

Robert Bednarek, President & CEO, SES NEW SKIES

Working in multiple markets

SES NEW SKIES is an SES company, a strategic management company that owns a network of satellite operators located across all continents. SES operates mainly through SES NEW SKIES in Africa, South America, the Middle East and parts of Asia, SES ASTRA in Europe and SES AMERICOM in North America. Helen Jameson talks to Robert Bednarek, President & CEO, SES NEW SKIES.

In early March the SES satellites AMC-12/ ASTRA 4A and AAP-1 were transferred to SES NEW SKIES which is now responsible for all customer and capacity management activities associated with these satellites. The spacecraft have subsequently been renamed NSS-10 and NSS-11. The SES NEW SKIES fleet now comprises seven spacecraft optimized for connectivity between the different regions of the world, as well as for the provision of regional interconnection and distribution capacity serving those parts of the world outside of Europe and North America. The SES NEW SKIES satellites as of

today are: NSS-11 (formerly AAP-1) at 108.2° East, NSS-10 (formerly AMC-12/ ASTRA 4A) at 322.5° East, NSS-806 at 319.5° East, NSS-7 at 338° East, NSS-703 at 57° East, NSS-6 at 95° East and NSS-5 at 183° East. In addition, SES NEW SKIES has also assumed commercial responsibility for the West Africa beam on ASTRA 2B at 28.2° East. Together, the SES NEW SKIES satellites provide global coverage, with the transferred satellites boosting fleet capacity at SES NEW SKIES by 48 percent, from 215 to 318 transponders. The additional capacity comprises 67 transponders on NSS-10

(reduced from the maximum 72 due to current beam configuration), 28 transponders on NSS-11 and the 8 transponders on the West Africa beam of ASTRA 2B. SES NEW SKIES will further enhance its orbital resources through the addition of NSS-9 in 2009. Positioned at 183° East, it will allow NSS-5 to replace the NSS-703 satellite as it nears the end of its life.

Question: Mr Bednarek, many congratulations on your appointment as President & CEO of SES NEW SKIES. Can you please introduce yourself to our Readers?

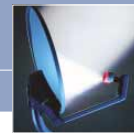
Robert Bednarek: Personally, I have a long history in the satellite business dating from the mid 1980s. I helped with the original design and launch of the first PanAmSat satellite. I later became Chief Technology Officer of PanAmSat and was part of the team that grew that business both internationally and domestically over the next 12 years. In 2001, I joined SES just after SES had acquired Americom, taking a role at SES' headquarters as EVP of Corporate Development which focused on management and growth of our infrastructure businesses in markets outside of our European and American bases; product, service and technology development; and procurement for the Group. Shortly after we concluded the acquisition of NEW SKIES in 2006, I became the CEO of NEW SKIES itself.

Question: What does the recent incorporation of NEW SKIES into the SES Group mean for the company and what direction do you envisage taking the company in?

Robert Bednarek: I think from an SES Group perspective the acquisition strongly reflects our view that satellite services are vibrant in areas outside of our core markets of Europe and North America which have been our traditional strength. SES New Skies brings to the group satellite capacity that provides connectivity to and from Europe and America to the other regions of the world as well as capacity within those regions themselves. We see strong growth in all market segments, in many of these geographies.

Question: What impact has the failed launch of NSS-8 had on NEW SKIES operations? You have implemented a contingency plan to provide additional capacity – what does this consist of?

Robert Bednarek: First and foremost we should recognise that New Skies 8 was in part a replacement satellite for an existing satellite, New Skies 703, that occupies our 57 East orbital location. The loss of NSS-8 didn't disrupt the existing traffic of our present customers. However, New Skies 8 did have additional capacity for these customers as well as new customers. While the loss of New Skies 8 has somewhat impeded, in the short-term, our ability to support the growth of cus-



Woodbine in the US handles the traffic on the NEW SKIES satellites. The actual satellite control of NEW SKIES is handled through SES ASTRA in Betzdorf, Luxembourg.

tomter activity, our contingency plan (NEW SKIES 703 remaining on location) permits continued operation. We will be replacing NSS-8 in order to restore our expansion ability.

Question: How are preparations going for the launch of NSS-9 in 2009 and have you set a launch date?

Robert Bednarek: Preparations are going very well. Construction of the satellite is on schedule - our vendor, Orbital Sciences is doing a great job on NSS-9. We have a target launch period of Q4 2008 and as we move closer to the date we can be more precise on a month and the launch date, but everything looks to be on schedule with NSS-9.

Question: The Satellite Industry is soon to converge on Singapore for the CommunicAsia event in June. How important is the Asia-Pacific market to SES NEW SKIES and which markets in the region are most important to you?

Robert Bednarek: I think the market in general is important to NEW SKIES and to SES as a whole. To me, Asia and Asia-Pacific are many different markets and obviously a satellite operator such as SES NEW SKIES has the advantage of being able to work in multiple markets simultaneously. Through NEW SKIES we've had strong recent activity in Australia. We have just signed a large deal in French Polynesia. We have signed a significant deal in Thailand. So we see solid

activity over many parts of the region. We have traditionally done quite a bit of business in Indonesia and demand there continues to be strong. India is certainly witnessing robust growth in both the VSAT and the DTH sectors.

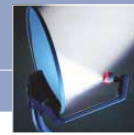
One of the features of our coming together with SES is that NEW SKIES now also has a satellite that used to be known as AAP-1 (now called NEW SKIES 11)- in our fleet, which along with NSS - 5,6 and 703 all serve the region.

Question: The Chinese market is still a huge and mainly untapped. What aspects of this market offer the greatest scope for SES NEW SKIES?

Robert Bednarek: I think that the Chinese market is a very important segment of satellite business. I tend to divide the Chinese market into two segments. One is internal domestic capacity related to traffic up and down inside China which is distinct from international capacity which supports the traffic coming in and out of China. Certainly operators such as SES NEW SKIES are well positioned to help with traffic to and from China itself and indeed we see growing interest in the connectivity we can offer, for example, between China and Africa. I think the Chinese domestic market remains more difficult for companies such as SES and others to penetrate right now due to desires to help grow the existing domestic operators like Sinosat and ChinaSatcom.

Question: The issue of the C-band threat and the grab for spectrum posed by new technologies such as WiMax is causing great concern within the satellite industry, especially within Asia. What are your opinions on this issue and what do you feel the industry should be doing to address it?

Robert Bednarek: We have prepared a number of white papers and documents and indeed we have been working with the Global VSAT Forum and even other operators. Our principal view is that this whole issue is based on some kind of mis-perception primarily originating with the manufacturers of the terrestrial equipment. The perception fostered by these entities is that for some reason, this band is under utilised or could be better utilised by terrestrial operations instead of by satellite services. The first job that we have as a satellite industry is to educate and make regulators more aware of the large number of services that are actually going on in these bands especially in Asia, in Africa, Latin America and in America. The C-band was traditionally not very heavily used in Europe because it was used terrestrially in Europe at the beginning of the satellite era. Interestingly enough most of the major manufacturers of WiMax equipment are European based and so we're trying to make sure that as we go towards the WRC later this year there is true understanding in the minds of spectrum regulators just how heavily these bands are used by the satel-



lite industry.

Amongst other things we have recently written a letter to our customers encouraging our customers to contact their regulators. This letter was sent out within the last couple of weeks. What we're encouraging is the customers, and not just ours, to make sure that the individual regulators in each country understand how they are using the satellite and not just listen to the satellite operators but to the actual end users of that capacity. We're also trying to suggest that there are actually other bands for WiFi and WiMax to explore and we're trying to make sure that proper technical studies are done so that there's not a mis-impression that you can avoid interference purely by some technology that doesn't exist.

Question: Which areas of your business

do you see growing over the next 12 months? For example, government services?

Robert Bednarek: I think it's generally positive in many areas. I believe that regionally we do see growth in the Asia-Pacific region and we see growth in Africa, India, and South America coming on quite strong. In terms of applications, I think there are a couple of interesting developments, certainly networks – enterprise networks and government networks, are growing because there are more and more applications requiring broadband connections for businesses and we see that driving a steady demand from our existing customers. We see increasing demand for capacity in specific markets for GSM trunking as mobile services continue to grow. Over the next 24-36 months I believe we will see more and more small regional DTH systems.

It's fairly inexpensive now, from a technical standpoint, to launch a 100 channel DTH system and if you have the existing distribution capability and access to some interesting, relevant programming, with the right satellite capacity to make the service accessible to the consumer, it's fairly easy to get into the DTH business. It's much like the broadcast business 15-20 years ago. There's sometimes a tendency to view DTH on only a national level, as in America where there are just two players. I think that we'll see, in particularly the Asia-Pacific region, lots of regional systems within domestic markets. Already, Astro is very strong in Malaysia, there are one or more different systems in Indonesia, and new systems in Thailand and the Philippines. I think you'll see multiple systems in India because of linguistic and programmatic differences within the country. So I believe that over the next few years we'll see more and more of these platforms being launched.

Question: Where do you see SES NEW SKIES at this time next year?

Robert Bednarek: I like where we are right now but I would like to continue to build on our success. I would definitely like to have some more capacity in some of the key routes and some of our key locations where we're capacity constrained. As discussed, we will be replacing New Skies 8 and New Skies 9 is well underway so we have such capacity in the pipeline. We continue to look for ways in which we can use satellites from elsewhere in the SES Group to potentially provide some short-term supplemental capacity. I'd like to be a strong player in the market in terms of some of these new DTH platforms. I'd like to see our existing network customers grow and we're always on the lookout for additional satellites or satellite companies that may become available.

Beyond NSS-9 and the replacement for NSS-8 we are in the advanced stages of planning yet another satellite to add to our fleet. We're not entirely certain where it will be deployed, but it will be somewhere in the Africa / Asia region. When coupled to the addition of New Skies 11 (the old AAP-1), we have significantly expanded our footprint and our fleet presence throughout the world. Of course on top of that, we continue to look at how other opportunities may surface – companies that are either trying to dispose of assets, maybe open for joint ventures or other sorts of relationships when it comes to time to replace assets.

All of this, the acquisition by SES, the expansion of our fleet, our activities in the market, is a clear demonstration of a long term commitment to the satellite business. We are a satellite operator who helps our customers grow by being active in these markets and we're committed to being with them for the long-term. ■



Artist's rendition of the NSS-9 satellite. Photo courtesy of SES NEW SKIES.