR 18.4 million (2000: EUR 0.8 million);
- An increase in bad debts expense due to certain customer insolvencies with the charge to income for bad debts in 2001 being EUR 8.6 million (2000: EUR 0.3 million).

Excluding the above two items and the AMERICOM impact, the Group's other operating expenses increased by 6.2% mainly due to geographical and product diversification and the full year effect of NSAB.

Exceptional income

The exceptional income for 2001 was EUR 2.9 million compared to EUR 11.7 million in 2000. The income in both years related to the recognition of in-orbit insurance proceeds relating to an ASTRA 1A claim made due to partial loss of capacity. The total proceeds were EUR 23.4 million and were amortized over 24 months commencing April 1, 1999.

Earnings before interest, tax, depreciation and amortization (EBITDA)

EBITDA rose by EUR 85.9 million or 12.1% to EUR 794.6 million. The Group's EBITDA margin for the year ended December 31, 2001 was 81.2%, compared to 84.8% in the previous year. The reduction was mainly due to the reduced exceptional income described above the third party transponder rental costs and bad debt expense.

Depreciation

Depreciation increased by EUR 24.8 million or 13.9% to EUR 203.8 million. The increase reflects the changes to the Group's structure outlined above, and in particular the inclusion of EUR 22.4 million depreciation from SES AMERICOM and the impact of the full-year NSAB consolidation.

The increase in depreciation also reflects the bringing into service of ASTRA 2B, 2D and 2C (which became operational on December 1, 2000, February 1, 2001 and September 1, 2001 respectively) with ASTRA 1B being fully depreciated as of April 15, 2001. The effect of depreciation changes on these new satellites is however largely offset by the impact of the revision of the depreciation rates for certain satellites in the ASTRA satellite fleet reflecting improvements in technology and satellite performance. The change in estimated economic lives was effective from January 1, 2001 and reduced the depreciation charge by EUR 29.0 million compared to previous rates.

The Group's satellites remain depreciated over 10 to 16 years on a straight-line basis with the estimated depreciation lives of certain satellites being extended. Specifically, the depreciation lives for ASTRA 1C and 1E were increased from 10 to 12 years, ASTRA 1F, 1G and 2A were increased from 10 to 13 years and ASTRA 1H was increased from 12 to 13 years. The change in estimate applies prospectively from January 1, 2001 with no adjustment being made to prior values.

Amortisation

The amortisation expense increased by EUR 53.4 million to EUR 66.5 million. Of the stated increase, EUR 23.6 million arises from the amortisation of goodwill and other intangibles due to the acquisition of SES AMERICOM. A further EUR 26.2 million of the increase is amortisation arising on the right of usage of the Luxembourg orbital positions in accordance with the new concession agreement described in the notes. The balance of the increase arises due to the full-year amortisation of the goodwill arising on the NSAB investment and amortisation of other intangible assets acquired during the period.

The goodwill arising from the AMERICOM acquisition was USD 2,367 million (EUR 2,660 million at the closing rate) with an additional USD 517.0 million (EUR 580.9 million at the closing rate), mainly relating to orbital frequency rights and acquired transponder service agreements, identified as intangible assets. The goodwill is being amortised over 20 years with the intangible assets being amortised over a 14 to 20 year period depending on the asset.

Operating profit

Operating profit increased by EUR 7.7 million from EUR 516.6 million to EUR 524.3 million, an increase of 1.5%. Excluding SES AMERICOM's contribution to operating profit (net of goodwill amortization) of EUR 21.0 million, the operating profit declined by EUR 13.3 million or 2.6%.

The reduction in operating profit compared to the comparable prior year figure of EUR 516.6 million arises primarily due to the increased depreciation and amortisation outpacing the EBITDA growth.

Net financing charges including value adjustments on financial assets

Net financing charges including value adjustments on financial assets were EUR 68.6 million versus EUR 27.6 million in 2000. The net financing charges consist of:

1. Net interest charge on borrowings to finance the SES AMERICOM transaction, previous acquisitions, and ongoing satellite procurement (net of capitalised interest) of EUR 57.4 million (2000: EUR 45.1 million);
2. Value adjustments to the carrying value of financial assets of EUR 20.8 million (2000: nil) with EUR 15.5 million relating to Netsystems.com S.p.A. and EUR 5.3 million to Kokua Communications, Inc..
3. Other financing income, including the impact of currency translation, of EUR 9.6 million (2000 EUR 17.5 million).

Taxes

The tax charge for 2001 was EUR 112.6 million compared to a tax and franchise fee charge in 2000 of EUR 185.0 million. Effective from January 1, 2001, the previous franchise fee, which was based on taxable profits and disclosed as part of the charge for taxation, was replaced by a lump sum settlement of EUR 550 million for the right of usage of the relevant orbital positions over a 21-year term. This settlement is being amortised on a straight line basis over this term.

The effective tax rate for the period was 24.7% with continued investment in the ASTRA satellite fleet resulting in investment tax credits reducing the statutory Luxembourg tax rate.

Share of associates' result

The share of associates' result was a loss of EUR 9.8 million in 2001 compared to a share of losses of EUR 6.6 million in 2000. The share of associates results consist of losses from Speedcast of EUR 7.7 million, iBeam of EUR 3.7 million and Nahuelsat of EUR 0.1 million, with Star One contributing a share of profits of EUR 1.7 million.

Minority interests

The minority interest of EUR 53.0 million relates to the 65.9% share of AsiaSat profits attributable to the other AsiaSat shareholders.

Profit of the Group

The profit of the Group increased by EUR 35.8 million or 14.6% to EUR 280.3 million. The profit of the Group excluding the first time consolidation of AMERICOM increased by 19.4% or EUR 47.4 million to EUR 291.9 million. The contribution to the Group profit of SES ASTRA was EUR 282.5 million, an increase of 17.3% to the prior year. AsiaSat continued to contribute positively to Group earnings with a profit contribution of EUR 8.4 million in 2001. The Group net profit margin was 28.7% compared to 29.2% in 2001.

Capital expenditure
Capital expenditure for the year was EUR 432.3 million compared to EUR 254.3 million in the previous year. The capital expenditures consolidated from November 9, 2001 for AMERICOM were EUR 61.2 million. The remaining increase reflects the Group's continued investment in its satellite fleet with ASTRA 2C launched in June 2001 and three further satellites under construction (ASTRA 3A, ASTRA 1K and AsiaSat 4).

Net operating cash flow
Net operating cash flow increased by 61.5% or EUR 259.8 million to EUR 682.4 million.

This increase reflects stronger cash flow from operations of EUR 166.9 million and a EUR 93.0 million reduction in working capital requirements.

The reduction in cash flow from operations reflects lower tax and franchise free payments, and higher profit contributions excluding depreciation and amortisation. Excluding the consolidation of AMERICOM the increase in net operating cash flow was 42% or EUR 177.2 million.

Net debt
Net debt increased by EUR 2,305.4 million to EUR 3,140.0 million principally due to the borrowings related to the AMERICOM transaction. On March 28, 2001, SES GLOBAL and SES ASTRA jointly arranged a multi-currency term and revolving facilities agreement for the purposes of refinancing existing syndicated loan facilities and arranging acquisition finance for the transaction concluded on November 9, 2001 to acquire SES AMERICOM.

The new facilities agreement consists of USD 2,500 million for facilities A1 and B1 for the transaction, of which USD 2,460 million was drawn down at 31 December, 2001 and EUR 1,400 billion for facilities C and D to refinance existing loans of which EUR 765 million and USD 110 million was drawn down on Facility C as at December 31, 2001.

SES GLOBAL S.A. CONSOLIDATED ACCOUNTS REPORT OF THE INDEPENDENT AUDITOR

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

Following our appointment by the Extraordinary General Meeting of the Shareholders on March 16, 2001, we have audited the accompanying consolidated accounts of SES GLOBAL S.A. for the year ended December 31, 2001 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, 2001 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

March 28, 2002

CONSOLIDATED BALANCE SHEET

December 31, 2001

Assets	Note	2001 EUR 000	2000' EUR 000
Fixed assets			
Intangible assets	4		
Goodwill		**2,905,981**	281,688
Other intangibles		**1,109,753**	–
		4,015,734	281,688
Tangible assets in use	5		
Land & buildings		**84,087**	69,755
Plant and machinery			
– space segment		**2,769,290**	1,177,009
– ground segment		**103,715**	49,023
Other fixtures & fittings, tools and equipment		**21,046**	12,884
		2,978,138	1,308,671
Payments on account and assets in course of construction	6	**951,979**	508,696
		3,930,117	1,817,367
Financial assets			
Investments in associates	9	**140,886**	12,855
Long term investments	10	**22,616**	177,652
Other financial assets	11	**46,277**	36,841
		209,779	227,348
Current assets			
Debtors			
– Trade debtors	12	**203,130**	201,929
– Other debtors	27	**98,145**	9,152
Investments	13	**20,554**	22,245
Cash at bank and on deposit		**673,338**	163,457
		995,167	396,783
Prepayments & deferred charges		**114,361**	45,960
Deferred tax assets	16	**6,052**	5,720
Total assets		**9,271,210**	2,774,866

The notes are an integral part of the consolidated accounts.

'The prior year comparative figures presented are for information purposes only and are taken from the consolidated balance sheet of Société Européenne des Satellites S.A. as at December 31, 2000.

CONSOLIDATED BALANCE SHEET continued

December 31, 2001

Liabilities	Note	2001 EUR 000	2000' EUR 000
Capital & reserves			
Subscribed capital	14	175,809	111,000
Treasury shares at cost		(8,775)	(3,755)
Share premium account		3,696,670	5,444
Reserves			
– Legal reserve		17,581	11,100
– Other reserves		–	608,417
– Currency exchange reserve		(4,071)	13,564
Result brought forward		–	49,841
Profit of the Group		40,159	244,467
		3,917,373	1,040,078
Minority interests			
In capital & reserves		220,982	160,962
In the result for the year		52,959	52,919
		273,941	213,881
Provisions for liabilities & charges			
Provisions for pensions	15	4,161	3,561
Other provisions	15	7,098	16,113
Provisions for deferred taxes	16	573,158	47,545
		584,417	67,219
Creditors			
Amounts payable after more than one year			
Subordinated loans	17	–	148,736
Amounts owed to credit institutions	18	3,659,178	308,985
Other liabilities	19	17,955	–
		3,677,133	457,721
Amounts payable in less than one year			
Subordinated loans	17	148,736	–
Amounts owed to credit institutions	18	5,414	540,325
Payments received on account		6,870	1,502
Trade creditors		130,097	77,264
Tax & social security payable		130,871	126,162
Other liabilities	19	57,368	25,236
		479,356	770,489
Deferred income			
Upfront payments		213,884	106,122
Other deferred income		125,106	119,356
		338,990	225,478
Total liabilities		9,271,210	2,774,866

The notes are an integral part of the consolidated accounts.

'The prior year comparative figures presented are for information purposes only and are taken from the consolidated balance sheet of Société Européenne des Satellites S.A. as at December 31, 2000.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

December 31, 2001

	Notes	2001[1] EUR 000	2000[2] EUR 000	Period from incorporation[3] to 31.12.2001 EUR 000
Net turnover	27	**962,360**	829,003	219,480
Other operating income		**15,850**	6,859	15,390
Total revenues	3	**978,210**	835,862	234,870
External charges	27	**(122,538)**	(91,967)	(28,826)
Staff costs	23	**(47,173)**	(38,851)	(12,468)
Other operating charges	12	**(16,846)**	(8,078)	(4,033)
Exceptional income	20	**2,937**	11,738	–
Depreciation and amortisation	4,5	**(270,328)**	(192,122)	(81,109)
Operating profit		**524,262**	516,582	108,434
Interest receivable and similar income		**24,459**	36,968	120
Interest payable and similar charges		**(72,205)**	(64,540)	(14,754)
Value adjustment on investments	10,11	**(20,812)**	–	(20,812)
Profit on ordinary activities		**455,704**	489,010	72,988
Taxes	21	**(112,675)**	(184,997)	(21,887)
Profit for the financial year		**343,029**	304,013	51,101
Share of associates' result	9	**(9,812)**	(6,627)	(2,395)
Profit attributable to minority interests		**(52,959)**	(52,919)	(8,547)
Profit of the Group		**280,258**	244,467	40,159
Basic and diluted earnings per share (Subsequent to 1:10 share split)	22			
A – shares		**0.69**	0.66	
B – shares		**0.19**	0.26	
C – shares		**0.10**	–	

The notes are an integral part of the consolidated accounts.

[1]The amounts presented represent figures for the period January 1, 2001 to December 31, 2001 as if the exchange offer between Société Européenne des Satellites S.A. and SES GLOBAL S.A. had not occurred (see Note 1).

[2]The prior year comparative figures are taken from the consolidated profit and loss account of Société Européenne des Satellites S.A. as at December 31, 2000.

[3]SES GLOBAL S.A. was incorporated on March 16, 2001 but did not trade until subsequently to the completion of the exchange offer described in Note 1 to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW

December 31, 2001

	2001[1] EUR 000	2000[2] EUR 000
Cash flow from operating activities		
Consolidated net income before taxes	455,704	489,010
Taxes paid during the year	(56,163)	(153,905)
Depreciation and amortisation	270,328	192,122
Amortisation of client upfront payments	(41,901)	(21,932)
Other non-cash items in Profit and Loss Account	57,811	17,479
Provision for pension and other provisions	(260)	(4,119)
Result on disposal of fixed assets	(22)	(37)
Consolidated operating profit before working capital	685,497	518,618
Changes in operating assets and liabilities		
Decrease / (increase) in trade debtors	5,450	(55,230)
Decrease in other debtors	22,901	13,364
(Increase) in prepayments and deferred charges	(71,625)	(9,830)
Increase (decrease) in payments received on account	5,368	(7,008)
(Decrease) in trade creditors	5,863	(70,434)
Increase in other creditors	3,707	2,687
Increase in upfront payments	38,583	11,150
Increase in other deferred income	(13,325)	19,253
Cash (absorbed) by operations	(3,078)	(96,048)
Net operating cash flow	682,419	422,570
Cash flow from investing activities		
Purchase of intangible assets	(10,000)	–
Purchase of tangible assets	(432,302)	(254,319)
Disposal of tangible assets	1,465	3,529
Purchase to acquire NSAB (net of cash acquired)	–	(105,327)
Purchase to acquire AMERICOM (net of cash acquired)	(2,398,734)	–
Investment in financial assets	(7,111)	(201,145)
Net cash absorbed by investing activities	(2,846,682)	(557,262)
Cash flow from financing activities		
New borrowings	3,659,182	485,499
Repayment of borrowings	(870,382)	(324,666)
Dividends paid on ordinary shares	(107,442)	(96,392)
Dividends paid to minority shareholders	(7,372)	(6,704)
Net financing paid on non-operating activities	(44,665)	(13,210)
Exercise of share options by employees	547	–
Treasury shares acquired	(5,019)	(3,755)
Proceeds from share issue, net	20,334	–
Net cash generated by financing activities	2,645,183	40,772
Movements in exchange	28,961	(2,491)
Increase / (decrease) in cash	509,881	(96,411)
Cash at beginning of the year	163,457	259,868
Cash at end of the year	673,338	163,457

The notes are an integral part of the consolidated accounts.

[1]The amounts presented represent figures for the period January 1, 2001 to December 31, 2001 as if the exchange offer between Société Européenne des Satellites S.A. and SES GLOBAL S.A. had not occurred (see Note 1).

[2]The prior year comparative figures presented are for information purposes only and are taken from the consolidated statement of cash flow of Société Européenne des Satellites S.A. as at December 31, 2000.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

December 31, 2001

	Subscribed capital EUR 000	Treasury shares EUR 000	Share premium account EUR 000	Legal reserve EUR 000	Other reserves EUR 000	Currency exchange reserve EUR 000	Result brought forward EUR 000	Profit of the year EUR 000	Total EUR 000
At January 1, 2001	111,000	(3,755)	5,444	11,100	608,417	13,564	49,841	244,467	1,040,078
Allocation of result	–	–	–	–	116,548	–	127,919	(244,467)	–
Dividend	–	–	–	–	–	–	(107,998)	–	(107,998)
Purchase of treasury shares	–	(5,020)	–	–	–	–	–	–	(5,020)
Result for the period	–	–	–	–	–	–	–	240,099	240,099
Impact of currency translation	–	–	–	–	–	(42,934)	–	–	(42,934)
Prior to share exchange	111,000	(8,775)	5,444	11,100	724,965	(29,370)	69,762	240,099	1,124,225
Exchange offer of									
Class A and B shares	110,977	(8,775)	1,040,295	11,098	–	(29,370)	–	–	1,124,225
Issuance of additional shares	64,832	–	2,660,066	6,483	–	–	–	–	2,731,381
Issuing costs	–	–	(3,691)	–	–	–	–	–	(3,691)
Result for the period	–	–	–	–	–	–	–	40,159	40,159
Impact of currency translation	–	–	–	–	–	25,299	–	–	25,299
At December 31, 2001	**175,809**	**(8,775)**	**3,696,670**	**17,581**	–	**(4,071)**	–	**40,159**	**3,917,373**

The notes are an integral part of the consolidated accounts.

Note 1 General

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.

The Company had no trading activities between the date of incorporation and completion of the exchange offer described below on November 8, 2001.

On November 8, 2001, all the existing shareholders of Société Européenne des Satellites (subsequently renamed SES ASTRA S.A. ("SES ASTRA")) exchanged their shares in SES ASTRA for shares in SES GLOBAL. For every one share in SES ASTRA the shareholder received 10 shares in SES GLOBAL. As a result of the exchange offer, SES GLOBAL owns 100% of SES ASTRA (12 satellites serving Europe), 50% of Nordic Satellite AB ("NSAB") (three satellites serving the Nordic countries and Europe), 34.10% of Asia Satellite Telecommunication Holdings Limited ("AsiaSat") (three satellites over Asia and the Pacific), 19.99% of Star One S.A. ("Star One") (five satellites covering Latin America), 100% of SES Multimedia S.A. and 10% of the satellite technology company ND Satcom GmbH ("ND Satcom"). SES ASTRA also holds a 28.75% interest in Nahuelsat S.A. (one satellite serving Latin America) acquired under the transaction below. As a result of the exchange, the ultimate shareholders of the Company were the same as the previous shareholders of SES ASTRA.

On November 9, 2001, SES GLOBAL also acquired GE American Communications Inc. stock and other satellite-related assets from General Electric Capital Corporation ("GE Capital") for a consideration consisting of USD 2,413.539 million in cash and 181,295,672 shares in SES GLOBAL. These assets are held through the Company's 100% subsidiary SES GLOBAL-Americas Inc ("SES AMERICOM"). As a result, SES GLOBAL owns through SES AMERICOM 13 satellites primarily serving North America, 100% of Columbia Communications (four satellites providing transoceanic service), 50% of AMERICOM Asia-Pacific LLC ("AAP") (one satellite serving Asia) and an 18.4% stake in the satellite technology company Gilat Satellite Networks Limited ("Gilat").

SES GLOBAL now trades under "SESG" on the Luxembourg Stock Exchange, and "SDSL" on the Frankfurt Stock Exchange.

The consolidated accounts have been prepared to reflect the legal presentation of the accounts as well as a re-organisation under common control. Accordingly:

- the comparative figures in the balance sheet represent the consolidated accounts of SES ASTRA as of December 31, 2000;
- the profit and loss account reflects:
  - in the first column, the consolidated results of the group for the 12 months ended December 31, 2001 as if the exchange offer had never happened;
  - in the second column, the comparative consolidated results for the 12-month period ended December 31, 2000 of SES ASTRA;
  - in the third column, the consolidated results for the period from incorporation to December 31, 2001;
- the consolidated statement of cash flow has been prepared to reflect the 12-month period ended December 31, 2001, with the prior year comparatives being the consolidated figures of SES ASTRA for the year ended December 31, 2000.

Note 2 Accounting policies

Basis of preparation

The consolidated accounts are prepared 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.

Joint ventures

The Company's interest in jointly controlled entities is accounted for by proportionate consolidation, which involves recognising a proportionate 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, and the pro rata share of income (loss) of associates is included in income. The carrying value of such investments includes a goodwill component where the consideration paid exceeded the fair value of the Company's share of the underlying assets.

Note 2 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 (%) 2001	Effective interest (%) 2000	Method of consolidation
SES ASTRA S.A., Luxembourg	100.00	100.00	Full
SES GLOBAL-Americas, Inc., USA	100.00	–	Full
SES Finance S.A., Luxembourg	100.00	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
SES Ré S.A., Luxembourg	100.00	100.00	Full
SES Capital Luxembourg S.A., Luxembourg	100.00	100.00	Full
SES Multimedia S.A., Luxembourg	100.00	100.00	Full
SES Capital Belgium S.A., Belgium	100.00	100.00	Full
Nahuelsat S.A., Argentina	28.75	–	Equity
Held through SES GLOBAL-Americas, Inc.			
SES Subsidiary 23 Inc., USA	100.00	–	Full
SES Subsidiary 24 Inc., USA	100.00	–	Full
SES Subsidiary 25 Inc., USA	100.00	–	Full
SES Subsidiary 26 Inc., USA	100.00	–	Full
SES AMERICOM, Inc., USA	100.00	–	Full
SES AMERICOM (Asia 1A) LLC, USA	100.00	–	Full
SES AMERICOM International Holdings, Inc.	100.00	–	Full
SES AMERICOM UK Ltd., UK	100.00	–	Full
SES AMERICOM (Singapore) Pty., Ltd.	100.00	–	Full
Columbia Communications Corporation	100.00	–	Full
AMERICOM Government Services, Inc., USA	100.00	–	Full
SES AMERICOM California, Inc.	100.00	–	Full
SES Satellites International, Inc.	100.00	–	Full
Communications Satellite Int. Marketing Inc., USA	100.00	–	Full
EVidient, Inc.	100.00	–	Full
Columbia/WigUSA Communications, Inc., USA	100.00	–	Full
SES AMERICOM Colorado, Inc., USA	100.00	–	Full
SES Satellites (Gibraltar) Ltd., Gibraltar	100.00	–	Full
Starsys Global Positioning Inc., USA	80.00	–	Full
AMERICOM ASIA-PACIFIC LLC, USA	50.00	–	Proportional
Sistemas Satelitales de Mexico S. de R.L. de C.V., Mexico	49.00	–	Equity
Held through SES Finance S.A.			
SES do Brasil S.A., Brazil	100.00	100.00	Full
Bowenvale Ltd, British Virgin Islands	49.50	49.50	Full
Asia Satellite Telecommunications Hldgs. Ltd, Bermuda	34.10	34.10	Full
Nordic Satellite AB, Sweden	50.00	50.00	Proportional
Norwegian Digital Swap A/S, Norway	50.00	50.00	Proportional
Sirius Satellite Services SIA	50.00	–	Proportional
iBEAM Europe Ltd. United Kingdom	33.33	33.33	Equity
PhoenixNet Holdings Ltd, Hong Kong	36.52	36.52	Equity
SpeedCast Ltd, Hong Kong	36.52	36.52	Equity
Star One S.A.	19.99	19.99	Equity

On January 15, 1999, the Company acquired, through its wholly owned subsidiary SES Finance S.A., a 49.50% 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"), Bermuda, a Hong Kong-based satellite services provider. 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 significant influence in the definition and development of the satellite business, explains the full consolidation of AsiaSat in the Group's accounts as of December 31, 2000 and 2001.

Note 2 Accounting policies continued

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 estimated useful lives on a straight-line basis, from the date of acquisition. The current maximum period of amortisation is 20 years. Provisions for risk are recorded if they are justified by any particular circumstances and namely when the effective profitability is below the initial plan.

Other intangibles

Intangible assets, consisting principally of rights of usage of orbital frequencies and acquired transponder service agreements, are amortised on a straight-line basis over their useful lives. The current lives in use range from 14 to 21 years.

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 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. With effect from the date of the exchange offer, finance charges arising during the construction period of satellites are capitalised to comply with the Group accounting policy.

As a result of management's ongoing assessment of depreciable lives determined in part by input from engineering analysis, the depreciable life estimates for SES ASTRA's satellites were prospectively changed from January 1, 2001. The changes were made to better reflect the satellites' economic life and improvements in satellite technology, resulting in depreciation periods being extended for certain satellites. The effect of SES ASTRA's change in depreciable lives estimates for its satellites for the twelve months ending December 31, 2001 is approximately EUR 17.600 million, net of taxes. The Group's satellite depreciable lives now range from 10 to 16 years.

Plant and machinery – ground segment

Machinery and equipment are depreciated evenly over its estimated useful life, which is 10 years or less.

Other fixtures, fittings, tools and equipment

All such items are depreciated evenly over the estimated useful lives, which are 10 years or less.

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.

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 where 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, is recorded in the profit and loss account for the period.

Debtors

Debtors are stated at anticipated realisable 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

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

Note 2 Accounting policies continued

Pensions

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. Costs relating to the defined contribution plan are recognised in the profit and loss account as incurred on an accrual basis.

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, associates and joint ventures, 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 are translated at the rate applicable on the date of payment, except when currencies are bought in advance under forward contracts specifically for the acquisition of such assets, in which case the cost of acquisition is translated at the forward rate. 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 national currencies. Those marketing subsidiaries that do not maintain their accounts in Euro are all companies which are dependent upon SES ASTRA for funding and represent an integral part of SES ASTRA's operations. Accordingly the temporal method of currency translation is applied to these companies' accounts for the purposes of presenting the consolidated accounts. The assets and liabilities of other 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.

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 Company 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 meeting. 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 using the weighted average number of shares outstanding during the year and to reflect the exchange offer (see Note 1).

Impairment of Long-Lived and Identifiable Intangible Assets

The Company's long-lived assets and identifiable 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 undiscounted future cash flows. Such impairment tests are based on a comparison of estimated undiscounted 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.

Advertising Costs

The Company expenses all advertising costs as incurred.

Note 3 Segment information

The following table presents revenue and expenditure information and certain asset information regarding geographical segments for the year ended December 31, 2001:

	SES ASTRA EUR 000	SES AMERICOM EUR 000	AsiaSat EUR 000	Other EUR 000	Group EUR 000
Revenue	739,535	80,576	138,431	19,668	978,210
EBITDA[1]	605,421	67,060	117,068	5,041	794,590
Depreciation	149,558	22,408	23,870	7,990	203,826
Amortisation	27,751	23,650	11,192	3,909	66,502
Operating profit	428,112	21,002	82,006	(6,858)	524,262
Net financing cost[2]	(22,865)	(20,327)	(17,215)	12,661	(47,746)
Value adjustments on investments	(20,812)	–	–	–	(20,812)
Taxes	(101,961)	(12,349)	4,227	(2,592)	(112,675)
Share of associates' results	–	–	(7,649)	(2,163)	(9,812)
Minority interest	–	–	(52,959)	–	(52,959)
Profit of the group	282,474	(11,674)	8,410	1,048	280,258
Segment assets[3]	2,641,047	5,502,619	680,195	447,349	9,271,210
Segment liabilities	848,631	3,401,539	376,959	452,767	5,079,896
Capital expenditure	283,008	61,209	86,029	2,055	432,301

[1]Earnings before interest, taxation, depreciation and amortisation.

[2]Segmental net financing cost is stated after the allocation of transaction financing costs.

[3]Segmental assets comprise:

	SES ASTRA EUR 000	SES AMERICOM EUR 000	AsiaSat EUR 000	Other EUR 000	Group EUR 000
Intangible assets	535,007	3,216,899[4]	190,526	73,302	4,015,734
Tangible assets	1,542,066	1,859,263	425,646	103,142	3,930,117
Financial assets	20,498	10,262	–	179,019	209,779
Other assets	543,476	416,195	64,023	91,886	1,115,580
Segment assets	2,641,047	5,502,619	680,195	447,349	9,271,210

[4]This represents a goodwill on the acquisition of SES AMERICOM of EUR 2,640,340 and other intangibles assets of EUR 576,559, net of amortisation, as per Note 4 of the accounts.

Note 4 Intangible assets

	Goodwill EUR 000	Other intangibles EUR 000	Total EUR 000
Cost at December 31, 1999	228,503	–	228,503
Accumulated amortisation at December 31, 1999	(11,747)	–	(11,747)
Net book value at December 31, 1999	216,756	–	216,756
Movements in 2000			
Additions	78,189	–	78,189
Adjustment	(156)	–	(156)
Amortisation	(13,101)	–	(13,101)
Cost at December 31, 2000	306,536	–	306,536
Accumulated amortisation at December 31, 2000	(24,848)	–	(24,848)
Net book value at December 31, 2000	281,688	–	281,688
Movements in 2001			
Extension of scope	2,653,386	579,596	3,232,982
Additions	–	560,000	560,000
Impact of currency translation	6,280	1,303	7,583
Amortisation	(35,356)	(31,146)	(66,502)
Impact of currency translation	(17)	–	(17)
Cost at December 31, 2001	2,966,202	1,140,899	4,107,101
Accumulated amortisation at December 31, 2001	(60,221)	(31,146)	(91,367)
Net book value at December 31, 2001	**2,905,981**	**1,109,753**	**4,015,734**

Goodwill

The goodwill brought forward balance relates to the acquisition of SES Capital Luxembourg S.A., Bowenvale Ltd. and NSAB. The SES Capital Luxembourg S.A. goodwill (EUR 4.727 million) is being amortised over five years commencing December 1, 1998. The goodwill arising through the investments in Bowenvale Ltd (EUR 223.637 million) and NSAB (EUR 78.189 million) is being amortised over 20 years beginning January 15, 1999 and October 1, 2000 respectively.

On the acquisition of SES AMERICOM, goodwill of USD 2,367.087 million (EUR 2,659.649 million at the closing rate) was generated. This transaction is set out in more detail in Note 7. The goodwill is being amortised on a straight-line basis over 20 years beginning November 9, 2001.

Note 4 Intangible assets continued
Other intangible assets
On the acquisition of SES AMERICOM a total valuation of USD 517.000 million (EUR 580.899 million at the closing rate) was placed on certain of the intangible assets acquired, such as rights of usage of orbital frequencies and acquired transponder service agreements. This transaction is set out in more detail in Note 7.

Including the goodwill stated above, intangible assets with an historical cost of USD 2,884.087 million (EUR 3,240.549 million at the closing rate) were generated in the course of the AMERICOM transaction.

During the year ended December 31, 2001, SES ASTRA concluded an agreement with the Luxembourg government in relation to the usage of the Luxembourg frequencies in the orbital positions of the geo-stationary arc from 45 degrees West to 50 degrees East for the period of January 1, 2001 to December 31, 2021. The right of usage was granted at an agreed value of EUR 550.000 million. This cost is being written off on a straight-line basis over the term of the agreement.

The remaining balance of the additions to intangible assets relates to a EUR 10.000 million payment made in relation to orbital access rights. This asset is being written off on a straight-line basis over the period of the agreement.

		Plant & Machinery				
Note 5 Tangible assets in use	Land & buildings EUR 000	Space segment EUR 000	Ground segment EUR 000	Initial operating expenses EUR 000	Other fixtures and fittings, tools and equipment EUR 000	Total EUR 000
Cost at Dec 31, 1999	64,668	1,975,633	89,300	36,305	28,588	2,194,494
Accumulated depreciation at Dec 31, 1999	(17,411)	(885,033)	(47,687)	(36,305)	(18,695)	(1,005,131)
Net book value at Dec 31, 1999	47,257	1,090,600	41,613	–	9,893	1,189,363
Movements in 2000						
Extension of consol. scope	–	96,301	9,633	–	216	106,150
Additions	2,793	–	5,886	–	4,717	13,396
Disposals	(8)	(3,406)	(14)	(36,305)	(489)	(40,222)
Transfers from assets in course of construction	26,930	169,549	8,139	–	–	204,618
Reclassifications	(1,400)	–	(1,136)	–	2,536	–
Impact of currency translation	–	25,605	(305)	–	135	25,435
Depreciation – extension of scope	–	(30,286)	(6,308)	–	(56)	(36,650)
Depreciation	(5,818)	(160,125)	(8,672)	–	(4,406)	(179,021)
Depreciation on disposals	1	–	13	36,305	412	36,731
Impact of currency translation	–	(11,229)	174	–	(74)	(11,129)
Cost at Dec 31, 2000	92,983	2,263,682	111,503	–	35,703	2,503,871
Accumulated depreciation at Dec 31, 2000	(23,228)	(1,086,673)	(62,480)	–	(22,819)	(1,195,200)
Net book value at Dec 31, 2000	69,755	1,177,009	49,023	–	12,884	1,308,671
Movements in 2001						
Extension of consol. scope	21,554	1,476,150	193,519	–	14,105	1,705,328
Additions	6,834	32,603	10,775	–	7,432	57,644
Disposals	(5,435)	(1,399)	(67)	–	(254)	(7,155)
Transfers from assets in course of construction	9,640	239,100	12,063	–	708	261,511
Reclassifications	–	–	(940)	–	940	–
Impact of currency translation	48	29,218	(57)	–	207	29,416
Depreciation – extension of scope	(16,754)	–	(140,079)	–	(7,603)	(164,436)
Depreciation	(6,951)	(169,351)	(20,775)	–	(6,749)	(203,826)
Depreciation on disposals	5,435	4	67	–	206	5,712
Reclassifications	–	–	659	–	(659)	–
Impact of currency translation	(39)	(14,044)	(473)	–	(171)	(14,727)
Cost at Dec 31, 2001	125,624	4,039,354	326,796	–	58,841	4,550,615
Accumulated depreciation at Dec 31, 2001	(41,537)	(1,270,064)	(223,081)	–	(37,795)	(1,572,477)
Net book value at Dec 31, 2001	84,087	2,769,290	103,715	–	21,046	2,978,138

Note 6 Payments on account and assets in course of construction	Land & buildings EUR 000	Space segment EUR 000	Ground segment EUR 000	Total EUR 000
Cost and net book value at December 31, 1999	21,920	438,555	15,064	475,539
Movements in 2000				
Additions	9,206	207,468	24,405	241,079
Transfers to assets in use	(26,930)	(169,549)	(8,139)	(204,618)
Impact of currency translation	–	(3,304)	–	(3,304)
Cost and net book value at December 31, 2000	4,196	473,170	31,330	508,696
Movements in 2001				
Extension of consol. scope	–	321,461	2,247	323,708
Additions	9,819	330,927	33,911	374,657
Transfers to assets in use	(9,640)	(239,100)	(12,771)	(261,511)
Impact of currency translation	(11)	6,419	21	6,429
Cost and net book value at December 31, 2001	**4,364**	**892,877**	**54,738**	**951,979**

Borrowing costs of EUR 4.585 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 4.8% was used, representing the borrowing cost of the relevant loans.

Note 7 Investments in subsidiaries

SES ASTRA

On November 8, 2001 SES GLOBAL acquired all the outstanding share capital of SES ASTRA through an exchange of shares. For every one share in SES ASTRA, the shareholder received 10 shares in SES GLOBAL.

SES AMERICOM

On November 9, 2001, SES GLOBAL acquired 100% of the shares of SES AMERICOM, and certain other related assets, from GE Capital, in a USD 4,336.039 million transaction, including transaction costs of USD 35.563 million. SES GLOBAL exercised its option on November 7, 2001, to issue additional Special Equity Shares to GE Capital in order to decrease the cash portion of the purchase consideration by USD 300 million. At closing, after taking into account the Special Equity Shares issued, the purchase consideration consisted of USD 2,413.539 million of cash from borrowings under available credit facilities and 176,799,314 of the Company's Ordinary Class C Shares and 4,496,358 Preferred Class C Shares. The share consideration has been valued at a price of EUR 11.89 per share.

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

	USD 000
Intangible assets	517,000
Tangible assets	1,620,311
Financial assets	65,536
Trade and other debtors	93,233
Cash at bank and on deposit	272,223
Prepayments and deferred charges	4,682
Other provisions	(2,456)
Loan financing, GE Capital	(1,900,000)
Other long-term liabilities	(23,448)
Current liabilities	(53,920)
Deferred tax	(420,251)
Deferred income	(103,958)
Fair value of net assets acquired (excluding goodwill)	68,952
Settlement of the loan financing from GE Capital	1,900,000
Goodwill arising on acquisition	2,367,087
Total consideration	4,336,039

Under the terms of the agreement, the consideration of USD 4,336.039 million was used to settle the loan financing from GE Capital (USD 1,900 million) and to acquire the remaining net assets for a consideration of USD 2,436.039 million. The goodwill arising of USD 2,367.087 million (EUR 2,653.386 million at the date of acquisition) is being amortised on a straight-line basis over 20 years.

The purchase price is subject to adjustment based upon final working capital amounts acquired. The Company does not expect significant adjustments to the purchase price.

Note 8 Investments in joint ventures
NSAB
On October 1, 2000, SES ASTRA acquired 50% of the shares of NSAB. Consideration for the acquisition, including legal fees associated with the transaction, amounted to EUR 126.201 million. The fair value of the net tangible assets acquired of NSAB as at October 1, 2000 was EUR 48.013 million resulting in goodwill of EUR 78.189 million, which is being amortised over a 20-year period. At December 31, 2001, NSAB holds 100% interests in Norwegian Digital Swap A/S, Norway and Sirius Satellite Services SIA, Latvia and a 13% holding in DisplayIt Sweden AB.

50% of the revenues and expenses of this joint venture for the year ended December 31, 2001 have been included in the results of the Group for the year then ended. The Group's share of the assets, liabilities, revenue and expenses of the joint venture in NSAB, which are included in the consolidated accounts, are as follows at December 31, 2001 and for the year then ended:

	2001 EUR 000	2000 EUR 000
Current assets	**15,184**	27,274
Non-current assets	**55,500**	65,327
Current liabilities	**13,609**	19,111
Non-current liabilities	**12,756**	13,706
Revenue	**19,164**	10,177
Operating result	**(1,539)**	4,352
Taxes	**(664)**	(17)
Result for the period	**(2,068)**	4,148

AMERICOM ASIA-PACIFIC LLC ("AAP")
The Company acquired a 50% shareholding in AAP on November 9, 2001, within the framework of the SES AMERICOM purchase.

50% of the revenues and expenses of this joint venture from the date of acquisition, being November 9, 2001, until December 31, 2001 have been included in the results of the Group for the year then ended. The Group's share of the assets, liabilities, revenue and expenses of the joint venture in AAP, which are included in the consolidated accounts, are as follows at December 31, 2001 and for the 53-day period then ended:

	2001 EUR 000	2000 EUR 000
Current assets	**2,199**	–
Non-current assets	**47,708**	–
Current liabilities	**8,037**	–
Revenue	**503**	–
Operating result	**(697)**	–
Taxes	**279**	–
Result for the period	**(418)**	–

Note 9 Investments in associates	**2001 EUR 000**	2000 EUR 000
At December 31, 2000	**12,855**	–
Additions	**5,556**	19,100
Share of result	**(9,812)**	(6,627)
Reclassification	**147,490**	–
Impact of currency translation	**(15,203)**	382
At December 31, 2001	**140,886**	12,855

At December 31, 2001 the Company held interests, directly or indirectly, in five associates accounted for under the equity method. These were: Star One (19.99%); Nahuelsat (28.75%); i-Beam Europe Limited ("i-Beam" – 33.33%); PhoenixNet Holdings Ltd ("PhoenixNet" – 34.10%); and SpeedCast Ltd. ("SpeedCast") a 100% subsidiary of PhoenixNet Holdings Ltd).

At December 31, 2001, these investments have the following carrying values in the consolidated financial statements:

	Brought forward EUR 000	Additions/ reclassifications EUR 000	Share of results EUR 000	Impact of currency translation EUR 000	Carrying value EUR 000	Equity share EUR 000
PhoenixNet/SpeedCast	7,294	–	(7,649)	355	–	–
i-Beam	5,561	–	(3,650)	(10)	1,901	1,901
Star One	–	147,490	1,610	(15,548)	133,552	75,841
Nahuelsat	–	5,556	(123)	–	5,433	8,636
Total	**12,855**	**153,046**	**(9,812)**	**(15,203)**	**140,886**	

The investment in Star One was accounted for in the prior year, and in the current year up to November 9, 2001, as a long-term investment. Subsequent to November 9, 2001, the investment has been accounted for as an associate.

Additions to investments in associated undertakings at December 31, 2001 include goodwill of EUR 52.444 million (2000: nil). Amortisation of goodwill of EUR 0.404 million (2000: nil) is included in the share of associates' result.

Note 10 Long-term investments
At December 31, 2001 the Company held long-term equity investments in the following companies:

	Brought forward EUR 000	Extension of scope EUR 000	Additions/ reclassification EUR 000	Value adjustment EUR 000	Impact of currency translation EUR 000	Carrying value EUR 000
ND SatCom	1,862	–	32	–	–	1,894
Netsystem.com	25,893	–	–	(15,500)	–	10,393
Kokua Communications	2,330	–	4	(2,334)	–	–
Star One	147,490	–	(147,490)	–	–	–
DisplayIt Sweden AB	77	–	–	–	(10)	67
Gilat	–	10,239	–	–	23	10,262
Total	177,652	10,239	(147,454)	(17,834)	13	22,616

In 2000, SES ASTRA purchased a 10% interest in ND SatCom GmbH, a 4.95% interest in Netsystem.com S.p.A., and a 10% stake in Kokua Communications Inc. NSAB purchased a 24% interest in Upstage Performance AB., subsequently renamed DisplayIt Sweden AB. The interest in DisplayIt Sweden AB has now been diluted to under 20%.

In the year ended December 31, 2001, the Company acquired an 18.4% shareholding in Gilat, a company incorporated in Israel, through the purchase of SES AMERICOM.

The treatment of the investment in Star One was changed with effect from November 9 from an investment to an associate, accounted for using equity accounting, to reflect the Company's significant influence on the business.

A value adjustment of EUR 15.500 million has been made to the investment in Netsystem.com S.p.A. to reflect the current trading position of the company.

Note 11 Other financial assets	EUR 000
Cost at December 31, 2000	36,841
Accumulated value adjustments at December 31, 2000	–
Net book value at December 31, 2000	**36,841**
Movements in 2001	
Additions	**1,538**
Disposals	**(18)**
Impact of currency translation	**10,894**
Value adjustments	**(2,978)**
Cost at December 31, 2001	**49,255**
Accumulated value adjustments at December 31, 2001	**(2,978)**
Net book value at December 31, 2001	**46,277**

Other financial assets
The principal component of other financial assets is a loan of USD 40.516 million advanced in 1999 to Able Star Associates Limited, British Virgin Islands, a fully owned subsidiary of CITIC. The purpose of this loan was to enable CITIC to purchase additional shares in the Bowenvale operation, to achieve the desired ownership structure. This loan bears interest at market rates and expires on January 15, 2006. No repayments have occurred in 2001.

Note 12 Trade debtors	**2001 EUR 000**	2000 EUR 000
Outstanding invoices on billed revenues	**60,481**	50,709
Unbilled accrued revenue	**142,649**	151,220
Trade debtors	**203,130**	201,929

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 22.516 million. The charge to debtor provisions for 2001 of EUR 8.615 million is included in other operating charges.

Trade debtors at December 31, 2001 included EUR 25.630 million (2000: EUR 9.193 million) of amounts becoming due and payable in more than one year.

Note 13 Investments	**2001 EUR 000**	2000 EUR 000
Investments	**20,554**	22,245

SES ASTRA purchased a quantity of Fiduciary Deposit Receipts ("FDRs") in respect of "A" shares by agreement with the shareholders to use in connection with the Director/Employee option scheme set up at the time of the company's Initial Public Offering.

Note 14 Subscribed capital
The Company has an authorised share capital of EUR 10,134,000,000 comprising 918,749,180 shares. The subscribed share capital of EUR 175,808,916 is represented by category A, B and C shares with no par value. The share capital is divided into the following categories:

A shares	310,340,000
B shares	245,817,836
C shares:	
– Ordinary	176,799,314
– Preference	4,496,358
Total subscribed shares	737,453,508

Fiduciary Deposit Receipts (FDRs) with respect to the A shares of the Company are listed at the Luxembourg Stock Exchange and on the "Amtlicher Handel", the official list of the Deutsche Börse. These FDRs can be traded freely and are convertible to 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.

The B shares are reserved for Luxembourg public institutions or by entities or organisations which are controlled directly or indirectly by such institutions.

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

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

The acquisition and disposal of shares require, under certain conditions, the approval of the Luxembourg Government.

Note 15 Provisions for pensions and other provisions
The Group's operations in Luxembourg have a defined benefit pension plan covering substantially all of its employees. Retirement benefits are based on years of credited service, the highest average compensation (as defined), and the relevant government benefit, which vary from plan to plan reflecting applicable local practices and legal requirements.

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

The movements on the provisions are set out below:

	Provisions for pensions EUR 000	Other provisions EUR 000
At December 31, 1999	2,143	70,542
Restatement of opening balance	–	(45,625)
Extension of consolidation scope	–	8,393
Provision for 2000	1,418	1,457
Reversal of provisions	–	(19,183)
Impact of currency translation	–	529
At December 31, 2000	3,561	16,113
Extension of consolidation scope	–	2,753
Provision for 2001	691	1,008
Reversal of provisions	(91)	(1,869)
Impact of currency translation	–	(469)
Reclassification	–	(10,438)
At December 31, 2001	**4,161**	**7,098**

Note 15 Provisions for pensions and other provisions continued

Provision for pensions

Certain companies of the Group have set up a non-funded and non-contributory defined benefit pension plan covering all of their employees. Retirement benefits are based on years of credited service and the latest salary. The principal assumptions used in determining pension benefit obligations for Luxembourg-based companies are shown below:

Discount rate	5%
Expected rate of return on assets	5%
Future compensation increases	4%
Inflation	2%
Turnover of employees	6%

Various Group companies operate defined contribution retirement benefits scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group in funds under the control of trustees. The retirement benefits costs charged to the profit and loss account represent contributions payable to the scheme by the Group at rates specified in the rules of the scheme. Where employees who leave the scheme prior to vesting fully in the contributions, the contributions payable by the Group are reduced by the amount of forfeited contributions.

Other provisions

The equalisation provision amounting to EUR 45.625 million, set up by SES Ré S.A. (SES ASTRA's captive re-insurance company) was reclassified to result brought forward in 2000.

Note 16 Deferred taxes

The movements on the provisions are set out below:

	Provisions for deferred tax assets EUR 000	Provisions for deferred tax liability EUR 000
At December 31, 1999	7,492	11,481
Extension of consolidation scope	2,350	10,024
Provision for 2000	–	24,271
Reversal of provisions	(4,122)	–
Impact of currency translation	–	1,769
At December 31, 2000	5,720	47,545
Extension of consolidation scope	–	471,133
Provision for 2001	1,845	64,473
Reversal of provisions	(1,513)	(12,533)
Impact of currency translation	–	2,540
At December 31, 2001	6,052	573,158

Deferred taxes

Deferred tax provisions reflect temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal unity. Neither the Group nor the Company had any material unprovided deferred taxation for the year or at the balance sheet date.

Note 17 Subordinated loans

On January 11, 1999, the Company arranged, a EUR 148.736 million subordinated loan facility with a group of its shareholders. This is an unsecured facility, which was fully drawn on January 14, 1999. It was repaid on January 11, 2002.

Note 18 Amounts owed to credit institutions

On March 28, 2001, SES GLOBAL and SES ASTRA jointly arranged a Multi-currency Term and Revolving Facilities Agreement for the purposes of refinancing existing syndicated loan facilities and arranging acquisition finance for the transaction, concluded on November 9, 2001, to acquire SES AMERICOM. The new Facilities Agreement is made up of the following:

1. Facility A1 – USD 1,600.000 million term loan facility available for the purposes of the SES AMERICOM acquisition and repayable by March 28, 2006
2. Facility B1 – USD 900.000 million term loan facility available for the purposes of the SES AMERICOM acquisition and repayable by March 28, 2003
3. Facility C – EUR 1,000.000 million term loan facility available to refinance existing debt and for general corporate purposes. It is repayable by March 28, 2006
4. Facility D – EUR 400.000 million revolving loan facility available to refinance existing debt and for general corporate purposes. It is repayable by March 28, 2006

As at December 31, 2001, the facilities were drawn as follows. The interest rates represent the rates applying at the year-end:

1. Facility A1 – USD 1,552.000 million drawn by SES ASTRA at 3.19625% (LIBOR+1.25%) and USD 23.040 million drawn by SES GLOBAL at 3.1675% (LIBOR+1.25%)
2. Facility B1 – USD 383.000 million drawn by SES ASTRA at 3.09625% (LIBOR+1.15%) and USD 502.960 million drawn by SES GLOBAL – USD 490 million at 3.09625% (LIBOR+1.15%) and USD 12.960 million (LIBOR+1.15%)
3. Facility C – EUR 765.000 million at 4.592% (LIBOR+1.25%) and USD 110.000 million at 3.12% (LIBOR+1.25%) drawn by SES ASTRA
4. Facility D – no drawings outstanding

The Borrowers are committed in the Facilities Agreement to maintaining a number of financial ratios within agreed limits in order to provide sufficient security to the Lenders.

Note 18 Amounts owed to credit institutions continued

On June 29, 1998 the Company arranged a Revolving Credit facility of EUR 49.579 million with a group of Luxembourg banks. On July 2, 1999, this facility was renewed for an amount of EUR 49.200 million. This facility is renewable on each expiry date for a period of 364 days. After a short period of unavailability following its expiry on June 29, 2001, it was renewed for a further period of 364 days from October 26, 2001. It is unsecured and can be drawn upon and repaid for limited periods.

On November 24, 2000, AsiaSat entered into a new loan agreement for an amount of USD 250.000 million. No drawdown had been made on this loan as at the year-end.

On November 4, 1997, NSAB entered into a syndicated Facility Agreement for an amount of SEK 770.000 million, whereof SEK 208.000 million is a revolving credit facility and SEK 562.000 million is a loan facility. The loan facility is repayable semi-annually with final repayment on December 15, 2003. The outstanding amount under the loan facility as at December 31, 2001 was SEK 204.000 million. The revolving credit facility was not used as at December 31, 2001. This Facility Agreement is secured by the pledge of certain assets and customer contracts.

At the end of 2001 and 2000, the loan accounts for SES GLOBAL consolidated were as follows:	**Amounts outstanding 2001 EUR 000**	Amounts outstanding 2000 EUR 000
Loan of July 15, 1996 (EUR 347.051 million)	**–**	212,104
Loan of June 29, 1998 (EUR 285.078 million)	**–**	285,078
Loan of January 11, 1999 (EUR 99.157 million)	**–**	99,157
Loan of August 21, 2000 (EUR 250.000 million)	**–**	235,702
Share of loan of November 4, 1997 (SEK 770.000 million)	**10,828**	17,269
Facilities Agreement of March 28, 2001 (EUR 1,400.000 million and USD 2,500.000 million)	**3,653,764**	–
	3,664,592	849,310

The maturity profile of these loans at December 31, 2001 and 2000 is as follows:	**Amounts outstanding 2001 EUR 000**	Amounts outstanding 2000 EUR 000
Within one year	**5,414**	540,325
Between one and two years	**1,171,470**	179,282
Between two and five years	**2,487,708**	129,703
More than five years	**–**	–
More than one year	**3,659,178**	308,985

Note 19 Other liabilities

A capital lease obligation of EUR 25.058 million relating to a structured finance arrangement is shown at an amount of EUR 17.300 million in other liabilities payable within one year and EUR 7.758 million within other liabilities payable after one year. As disclosed in Note 26, cash at bank and on deposit includes restricted deposits, which, in substance defease the capital lease obligations. Both the debt and the deposits have floating interest rates which match equivalent published borrowing rates so there is no interest cost in the arrangements.

Note 20 Exceptional income

The exceptional income of EUR 2.937 million relates to the final three months revenues arising through the ASTRA 1A in-orbit insurance claim due to partial loss of capacity. The prior year exceptional income of EUR 11.738 million arose under the same claim.

Note 21 Taxes

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

	2001 EUR 000	2000 EUR 000
Current	**61,066**	156,604
Deferred	**51,609**	28,393
	112,675	184,997

The prior year comparative figure contains charges paid to the Luxembourg government for the right of usage of the Luxembourg frequencies in the orbital positions of the geo-stationary arc from 45 degrees West to 50 degrees East for the period of January 1, 2001 to December 31, 2021. SES ASTRA historically paid the Luxembourg state a fee for the use of its orbital positions under a concession agreement. The payments were based upon SES ASTRA's taxable income and as such were historically expensed under tax and franchise fees in the consolidated profit and loss account. Effective January 1, 2001, SES ASTRA and the Luxembourg government renegotiated the concession agreement under which SES ASTRA purchased the right of usage of the orbital position and frequency rights held by the Luxembourg government for a 21-year period. These rights have been capitalised as an intangible asset and the corresponding expense in 2001 is reported as amortisation rather than with the tax charge as in the prior year.

Note 22 Basic and diluted earnings per share
Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders of each category of shares by the weighted average number of shares outstanding during the year, for each category of share.

Diluted earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders of each category of shares by the weighted average number of shares outstanding during the year, for each category of share, adjusted for the effects of dilutive options.

For the year 2001, earnings per share of EUR 0.69 per A share, EUR 0.19 per B share, and EUR 0.10 per C share, have been calculated on the following basis:

	2001 EUR 000	2000 EUR 000
Profit of the Group	**280,258**	244,467
Weighted average number of shares for the purpose of calculating earnings per share:		
A shares	**310,340,000**	310,340,000
B shares	**168,332,562**	155,170,000
C shares	**26,325,125**	–

The weighted average number of shares is based on the capital structure of the Company as described in Note 14. 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. The prior year comparative figures have been restated in accordance with the share-split. 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.

For the reasons set out in Note 25, no allowance has been made for potential dividends relating to founder shares.

Note 23 Employees

The analysis of personnel as of December 31, 2001 was:	**2001**	2000
SES ASTRA	**385**	365
SES AMERICOM	**292**	–
AsiaSat	**80**	75
Other	**22**	11
	779	451

Staff costs can be analysed as follows:	**2001 EUR 000**	2000 EUR 000
Wages and salaries	**42,250**	35,853
Social security costs	**4,923**	2,998
	47,173	38,851

The average number of employees for 2001 was 513 (2000: 434).

Note 24 Board of Directors' remuneration
At the annual meeting of SES ASTRA held on April 17, 2001, payments to directors for attendance at Board and Committee meetings in 2001 were approved. These payments are computed on a fixed and variable basis, the variable part being based upon attendance at Board and Committee meetings. The decision taken by the annual meeting of SES ASTRA in relation to the Board of Directors' remuneration was confirmed by an extraordinary general meeting of SES GLOBAL held on November 29, 2001.

Total payments arising in 2001 were EUR 0.945 million (2000: EUR 0.763 million).

Note 25 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 per cent participation in the net profits of the Company, after tax, resulting from television activities (except accessory provision of services) provided that the profits have been achieved exclusively within SES ASTRA's purpose as defined in Article 2 of the Articles at the time of its incorporation in 1985, excluding all revenues resulting from an enlargement or extension of the initial purpose. These Founder Shares are redeemable by SES ASTRA at the end of the 20-year period at a value equal to the balance of profit entitlement of SES ASTRA not yet distributed.

At the annual general meeting of April 15, 1993, the shareholders were advised that there is evidence that the contractual agreements incumbent on the holder of the Founder Shares are not being adhered to by the holder of the Founder Shares. Pending resolution of this matter, which is before the Luxembourg Courts, it was decided neither to pay a dividend nor to make an allocation to the Founder Share reserve account.

The decision has been appealed against. The Court of Appeals of Luxembourg will hear the case at the end of May 2002. A Court decision is expected later in 2002.

Note 26 Off-balance-sheet items

Capital commitments

The Group had outstanding commitments in respect of contracted capital expenditure totalling EUR 606.374 million at December 31, 2001 (2000: EUR 433.000 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.

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.

Forward foreign exchange contracts

The Group has no forward foreign exchange contracts outstanding as of December 31, 2001.

Swap agreements

As at December 31, 2001, NSAB had one outstanding interest rate swap agreement, for a notional amount of SEK 240.000 million. The swap notional amount is reduced in relation to repayments of the loan facility described in Note 18. At the Balance Sheet date the outstanding notional amount was SEK 160.000 million. Under the terms of this agreement, NSAB pays fixed interest of 6.085% and receives Stibor.

Restrictions on use of cash

At December 31, 2001 there were restrictions on the use of cash balances totalling EUR 34.571 million (2000: EUR 1.000 million). Of this, EUR 25.058 million arises under the terms of a lease agreement for one of the satellites belonging to SES AMERICOM. For a further EUR 9.506 million, the restriction is that the funds only be used for settling acquisition costs relating to new loan facilities.

Option to increase participation in Star One

As part of the agreement with Embratel to participate in the creation of Star One, the Group was granted the option to increase its holding to 29.99%.

Note 27 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 14.

GE Capital holds a 20.1% voting interest in the Company. The following transactions and balances with GE Capital and its subsidiaries and affiliates are included in the consolidated financial statements. Other debtors include a receivable from GE Capital of EUR 35.161 million. Revenues include EUR 2.521 million through sales to the GE Capital subsidiary NBC. External charges include an amount of EUR 1.224 million relating to the supply of a variety of services by GE Capital and its subsidiaries and affiliates.

The Group generated revenues of EUR 13.634 million from Deutsche Telekom AG ("DT") in the year ended December 31, 2001. DT holds a voting interest of 10.52% in the Company. At the year-end there were no amounts outstanding. The Company also purchased, in the normal course of business, fixed assets from DT which are stated in the balance sheet at EUR 9.385 million.

Note 28 Subsequent events

On February 7, 2002, the Company terminated construction of two satellites, GE-3i and GE-4i. The vendor has agreed to refund progress payments made through the termination date of USD 15.097 million in May 2002. The Company had made progress payments totalling approximately USD 13.860 million at December 31, 2001.

SES GLOBAL S.A. ANNUAL ACCOUNTS REPORT OF THE STATUTORY AUDITOR

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

Following our appointment by the Extraordinary General Meeting of the Shareholders on March 16, 2001, we have audited the accompanying annual accounts of SES GLOBAL S.A. for the period ended December 31, 2001. 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, 2001 and of the results of its operations for the period then ended.

Ernst & Young
Société Anonyme
Réviseur d'entreprises

Werner Weynand

March 28, 2002

SES GLOBAL S.A. BALANCE SHEET

December 31, 2001

Assets	Note	EUR 000
Formation expenses	3	825
Financial assets		
Shares in affiliated undertakings	4	4,504,450
Current assets		
Debtors (amounts receivable in less than one year)		
– Amounts owed by affiliated undertakings		83,720
– Other receivables		4,021
Cash at bank and on hand		35,727
		123,468
Prepayments		13,724
Total assets		4,642,467

Liabilities	Note	
Capital and reserves		
Subscribed capital	5	175,809
Share premium	5	3,670,990
Legal reserve	6	17,581
		3,864,380
Creditors		
Amounts payable after more than one year		
– Amounts owed to credit institutions	7	591,011
Amounts payable within one year		
– Trade creditors		73
– Amounts owed to affiliated undertakings		56
– Other creditors		2,627
		2,756
Profit for the financial period		184,320
Total liabilities		4,642,467

The notes are an integral part of the annual accounts.

SES GLOBAL S.A. PROFIT AND LOSS ACCOUNT

December 31, 2001

	Note	EUR 000
External charges		(250)
Other operating charges		(305)
Value adjustments in respect of formation expenses	3	(28)
Income in respect of affiliated undertakings		190,000
Interest receivable and similar income		179
Interest payable and similar charges		(5,276)
Result on ordinary activities		184,320
Taxes		–
Profit for the financial period		184,320

The notes are an integral part of the annual accounts

NOTES TO THE SES GLOBAL S.A. ACCOUNTS

December 31, 2001

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.

The accounting period of the Company is from January 1 to December 31, with the exception of the current year which runs from March 16, 2001 (date of incorporation) until December 31, 2001.

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.

Financial assets
Financial assets are carried in the balance sheet at cost of purchase. 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) is recognised in the profit and loss account for the period.

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.

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

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 formation expenses and financial assets is translated at the historical rate.

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.

Note 3 Formation expenses
The development of the formation expenses during the financial period 2001 is as follows:

	EUR 000
Cost at the beginning of the period	–
Additions	853
Cost at the end of the period	853
Accumulated amortisation at the beginning of the period	–
Amortisation	(28)
Accumulated amortisation at the end of the period	(28)
Net book value at the beginning of the period	–
Net book value at the end of the period	825

Note 4 Shares in affiliated undertakings	EUR 000
Opening balance	–
Movements of the period	4,504,450
Closing balance	4,504,450

On November 8, 2001 the company acquired a 100% shareholding in SES ASTRA S.A. through a contribution in kind of 100% of the issued and outstanding share capital of SES ASTRA S.A. (formerly Société Européenne des Satellites S.A.).

On November 9, 2001, the company acquired a 100% shareholding in SES AMERICOM through a contribution in kind of all assets and liabilities of GE Capital Luxembourg Holdings Limited and 50 Series A and 50 Series B preferred shares of GE Subsidiary Inc. 22.

The principal activity of the above companies is the provision of satellite services.

On December 14, 2001, the Company acquired 299,999 shares in SES Finance, (a limited liability company established in Luxembourg) representing a 99.99% interest in that company. The principal activity of the company is to invest directly or indirectly in other companies that are actively involved in the satellite communication industry.

Note 4 Shares in affiliated undertakings continued

As at December 31, 2001, the Company holds the following investments :

	Participation	Acquisition cost EUR 000
SES ASTRA S.A.	100%	1,683,000
SES AMERICOM	100%	2,730,687
SES Finance S.A.	99.99%	90,762
SES Multimedia S.A.	0.01%	1

Article 248 paragraph (1) 2º 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 Article 250 (3) of the law these details have been omitted since the undertakings are included in consolidated accounts of SES GLOBAL S.A. and these consolidated accounts and the related consolidated annual report and auditors' report thereon have been lodged with the Luxembourg Trade Registry.

Note 5 Subscribed capital

Upon incorporation, the subscribed capital of the Company was EUR 0.09 million represented by 9,000 shares with no par value (6,000 A shares and 3,000 B shares). The authorised capital amounted to EUR 10,000.000 million.

Following a Board of Directors' meeting held on November 8, 2001 the issued share capital was increased to EUR 111.068 million by the issue of 310,340,000 Class A ordinary shares and 155,170,000 Class B ordinary shares, with no par value, having the same rights and advantages as the former shares. The authorised share capital was also increased to EUR 10,134.000 million.

Following two Board of Directors' meetings held on November 9, 2001, the issued share capital was increased to EUR 131.421 million by the issue of 85,376,910 Class B ordinary shares with no par value and further increased to EUR 175.899 million by the issue of 176,799,314 Class C ordinary shares, 4,496,358 Class C preferred shares and 5,270,926 Class B ordinary shares.

Following an Extraordinary General Meeting of the shareholders on November 29, 2001, the issued and fully paid share capital was reduced by EUR 0.090 million through the reimbursement of the original share capital on incorporation represented by 6,000 A shares and 3,000 B shares.

As at December 31, 2001 the issued and fully paid share capital amounted to EUR 175.809 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 Company did not acquire any of its own shares during the year.

Note 6 Legal reserve

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

Note 7 Amounts owed to credit institutions

On March 28, 2001 the Company together with its 100% owned subsidiary SES ASTRA S.A. entered into a syndicated loan facility with a group of Luxembourg and foreign banks for a total amount of USD 2,500.000 million and EUR 1,400.000 million.

	EUR 000
The maturity profile of the amounts drawn down is as follows as at December 31, 2001:	
Between one and two years	576,449
Between two and five years	14,562
	591,011

The loan is guaranteed by cross guarantees from various affiliated companies.

FIVE-YEAR FINANCIAL SUMMARY

	2001 EUR million	2000 EUR million	1999 EUR million	1998 EUR million	1997 EUR million
Total revenues	**978.2**	835.9	725.2	516.9	448.1
EBITDA	**794.6**	708.7	580.5	416.4	359.1
Depreciation and amortisation	**(270.3)**	(192.1)	(173.5)	(137.1)	(114.7)
Operating profit	**524.3**	516.6	407.0	279.3	244.4
Net financing charges	**(68.6)**[1]	(27.6)	(32.5)	(25.4)	(21.1)
Profit on ordinary activities	**455.7**	489.0	374.5	253.9	223.3
Extraordinary expenses	**0.0**	0.0	0.0	(8.2)	0.0
Taxes	**(112.6)**	(185.0)	(146.4)	(72.4)	(66.8)
Share of loss from associated companies	**(9.8)**	(6.6)	0.0	0.0	0.0
(Profit) loss attributable to minority interests	**(53.0)**	(52.9)	(26.8)	2.9	2.3
Profit of the Group	280.3	244.5	201.3	176.2	158.8
Net operating cash flow	**682.4**	422.6	632.6	264.8	303.9
Capital expenditures	**432.3**	254.3	263.6	123.4	273.0
Net debt	**3,140.0**	834.6	559.6	503.1	476.7
Shareholders' funds	**3,917.4**	1,040.1	847.9	719.7	668.2
Earnings per A-share (in EUR)*	**0.69**	0.66	0.54	0.47	0.43
Key performance ratios					
EBITDA margin	**81.2%**	84.8%	80.0%	80.6%	80.2%
Net profit margin	**28.7%**	29.2%	27.8%	34.1%	35.4%
Return on average equity	**11.3%**	25.9%	25.7%	25.4%	25.8%
Debt to equity	**80.2%**	80.2%	66.0%	69.9%	71.3%

[1] Net financing charges for 2001 include value adjustments of EUR 20.8 million.

* Prior years restated for 1:10 sharesplit on November 8, 2001