



Inmarsat plc

Q4 & preliminary results 2013

6 March 2014

Forward-looking statements

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Preliminary results 2013

Andrew Sukawaty
Executive Chairman

2013 highlights

Completing a platform for future growth

- Core wholesale MSS business growth sustained in 2013
- Total Inmarsat Global MSS revenue up 3.3%
- Outperformed two-year target revenue growth
- Dividend increased by 5%
- Growth momentum across key L-band services
- Two successful launches: Alphasat and Inmarsat-5 F1
- Global Xpress (GX) on track for commercial launch
- Medium-term revenue target reiterated
- Board of Directors strengthened, new CFO appointed

Strong operational and financial finish to 2013, enter 2014 with confidence

Dividend

Eighth straight year of dividend growth since IPO

| US\$ cents | 2012 | 2013 | Growth |
|------------------|--------------|--------------|-------------|
| Final * Dividend | 27.45 | 28.82 | 5.0% |
| Interim Dividend | 16.94 | 17.79 | 5.0% |
| Total | 44.39 | 46.61 | 5.0% |

* Final dividend for 2013 will be paid on 30 May 2014 to shareholders on the register on 16 May 2014. Subject to shareholder approval at the AGM to be held on 7 May 2014.

- Final 2013 dividend increased by 5%
- Full year 2013 dividend up 5%
- Board remains committed to sustainable dividend increases in line with performance
- Board will consider further returns to shareholders as necessary to maintain an efficient balance sheet

Dividend growth maintained through capital cycle

Board of Directors

New Directors and CFO



Simon Bax Independent
Non-Executive Director

- Former CEO, Encompass Digital Media Inc
- Former CFO Pixar Studios & Fox Filmed Entertainment



Dr Abe Peled Independent
Non-Executive Director

- Former Chairman/CEO NDS,
 - Former SVP CISCO,
- Previously with IBM, Elron
- Currently senior advisor to Permira



Tony Bates
New Chief Financial Officer

- Former CFO at Hibu Plc
- Former CFO at Colt Group
 - Previously at EMI

Strengthening our Board and its independence



Q4 & preliminary results 2013

Simon Ailes
Acting Chief Financial Officer

Group revenue

Solid wholesale MSS revenue growth

| US\$m | 2013 | 2012 | |
|---|---------|---------|---------|
| Inmarsat Global – MSS revenue | 762.4 | 738.0 | 3.3% |
| Inmarsat Global – Other income (inc Lightsquared) | 44.6 | 97.9 | (54.4%) |
| Inmarsat Solutions | 765.5 | 810.3 | (5.5%) |
| | 1,572.5 | 1,646.2 | (4.5%) |
| Intercompany eliminations and adjustments | (310.6) | (308.4) | |
| Total revenue | 1,261.9 | 1,337.8 | (5.7%) |

Income statement

Profit for year impacted by non-cash impairment charges

| US\$m | Financial year | | |
|--|----------------|--------------|---------------|
| | 2013 | 2012 | |
| Revenues | 1,261.9 | 1,337.8 | (5.7%) |
| Operating costs | (613.1) | (643.1) | (4.7%) |
| EBITDA | 648.8 | 694.7 | (6.6%) |
| <i>EBITDA (excluding LightSquared)</i> | <i>639.8</i> | <i>642.8</i> | <i>(0.5%)</i> |
| Depreciation & amortisation | (232.0) | (255.2) | |
| Impairment | (185.2) | (94.7) | |
| Other | 6.8 | 1.6 | |
| Operating profit | 238.4 | 346.4 | (31.2%) |
| Net interest payable | (49.3) | (52.8) | |
| Profit before tax | 189.1 | 293.6 | (35.6%) |
| Income tax expense | (86.5) | (76.2) | |
| Profit for the period | 102.6 | 217.4 | (52.8%) |

Net operating costs

Tight cost control, while supporting investment in GX

| US\$m | Inmarsat Global | | | Inmarsat Solutions | | |
|---------------------------|-----------------|--------|---------|--------------------|-------|--------|
| | 2013 | 2012 | | 2013 | 2012 | |
| Employee benefit costs | 127.3 | 109.4 | 16.4% | 117.5 | 123.6 | (4.9%) |
| Network and satellite ops | 37.8 | 39.6 | (4.5%) | 541.3 | 555.6 | (2.6%) |
| Other operating costs | 94.5 | 108.7 | (13.1%) | 34.9 | 38.7 | (9.8%) |
| Own work capitalised | (23.9) | (19.1) | 25.1% | (5.4) | (4.7) | 14.9% |
| Net operating costs | 235.7 | 238.6 | (1.2%) | 688.3 | 713.2 | (3.5%) |

Cost control was a major factor in the result for the year

Free cash flow

Most capital-intensive year in our history

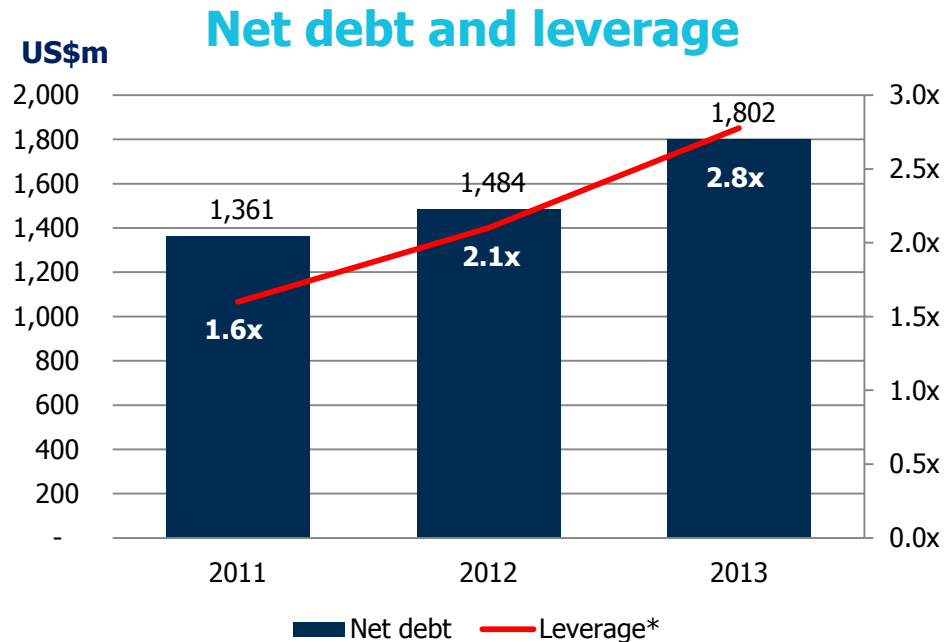
| US\$m | Financial year | |
|--------------------------------|----------------|---------|
| | 2013 | 2012 |
| EBITDA | 648.8 | 694.7 |
| Working capital/non-cash items | (34.0) | 32.2 |
| Operating cash flow | 614.8 | 726.9 |
| Capital expenditure | (580.5) | (484.0) |
| Cash interest | (98.0) | (95.7) |
| Cash tax | (20.3) | (69.2) |
| Free cash flow | (84.0) | 78.0 |

Cash requirement funded by ample available liquidity

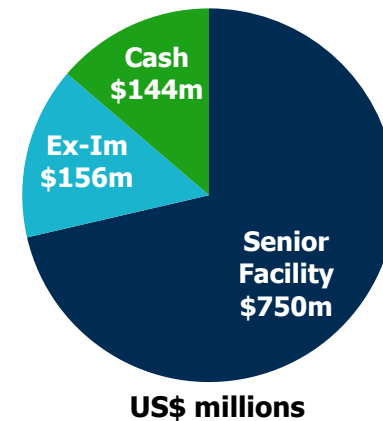
Net debt and liquidity

Remain fully-funded for foreseeable future

- > Over >\$1bn of available liquidity
- > Peak leverage expectations 3.3x to 3.5x (Q4 2014)
 - Including funding for 4th Inmarsat-5 satellite and M&A impact



Liquidity - \$1.05bn



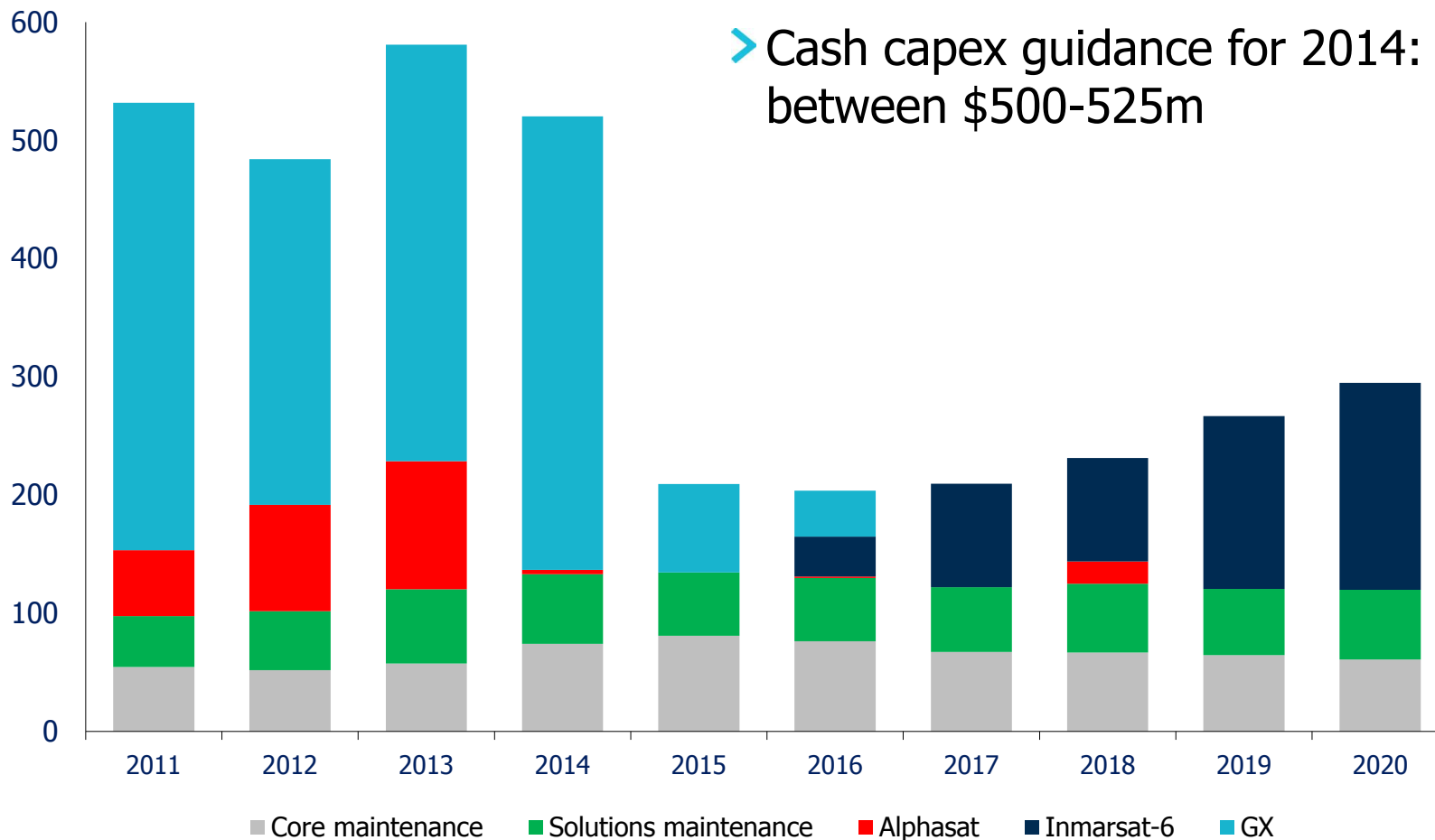
Comfortable leverage forecast at peak

* Leverage defined as total external borrowings less cash and cash equivalents divided by LTM EBITDA

Expected cash capex profile

Nearing end of capex cycle

US\$m

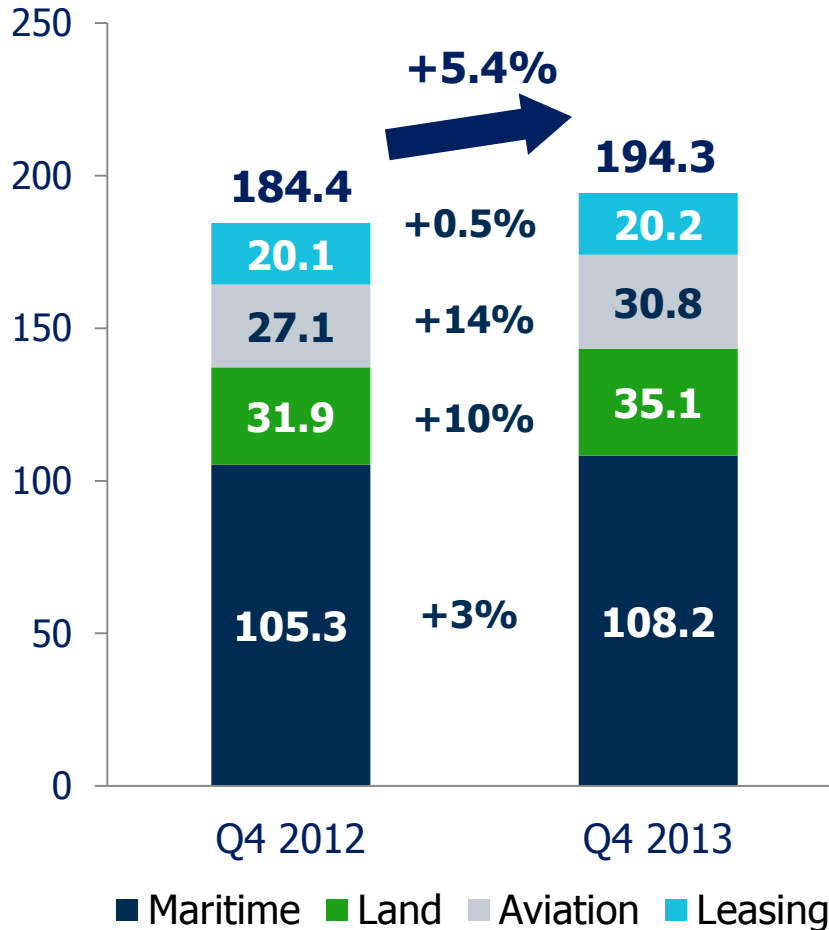


As at 6 March 2014. Based on current expectations as to total programme cash costs and timing. Excludes capitalised interest.

Q4 revenue – Inmarsat Global MSS

Strong Q4 MSS performance

US\$m

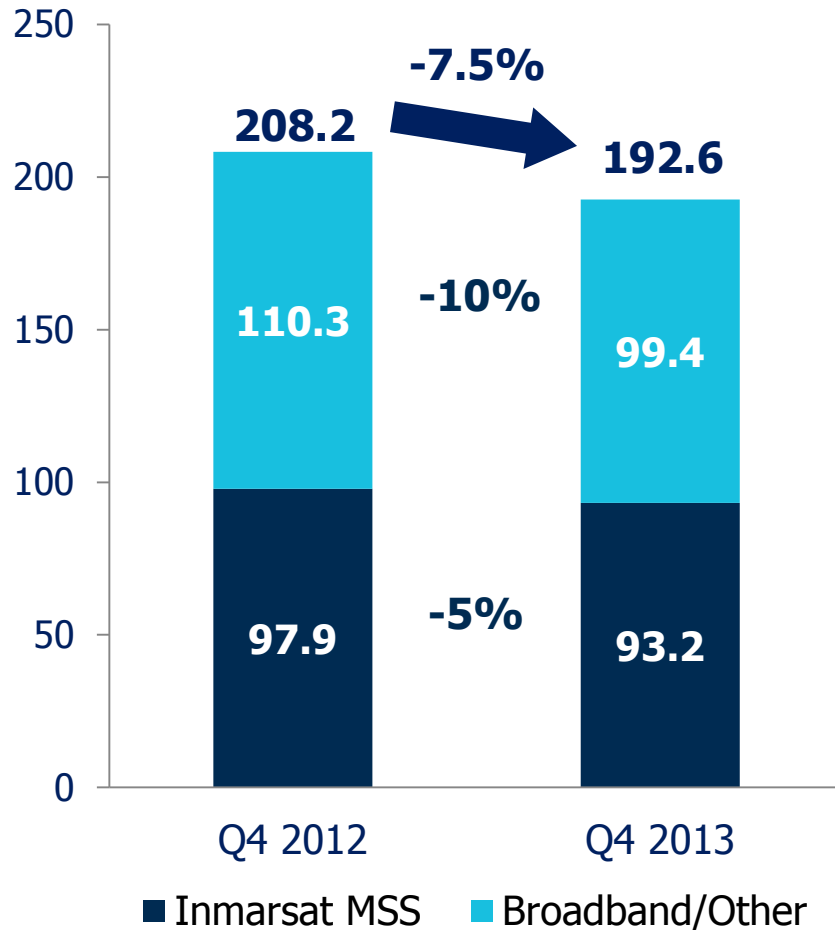


- > Strong Q4 – combination of positives
- > Maritime growth from FleetBroadband offset by 'older' services
- > Land mobile strong contribution from IsatPhone and BGAN (Philippines) and new M2M growth
- > Aviation – strong growth in SwiftBroadband, helped by Swift 64 positive

Q4 revenue - Inmarsat Solutions

Impacted by US Govt revenues and change of MSS mix

US\$m



- Inmarsat MSS disproportionately affected by weaker leasing and BGAN revenues, particularly relating to Afghanistan/other movement
- Broadband/Other reflects US Government-managed network spend and increased competition for contracts in this segment offset by XpressLink growth



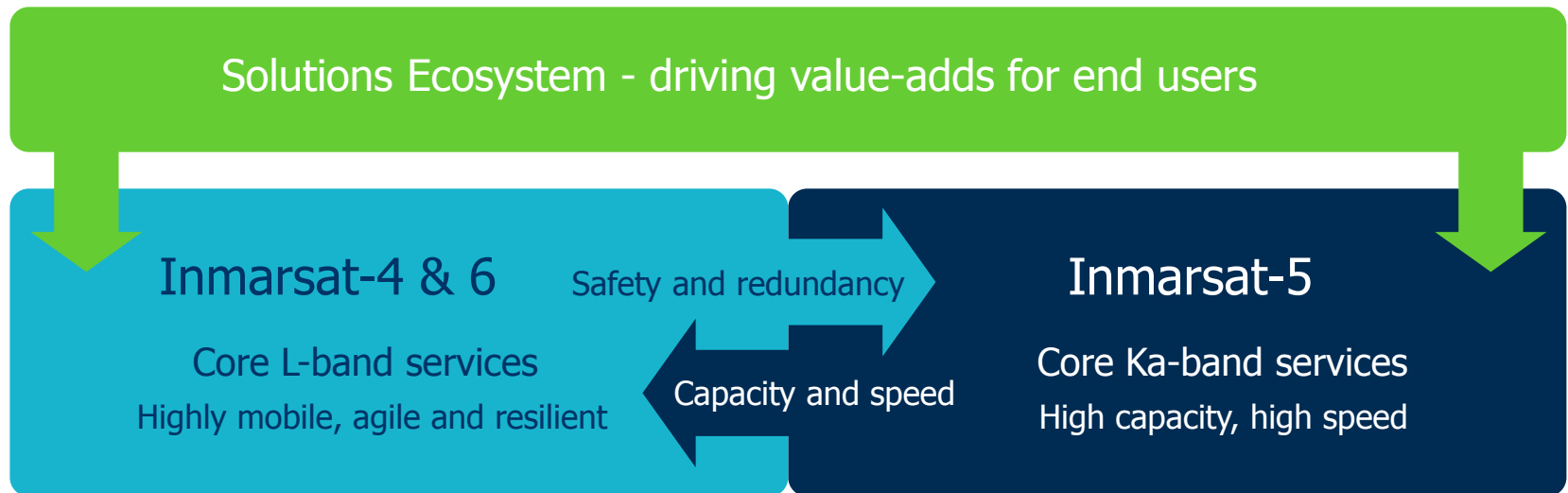
Operations Review & Outlook

Rupert Pearce
Chief Executive Officer

Our Strategy

Complementary growth through innovation

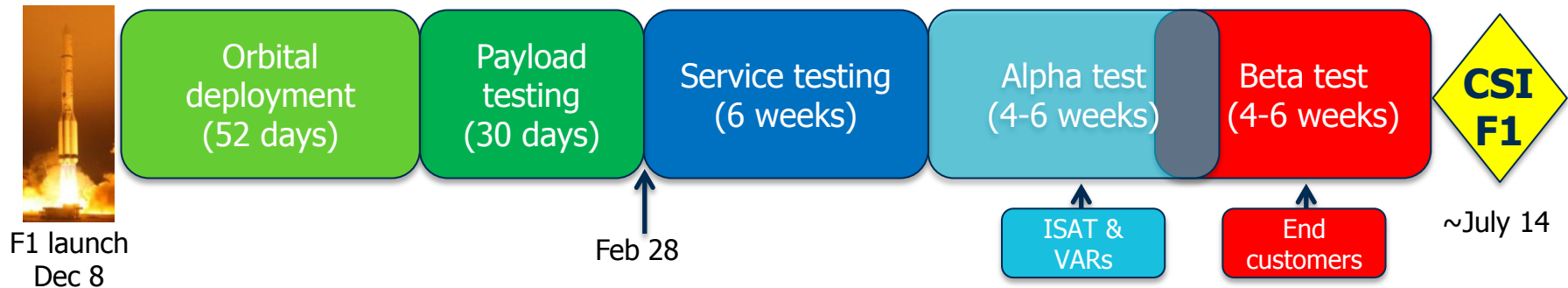
- L-band growth via Inmarsat-4, Alphasat & Inmarsat-6
- Further growth & diversity via Inmarsat-5 & GX
- Empower a high-value solutions ecosystem centred on Inmarsat
- Reorganise for proximity, agility & efficiency



Business units deliver strategy implementation on a market-focused basis

GX - programme status

Commercial Service Introduction on track for early Q3



- F2 & F3 launches on track for 2014 – completes global coverage, global commercial service launch early 2015
 - Spare satellite (F4) construction underway, delivery mid-2016
- Global network of six ground stations on schedule, four completed
- Service platform on schedule – core functions & solutions delivery
- Orbital slot coordination & market access progress on plan
- Multiple equipment manufacturers appointed, test equipment available to support beta testing campaign

All critical activities on track and on budget

GX – market readiness

Looking good across all target markets

- 
- Government
 - Boeing partnership
 - US DoD GX tests Q2
 - Maritime
 - XpressLink, Globe Wireless
 - Energy
 - RigNet partnership
 - Aviation
 - Honeywell
 - VARs appointed to all target market verticals
 - Astrium/Airbus signed
 - 18 VAR agreements signed
 - Channel & customer feedback supports our commercial objectives
 - Training – 750 people from over 140 distributors

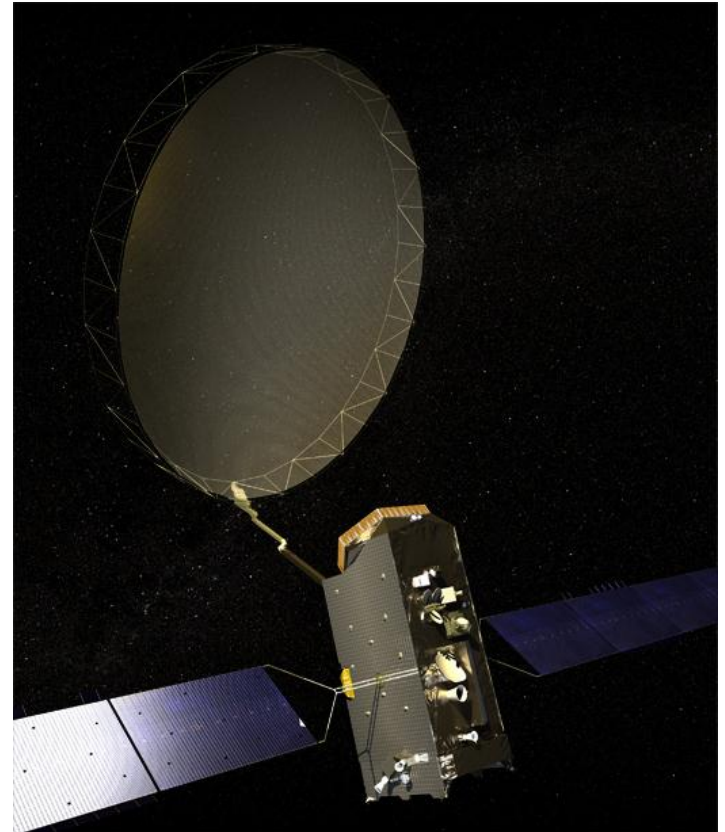
ROSCOSMOS

30% of first 5-year target revenues now contractually committed or controlled

L-band growth innovation

Alphasat into service & renewed service innovation

- Significant L-band service development
 - Many new L-band products in 2014
 - Deliberate geographic & channel expansion
- Alphasat successful launch 25 July 2013
 - Now carrying substantial commercial traffic
 - Expands our capacity over EMEA
- Inmarsat-4 fleet operating with in-orbit redundancy
 - Risk of single satellite failure retired
 - Protects core L-band cash flows
 - Enhances our coverage options
- Inmarsat-6 first launch planned 2020



Alphasat Inmarsat-4 F4A

Continued options for L-band revenue growth

Maritime

Market leadership in MSS and maritime VSAT

- FleetBroadband over 41k terminals, net adds 7,200 in 2013, up 21%
 - >50% market share for FB, ARPU growth ~3%
 - FB 150 >1.4k net adds, ARPU growth ~20%
 - FleetOne launch – aimed at leisure, small fishing
- Fleet (18k terminals) price increase on 1 Jan 2014
 - Drive migration to FleetBroadband, GX
 - Inmarsat-B <3.5k terminals
- XpressLink, 128 Q4 net adds, 792 total installations
 - Total VSAT base 1,478 ships, 25% growth (+Globe Wireless)



Step-change in installation pace in 2013

Maritime

Acquisition of Globe Wireless accelerates strategy

> Acquisition completed 2 Jan 2014

- Steps up VSAT engineering & installation capability at crucial time
- Brings established network-level value added solutions & platform to Inmarsat channel
- EBITDA and cash flow positive in 2014
- Strong revenue & cost synergies with existing maritime operations

| Globe Wireless | Facts and Figures |
|-----------------|--|
| Headcount | 185 |
| Key Locations | Palm Bay, Singapore, Liverpool, Hong Kong, Tokyo, Rotterdam, Hamburg, Athens |
| Installed base | VSAT: >150 installed ships Inmarsat FleetBroadband >7,000 ships |
| Revenue FY 2013 | \$86m |

Advances maritime solutions strategy & enables faster transition to GX

Enterprise

Product innovation for diversification & growth

- Split out high growth Aviation into new business unit from 2014
- M2M leadership
 - Major product development completed (IDP & BGAN M2M)
 - Strategic partnership with ORBCOMM
 - Important channel development
 - Early signs of success – terminal sales and revenue growth
- IsatPhone Pro – strong revenue progression in 2013
 - Active user base 86k subscribers, 28k units sold in 2013
 - Total market growth limited, but market share opportunity
 - New complementary handset to be launched on 24 March
- BGAN – significant product diversification
 - Speed and form factor variances to retain market leadership and expand addressable markets



IsatPhone 2



IsatPhone Pro

Finding new growth for L-band

Government

When the going gets tough...

> US Government retail outlook

- Declines seen in 2013 to slow & flatten by end of 2014
- Afghanistan optempo - revenue expected to be negligible by year end

> Political volatility easing & DoD visibility to improve

- There is a 2014 budget (!) but spending decisions yet to be made
- Comsatcoms procurement exposed as DoD shifts out of war budget
- Comsatcoms spending will lag due to short-term pressure of inflexible DoD legacy budget items

> Medium-term revenue opportunity for Inmarsat

- Growth in connectivity need (ISR, net-centric warfare etc) vs limited supply
- Focus on agility, efficiency & global mobility
- GX



Government

...the tough get going

> Inmarsat recovery strategy

- Defend & rebuild legacy programmes
- Diversify customer base
- Develop innovative new products (HDR, Converge, L-TAC)

> GX outlook remains excellent - strong customer interest

- Ka-band strategy dovetails USG investment in WGS ecosystem
- USG committed to GX trials starting in Q2 2014

> Global Government outlook

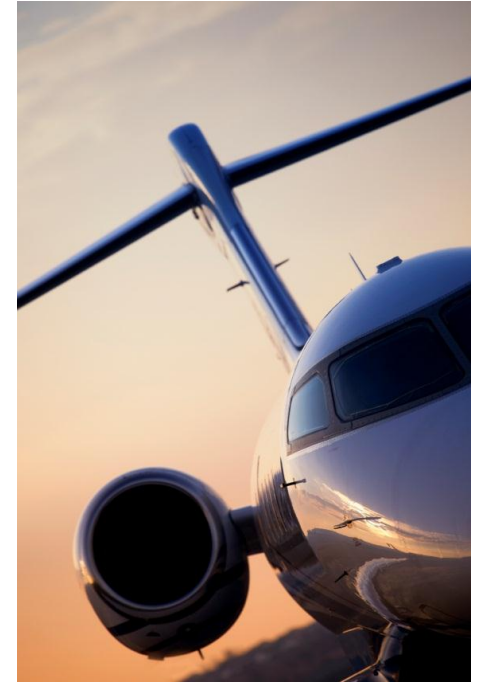
- Positive outlook – internationalisation programme opening new countries
- Good returns from acquisition of TC Comms in Australia
- 9.3% revenue growth in 2013



Aviation

Strong growth, 'Nose to Tail'

- Active terminal base up 10%, ~17k terminals
- SwiftBroadband subscriber adds up 1.5k, up>40%
 - SBB 2013 revenue growth >70%, ARPU growth 17%
 - Strong growth from business aviation and airline connectivity
 - Cabin connectivity services provided on 2,150 aircraft
- Market leader in safety services & developing next generation technology
- GX well-positioned for airline focus on in-flight wi-fi
 - Significant momentum and engagement for future services, Air China selected GX Aviation for 2015
 - GX global coverage, capacity & high quality service will challenge regional service model



Fastest-growing sector for Inmarsat, poised to take-off

Summary

- Entering 2014 with confidence after strong Q4 2013
- Expect continued growth in wholesale MSS revenues
- Retail business: full-year impact of 2013 US Government spending reductions & competition increase
- Expect recent M&A to be EBITDA accretive
- GX is here! GX revenue contribution from Q3 regionally
- On track to complete GX global coverage by end of 2014
- Reiterate medium term target: 8% to 12% wholesale revenue CAGR 2014-2016

Clear strategy, strong core business and exciting future with GX



Questions & Answers