

Creating powerful synergies



SkyRAY Light 1200 is ND SatCom's response to the demand for lightweight antennas.

More than 25 years of experience have positioned ND SatCom as a leading global supplier of innovative satellite-based broadband VSAT, broadcast and defence communication network solutions. Customers in over 130 countries have chosen ND SatCom as a reliable source of comprehensive, efficient, fast and secure turnkey and tailored system engineered communication solutions. Satellite Evolution Asia talks to Ulrich Kiebler, the new VP for Government & Commercial.



Ulrich Kiebler, VP Government & Commercial, ND SatCom.

Question: I understand that you have recently been appointed VP Government & Commercial. Could you please tell our readers a bit about yourself and the role you will be playing in your new position?

Ulrich Kiebler: My name is Ulrich Kiebler and I have been with ND SatCom for 11 years. Prior to this appointment, I established and headed ND SatCom's Middle East office in Abu Dhabi for more than four years. I have now been working in satellite communications engineering and marketing for over 15 years.

Question: I understand the position is new. Why was it created?

Ulrich Kiebler: It was created to align our technical strength with the regional market organizations. This now runs parallel to our defence business structure.

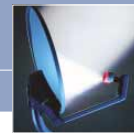
Question: Government and commercial

suggests operations at entirely different ends of the spectrum. However, you are responsible for both – how does that work?

Ulrich Kiebler: Let me give you an example: When ND SatCom developed its SkyRAY Compact antenna subsystem in 2004, we were responding to mobile SNG requirements of the commercial broadcast & media sector.

We soon realized that further commercial vertical markets and also government clients strongly demanded mobile VSAT solutions for which SkyRAY Compact was a perfect fit.

In recent years we have seen that a specific sector can strongly drive satcom technology, which then creates powerful synergies. If we want to be an industry leader for tailored solutions, we have to think out of the box and combine business units which at first sight seem to contradict each other.



Question: ND SatCom is a wholly-owned subsidiary of SES ASTRA. What are the benefits of being part of the SES Group, and has it had any direct impact on global sales? Does SES ASTRA have any day-to-day influence on the ND SatCom operation?

Ulrich Kiebler: Having been a strategic investor in ND SatCom for many years, SES ASTRA acquired the majority holding in ND SatCom in June 2006 to enhance its range of government services. After all, we are very well positioned in the government market. This strategic step allows us to offer government solutions providing both ground infrastructure and satellite capacity.

Being an affiliate of the SES Group, we can combine our core technologies and ground equipment with SES capacity. We have already worked together on several joint projects offering customers a very attractive end-to-end solution. Naturally we can now benefit to a far greater extent from SES sales and market strength. Even so, we are positioned as an independent company in terms of technology development, operations and sales.

Question: ND SatCom continued to expand in 2006. What were the highlights of the year? Did your global offices perform as expected?

Ulrich Kiebler: In 2006, we definitely strengthened our expansion strategy with new offices and joint ventures in India (New Delhi) and Russia (Moscow). As our solutions are available for customers in more than 130 countries, it's important to know the global marketplace and to serve global customers, but also to act locally in sales and service offices. We have followed regional expansions for many years. During that time we learned that each market has its own speed and cultural differences. Performance is indicated not only in numbers but also in high levels of customer trust and good customer relationships. In this regard we are very pleased with each region, and happy in terms of numbers.

Question: How are the regions performing from a company perspective? What is the strongest region for ND SatCom, and why?

Ulrich Kiebler: We saw a strong growth in the Americas region and in our managed networks activities, particularly in Turkey. The Middle East and Asian regions also performed very well. But Europe is still our strongest region in terms of market share, numbers and customer coverage.

Question: What difference does it make to your customer, having a local office in his region? How important is it to have local operations – in terms of training, maintenance and support?

Ulrich Kiebler: Local offices enable us to intensify customer relationships and to respond in a timely manner. Especially in the emerging Asian and Middle East regions, the satellite communications sector is driven by the demand of local integration, operations and training facilities with native speaking personnel.

As our local engineers know the regions and their prerequisites and have contacts to local partners, ND SatCom is able to show tailored responsiveness to customer needs.

Question: What are your plans for more regional offices? In terms of priority where would you locate a local operation?

Ulrich Kiebler: ND SatCom is represented around the world with several sales and service offices in all our key strategic markets. Above all, our recently opened subsidiaries and joint venture participations in Russia and India act as platforms from which we can regionally reach out to other markets. There are no detailed plans for opening up new offices at the moment, but we will continue to optimize our sales cooperation activities with other SES entities especially in Asia and Europe.

Question: Your slogan is 'Think global, act local'. How much autonomy do the local offices have?

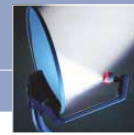
Ulrich Kiebler: Quite a lot. The entities are setup legally and commercially as independent companies having sales and operational capabilities. We encourage them to act locally and independently since this the only way that they can compete with local companies. The regional offices, our headquarters and other regions all benefit from this approach.

Question: How important is the Asia-Pacific region to ND SatCom? Which particular countries offer the greatest scope for ND SatCom products?

Ulrich Kiebler: We are represented in the Asian market with offices in Beijing, Singapore and New Delhi. In China, for example, we have been active for more than ten years and won several strategic contracts in the government and commercial sectors. We consider China's economic growth and its rise as a strong global power as factors for maintaining our strong strategic presence there. Our office in Singapore caters to regional markets such as Malaysia or Indone-



ND SatCom Corporate HQ. Photo courtesy of ND SatCom.



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sia. From our business hub in New Delhi, we are able reach out to India and South Asia with countries such as Bangladesh, Nepal, Bhutan and Sri Lanka.

Question: As far as ND SatCom is concerned, is there more activity in the commercial or government sector in the Asia-Pacific region?

Ulrich Kiebler: More liberal views and continuous deregulation processes, especially in China, have increased local investments in foreign satellite communications technology in the government sector and many sectors of industry. In the greater Asian region, ND SatCom mainly targets the broadcast & media industry, enterprise markets including telecoms, service providers, oil & gas companies and the government sector. We expect further market liberalization in certain countries to drive our commercial business in the mid-term.

Question: How do you define government business? What areas does it involve? Is military a separate issue?

Ulrich Kiebler: We separate government and defence business as each of the sectors has its own specific communication application requirements. However, we also work in cross-functional expert teams since one of our strengths is to provide custom solutions. Government projects supply institutions and authorities with secure embassy & air traffic control networks, distance learning and telemedicine solutions, disaster recovery, homeland security and border control technologies. ND SatCom Defence GmbH was founded in 2004 to cater exclusively to the international defence area and has since become a European leader in defence solutions. In 2006, it was awarded a contract by the German Armed Forces to equip the SATCOMBw Step 2 program with ground equipment and services. We also supplied various NATO members in Europe and North America with transportable and mobile stations for military communication purposes last year.

Question: China is still a huge and untapped market. What aspects of this market do you see as the most exciting areas of growth? What direct impact will the Chinese Olympics have on your sales potential in the region?

Ulrich Kiebler: With the latest change in broadcasting regulations it has become much easier for broadcasters to operate in China. This is all part of the preparations for the Olympics and we can already see a significant increase in market demand for our solutions. On the telecom and governmental side we have had a prosperous year and anticipate further growth here.

Question: I understand that nearly all products are designed and built in-house? What advantage does this give ND SatCom over its competitors?

Ulrich Kiebler: All critical components of our satcom solutions are developed and manufactured at ND SatCom's German headquarters in Friedrichshafen. They include antenna mounts and Antenna Control Units for our SkyRAY series, our SkyWAN® Indoor Units (IDU) or High Power Amplifiers (HPA). Our in-house production operations create a certain level of standardization and make manufacturing a more cost-effective process. What's more, we not only manufacture hardware at Lake Constance in Germany; our software engineers also develop innovative software solutions that enhance ease of use of our technology platforms, for example our Automatic Pointing System. Since ND SatCom's engineers and system integrators (and our partner companies in the regions) have a precise knowledge of our systems' functionalities, responding to individual customer demands is far easier this way.

Question: Can you envisage a time when all your products are manufactured at low-cost plants in other parts of the world?

Ulrich Kiebler: It has never been ND SatCom's philosophy to compete in the market with a straight forward price strategy –

which in my opinion includes the exclusive manufacture of equipment in countries with low production costs. Our focus is to provide our customers with reliable satcom equipment which has already passed our own high-quality demands and standards. We exercise great care in choosing our international suppliers and OEM partners, and rely on long-term relationships based on trust.

Question: You introduced a new product at NAB that is targeted at both the government and commercial markets. What is this product and why is it so important? What are the target markets for the new product?

Ulrich Kiebler: We launched our SkyRAY Light antenna system which is the most lightweight mobile VSAT antenna system in its class for real-time IP based communication via satellite. It supports mobile IP VSAT and SNG applications of government, enterprise and broadcast customers. SkyRAY Light can be mounted quickly on standard roof bars of any passenger car, truck or SUV without the need for any modifications to be made. Easy installation and operation make this antenna system interchangeable within a fleet on demand. SkyRAY Light's operational concept is plug & play. Used together with our Automatic Pointing System's one-button operation, it allows non-technical users to be on air within minutes. A unique feature is the antenna system's control system. Unlike other systems, a specially patented antenna control concept enables all antenna control functions to operate without the need for an additional external controller. It only requires a simple USB port on a computer. With this system we can now also cater to companies searching for competitively priced IP-only solutions with small to medium data rates but which were previously unable to afford such a service.

Question: What does the future hold for ND SatCom? What are company's strategic goals for the next 12 months?

Ulrich Kiebler: We see a very healthy sales pipeline in front of us with the mix of new products, newly founded regional offices and the expansion of our portfolio into selected managed services. Furthermore, since our parent company SES is there to support the strategic elements in our midterm goals the foundation has been laid for a solid future.

Question: Finally, can you tell our readers your view on the current state of the market? Can we expect to see more mergers and buyouts, new entrants into the market etc?

Ulrich Kiebler: We would envisage that there is still some market consolidation ahead of us. This will create further market regulation but also room for new ventures and market ideas. ■