SES/ASTRA AND SWEDISH SPACE CORPORATION
TO BECOME 50/50 OWNERS OF NSAB
AND ENTER INTO STRATEGIC PARTNERSHIP

Société Européenne des Satellites S.A. (SES), the Luxembourg based operator of ASTRA, Europe’s leading Direct-to-Home satellite system, has entered into a definitive agreement to purchase a 50% interest in Scandinavian satellite operator Nordic Satellite Company (NSAB).

Concurrently with this transaction, Swedish Space Corporation (SSC) is increasing its existing shareholding in NSAB to 50%.

SES and SSC are also entering into Shareholder and Strategic Partnership Agreements. These agreements focus on their shared desire to jointly develop the business of NSAB, both the service portfolio and geographical markets.

**SSC and SES equal owners of, and partners in NSAB**

SES will pay a total consideration of Euro 125m to acquire Teracom AB’s existing 37.5% stake in NSAB as well as half of the existing 25% stake of TeleDanmark A/S (i.e. 12.5%).

The purchase by SES, funded by available resources, is expected to be broadly neutral in terms of earnings per share in 2000 and 2001 due to the amortization of goodwill and financing costs resulting from the investment. From 2002, SES believes the transaction will contribute considerably to the Company’s continued earnings growth.

SSC, a founding shareholder in NSAB, will increase its shareholding in the company from 37.5% to 50% by purchasing the remaining shares of TeleDanmark (12.5%) for Euro 31.25m.

Completion of the transactions is subject to approval by relevant competition authorities.

**Strategy**

For SES the transaction represents a further step in the strategy of geographic expansion through providing access to the Nordic market.

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In addition, the further orbital positions and frequency spectrum available through the investment in NSAB will permit a more rapid expansion of new broadband multimedia services.

For SSC, the increased investment in NSAB and the partnership with SES opens a new chapter in the development of NSAB, with the resources of SES and its technology developments representing key assets for the venture. The agreement is also a logical step in accordance with SSC’s strategy to increase its strength through alliances with fitting and capable partners within the company’s principal areas of operation.

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Background (1): Comments:

Dan Jangblad, CEO of SSC, stated: “This agreement opens an exciting new chapter for NSAB, where SSC, during the last decade, has been the driving force behind the company’s continuous growth. By uniting the experience and expertise of both SES and SSC, NSAB can harness new technology developments to exploit the growing market for broadband satellite services. SES’ resources and outstanding achievements in both satellite technology and market development will be a key asset for the venture. The joint experience of SSC and SES in procuring and operating advanced satellite systems also means that our possibilities to provide competitive satellite services will be further increased. Through this agreement, SSC confirms and strengthens its role in the NSAB business, showing SSC’s determination to remain a prominent player in the satellite based telecommunications business.”

Comments Romain Bausch, Director General and Chairman of the Management Committee of SES: “Following the acquisition of a 34.14% strategic interest in AsiaSat, Asia’s leading satellite system, SES’ investment in NSAB marks a further step in our Company’s geographical expansion strategy. We look forward to working with SSC in NSAB, jointly developing satellite services for the Nordic market, the Baltic States and Eastern European countries. The agreement also allows SES to join forces with a recognized European player in the international space business to offer additional satellite infrastructure and to meet the thriving demand from European broadband service providers for the ASTRA-Net multimedia platform.”
Background (2): Strategic rationale

More capacity and frequency spectrum

NSAB, based in Stockholm, was founded in 1983 and started operations in 1990. The company currently operates 3 geostationary spacecraft – Sirius W, Sirius 2 and Sirius 3 - providing broadcast and telecommunications services primarily to customers in the Nordic region. NSAB expects to commission a fourth satellite in the near future, securing additional frequency spectrum and transmission capacity.

Coherent strategy for broadband expansion

The strategic partnership between SSC and SES enables NSAB to participate in the ongoing, rapid deployment of broadband satellite services in Europe. In working jointly, SES and SSC will seek to develop and enhance the business of NSAB and further extend services beyond the Nordic region, notably for the Baltic States and parts of Eastern Europe.

The collaboration will increase the economic viability of satellite communications for potential customers and so strengthen the offers of both Sirius and ASTRA. In addition, by providing an ASTRA-Net platform to NSAB, the thriving demand for high-speed data and multimedia satellite services can be met across Europe.

The strategic agreement also enables both NSAB and SES to benefit from significant economies of scale in the procurement, launch and operation of satellites.
Background (3)

About SES/ASTRA:

Société Européenne des Satellites S.A. (SES) is the operator of ASTRA, Europe’s leading direct-to-home Satellite System. Via nine active satellites at the orbital positions of 19.2° East and 28.2° East, ASTRA transmits in analogue and digital more than 950 different television and radio channels as well as multimedia and Internet services to an audience of close to 78 million homes in Europe. Four additional satellites are under construction and due for launch before end 2001. SES is also a major shareholder in AsiaSat (34.13% since January 15th, 1999).

SES is a pioneer of interactive and multimedia services through SES Multimedia, a wholly owned subsidiary. SES Multimedia operates the ASTRA-Net platform, enabling service and content providers to transmit data directly, via satellite, to personal computers in businesses and homes across Europe.

SES is the first European satellite operator to commercially exploit the Ka-band frequency for interactive and multimedia services in Europe. In 2000, SES will commence commercial trials of the first operational DVB-RCS broadband satellite return channel system, serving the growing market in Western and Central Europe for 2-way asymmetric, high-speed broadband collection and delivery of multimedia.

SES securities are listed on the Luxembourg Stock Exchange (symbol: SES) and the Frankfurt Stock Exchange (symbol: SDSL).

For the NSAB transaction, SES was advised by Touchstone Securities.

Additional information about ASTRA can be found at: www.ses-astra.com

About SSC:

Swedish Space Corporation’s three main areas of business are:

- **Space applications**, providing products and services based on satellite technology.
- **Space operations**, providing services for the operation of satellites, sounding rockets and stratospheric balloons.
- **Space systems**, providing scientific satellite systems, sounding rocket systems and payloads.

**Space applications**

Since the very start of NSAB activities in 1983 Swedish Space Corporation (SSC) has played an active role in developing the business of NSAB. SSC is also active in the commercial exploitation of earth observation satellites.

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**Space operations**

SSC is responsible for essential parts of the NSAB operations, including frequency management, satellite procurement and satellite control. SSC however also provides satellite ground station services on a global basis. Together with the US company Universal Space Network, where SSC is one of the owners, SSC has established Prioranet, the first commercial network of satellite stations with a global coverage.

From its Esrange base SSC provides full-service operations of sounding rockets and stratospheric balloons since decades. Esrange is located on very high latitude, but still has favorable conditions with regard to climate and infrastructure.

**Space systems**

Through the SMART-1 contract SSC has taken the step from being a national provider of scientific satellite platforms to becoming the first small European company to qualify as a supplier to ESA (European Space Agency) for an entire satellite. SSC is therefore in a good position to support the NSAB procurement of future satellites. SSC also provides sounding rocket systems and scientific payloads.

SSC is a state-owned limited company with operations in the Stockholm and Kiruna areas.

Additional information about SSC can be found at: [www.ssc.se](http://www.ssc.se)

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**About Nordic Satellite Company NSAB:**

NSAB owns and operates the Sirius satellite system at the orbital positions 5° East and 13° West. The Sirius satellite system currently consists of three geostationary satellites: Sirius 2, Sirius 3 and Sirius W, with a total of 52 (46 BSS and 6 FSS) Ku-band transponders. The Sirius satellites provide cost effective, flexible communication solutions in Europe for TV and radio broadcasting, data transmission, Internet and multimedia services. The high power transponders of the satellites enable reception with small parabolic antennas (60 cm diameter) in most parts of Europe.

NSAB also offers higher value-added services such as data multicasting and VSAT services to its customers. In addition to providing transponder capacity, NSAB also offers complementary technical services such as uplinking, multiplexing, encoding and encrypting. NSAB provides customers a complete solution with turnkey and value-added services such as equipment supply and user handling. Although it offers a full spectrum of services, NSAB allows consumers maximum flexibility in choosing the services they want.

NSAB was established in 1983 and is based in Stockholm, Sweden. To meet the increasing demand for satellite services in Eastern Europe NSAB established a representation office in Kiev, Ukraine, in January 2000.

Additional information about NSAB can be found at: [www.nsab.se](http://www.nsab.se)