Press Release

Inmarsat plc Reports 2007 Interim Results
Inmarsat Holdings Limited Reports Second Quarter 2007 Results

London, UK: 7 August 2007. Inmarsat plc (LSE: ISAT), the leading provider of global mobile satellite communications services, and Inmarsat Holdings Limited, a wholly-owned subsidiary of Inmarsat plc, today reported consolidated financial results for the 6 months and 3 months ended 30 June 2007.

2007 Interim Results Highlights

- **First half revenue $284.2 million up 15.6% (2006: $245.9 million)**
- **EBITDA $200.8 million up 23.3% (2006: $162.9 million)**
- **Profit before tax $77.9 million up 63.7% (2006: $47.6 million)**
- **Strong performance across all business sectors**
- **Interim dividend lifted by 8.3% to 11.55 cents (US$) per share**

Q2 2007 Highlights
(Inmarsat Holdings Limited)

- **Q2 revenue up 15.5% to $143.4 million (2006: $124.2 million)**
- **Q2 EBITDA up 22.8% to $101.2 million (2006: $82.4 million)**
- **Q2 BGAN revenue $8.0 million up 12.7% sequentially on Q1**
- **BGAN subscribers reach 11,782 (1,940 additions in quarter)**
- **Handheld service implemented and launched on 16 July**

Andrew Sukawaty, Inmarsat's Chairman and Chief Executive Officer said, "We had a record-breaking second quarter for revenue and maintained strong growth trends across our MSS business sectors. The second quarter contributed to excellent results in both revenue and profit for the first half 2007 and we are raising our interim dividend by 8.3%. In view of the sustained growth in our business we have also increased our expectations for the full year."

Launch of third Inmarsat-4 satellite in 2008

Inmarsat has also announced today that a contract has been signed with International Launch Services for the launch of our third Inmarsat-4 satellite on a Proton launch vehicle and that we now expect to launch this satellite between March and April 2008.

Mobile Satellite Services

Second quarter revenue from our **maritime sector** increased 11% year over year. Maritime data revenue grew by 16% and we sustained year over year growth in maritime voice revenue. While we continue to see strength in all our key maritime services, it is our Fleet product range that continues to be the engine of our maritime growth. While growth in active terminals in maritime grew by 12% year over year, growth in Fleet terminals was up 46% for the same period. Activations of Fleet terminals during the second quarter were at the highest quarterly level since the service was launched and average revenue per Fleet terminal was also up 6% year over year.

Revenue in the **land sector** for the second quarter was up 13% year over year. Land data saw year over year growth of 20%, primarily driven by demand for our BGAN service. Once again, we do not believe the second quarter performance for BGAN was marked by any material migration from our established land data services, GAN and R-BGAN. This trend continues to support our view that much of the growth in our BGAN service revenue continues to be generated by new customers and incremental demand from existing customers.

Land voice revenue for the quarter continued to be impacted by competition from other MSS operators who primarily offer voice services through handheld satellite phones. On 16 July after the end of the quarter we announced the launch of our own handheld satellite phone and low cost fixed phone, initially available to users in much of Africa, Asia and the Middle East. We are confident that the introduction of our own handheld satellite phone service will allow us to address the competition and improve the outlook for our land voice revenue.

Second quarter revenue from our **aeronautical sector** increased by 45% year over year. We are maintaining strong revenue growth in our aeronautical sector as a result of increased demand for our Swift 64 service. **Leasing** revenue for the quarter increased by 27% year over year and was in line with management expectations.

Transaction with Communications Investment Partners

On 12 June the shareholders of Stratos Global Corporation voted to support the cash offer of C$7.00 per share made by CIP Canada Investment Inc, a wholly owned subsidiary of Communications Investment Partners Limited (CIP), to acquire the entire issued share capital of Stratos Global. Following this event and with progress on regulatory clearances in line with expectations, we and CIP remain on track for fourth quarter closing of the transaction we announced on 19 March.

Outlook

With our core business performing well and operating cost expectations fully in line, we now expect our full year performance to be ahead of our previous expectations.

Impact of volume discounts

The volume discounts we offer to our distributors have an increasing impact on our margins as the year progresses. As our distributors reach certain volume targets we reduce our wholesale prices and this process reduces our margins until the end of the calendar year when our rates are then reset to their pre-discount level. Although overall growth in traffic will have an offsetting effect, volume discounts have their greatest impact on our wholesale prices and revenue during the third and fourth quarter of the year.

Liquidity

At the end of the second quarter we had net external debt of $861.8 million made up of cash of $89.0 million and total external debt of $950.8 million. In addition to our cash resources, we had a revolving credit facility with an amount available but undrawn at the end of the second quarter of $250 million. Cash used to fund capital expenditure during the quarter was $42.8 million and $73.1 million was used to fund the final dividend for the financial year 2006.

Inmarsat plc

Inmarsat Holdings Limited, through its subsidiary Inmarsat Finance II plc, is the issuer of $450 million of 10.375% Senior Discount Notes due 2012. Inmarsat Group Limited, through its subsidiary Inmarsat Finance plc, is the issuer of $310.4 million of 7.625% Senior Notes due 2012. Both Inmarsat Holdings Limited and Inmarsat Group Limited are required by the terms of the Notes outstanding to report quarterly financial results. Inmarsat plc is the ultimate parent company of the Inmarsat group and reports each half year.

A copy of the interim financial results report for Inmarsat plc for the 6 months ended 30 June 2007 is incorporated into this press release and is also available from our website. A copy of financial reports for both Inmarsat Holdings Limited and Inmarsat Group Limited for the second quarter can be accessed via the investor relations section of our website. Copies of these financial reports for the second quarter will also be filed with the SEC later today on form 6-K.

Other Information

Inmarsat management will discuss the results announced today and other financial and business information in a conference call on Tuesday, 7 August at 3:00 p.m. London time (United States, 10:00 a.m. EST). To access the call please dial +44 (0)20 7162 0125. The conference code is 759927. The call will also be recorded and available for one week after the event. To access the recording please dial +44 (0)20 7031 4064 and enter the conference code 759927. The call will also be available by webcast accessible via the investor relations section of our website.

Forward-looking Statements

Certain statements in this announcement constitute "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results, to be materially different from those projected in the forward-looking statements. These factors include: general economic and business conditions; changes in technology; timing or delay in signing, commencement, implementation and performance of programmes, or the delivery of products or services under them; structural change in the satellite industry; relationships with customers; competition; and ability to attract personnel. You are cautioned not to rely on these forward-looking statements, which speak only as of the date of this announcement. We undertake no obligation to update or revise any forward-looking statement to reflect any change in our expectations or any change in events, conditions or circumstances.

Inmarsat Holdings Limited Revenue Breakdown	Second quarter ended 30 June	
	2007	2006
	(US$ in millions)	
Revenues		
Maritime sector:		
voice services	26.2	25.5
data services	54.0	46.5
Total maritime sector	80.2	72.0
Land sector:		
voice services	3.9	5.0
data services	29.4	24.6
Total land sector	33.3	29.6
Aeronautical sector	10.7	7.4
Leasing (incl. navigation)	17.1	13.5
Total mobile satellite communications services	141.3	122.5
Subsidiary revenues		
Other income	2.1	1.7
Total Revenues	143.4	124.2

Active Terminal Data	As at 30 June	
	2007	2006
Active terminals (1)(2)	(000's)	
Maritime	144.2	128.5
Land	79.3	77.8
Aeronautical	8.3	7.2
Total active terminals	231.8	213.5

(1) Active terminals are the number of subscribers (BGAN and R-BGAN) or terminals that have been used to access services at any time during the preceding twelve-month period (other services except SPS) registered at 30 June. Active SPS terminals are the average number of terminals active on a daily basis during the period.

(2) Active terminals as at 30 June 2007 include 8,491 SPS terminals and 11,782 BGAN subscribers (as at 30 June 2006: nil and 3,367 respectively).

Inmarsat Holdings Limited Consolidated Profit and Loss Account	Second quarter ended 30 June	
	2007	2006
	(US$ in millions)	
Revenue	143.4	124.2
Employee benefit costs	(23.4)	(20.5)
Network and satellite operations costs	(8.4)	(8.1)
Other operating costs	(14.4)	(16.2)
Work performed by the Group and capitalized	4.0	3.0
EBITDA	101.2	82.4
Depreciation and amortization	(41.4)	(36.0)
Operating profit	59.8	46.4
Interest receivable and similar income	2.2	3.5
Interest payable and similar charges	(22.4)	(24.1)
Net interest payable	(20.2)	(20.6)
Profit before income tax	39.6	25.8
Income tax expense	(2.6)	(9.2)
Profit for the period	37.0	16.6

Inmarsat Holdings Limited Consolidated Balance sheet	As at 30 June	As at 31 December
	2007	2006
	(US$ in millions)	
Non-current assets	1,736.7	1,769.5
Current assets		
Inventories	0.6	0.8
Trade and other receivables	205.3	167.5
Cash and cash equivalents	89.0	42.8
Total current assets	294.9	211.1
Total assets	2,031.6	1,980.6
Current liabilities		
Loans and other borrowings	(64.7)	(11.9)
Other payables and provisions	(152.4)	(161.8)
Non-current liabilities		
Loans and other borrowings	(927.0)	(910.6)
Other payables and provisions	(173.3)	(178.7)
Total liabilities	(1,317.4)	(1,263.0)
Net assets and shareholders' funds	714.2	717.6

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INMARSAT PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS
For the half year ended 30 June 2007
(unaudited)

Forward-Looking Statements

This document contains forward-looking statements. These forward-looking statements include all matters that are not historical facts. Statements containing the words "believe", "expect", "intend", "may", "estimate" or, in each case, their negative and words of similar meaning are forward-looking.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual financial condition, results of operations and cash flows, and the development of the industry in which we operate, may differ materially from those made in or suggested by the forward-looking statements contained in this document. In addition, even if our financial condition, results of operations and cash flows, and the development of the industry in which we operate, are consistent with the forward-looking statements in this document, those results or developments may not be indicative of results or developments in subsequent periods. Important facts that could cause our actual results of operations, financial condition or cash flows, or the development of the industry in which we operate, to differ from current expectations include those risk factors disclosed in the Group's Form 20-F Annual Report for Inmarsat Holdings Limited for the year ended 31 December 2006 as filed with the Securities and Exchange Commission on 30 April 2007.

As a consequence, our current plans, anticipated actions and future financial condition, results of operations and cash flows, as well as the anticipated development of the industry in which we operate, may differ from those expressed in any forward-looking statements made by us or on our behalf.

TABLE OF CONTENTS

Business and Financial Review

The following is a discussion of the consolidated results of operations and financial condition of Inmarsat plc (the "Company" or together with its subsidiaries, the "Group") for the half year ended 30 June 2007. You should read the following discussion together with the whole of this document including the historical consolidated financial results and the notes. The condensed consolidated interim financial results were prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and IFRIC interpretations issued and effective at the time of this report. There are no material differences for the Group between IFRS and IFRS as adopted by the EU.

Overview

Inmarsat is the leading provider of global mobile satellite communications services, providing data and voice connectivity to end-users worldwide. Inmarsat has nearly 30 years of experience in designing, launching and operating its satellite-based network. With a fleet of ten owned and operated geostationary satellites, the Group provides a comprehensive portfolio of global mobile satellite communications services for use on land, at sea and in the air. These include voice and broadband data services, which support safety communications, as well as standard office applications such as email, internet, secure VPN access and videoconferencing. The Group's revenues, operating profit and EBITDA for the half year ended 30 June 2007 were $284.2m, $118.1m and $200.8m respectively (2006: $245.9m, $87.5m and $162.8m respectively).

The results of the Group's operations are reported in US dollars as the majority of revenues and borrowings are denominated in US dollars.

CIP Canada offer for Stratos Global Corporation accepted

On 12 June 2007 the shareholders of Stratos Global Corporation Inc ("Stratos"), one of our key independent distribution partners, voted at an Extraordinary General Meeting to support the cash offer of C$7.00 per share made by CIP Canada Investment Inc ("CIP Canada"), a wholly owned subsidiary of Communications Investment Partners Limited ("CIP"), to acquire the entire issued share capital of Stratos.

Inmarsat Finance III Limited ("Inmarsat III"), a wholly owned subsidiary of Inmarsat plc, has agreed to provide a loan of up to $275m to fund the acquisition ("Transaction") by CIP Canada and an additional loan, in certain circumstances, to fund a tender for Stratos' outstanding bonds. Subject to the receipt of regulatory approvals for the Transaction, on completion of CIP Canada's acquisition of Stratos, Inmarsat III will have an option to acquire Stratos ("Call Option"). The loan facility has a ten year term, which is conditional upon the completion of CIP Canada's acquisition of Stratos. It bears interest at 5.75% per annum until 31 December 2010 (on a Pay In Kind basis to 14 April 2009) and 11.5% per annum thereafter, and is secured by means of a right of sale pledge over CIP UK's shareholding in CIP Canada.

Regulatory approvals are required before the acquisition by CIP Canada can be completed. Regulatory approvals have been received by CIP and the review by the FCC in the US is currently ongoing, CIP and Stratos are working on this, with support from our teams as appropriate. We currently expect that the regulatory approvals for the acquisition will be received during the fourth quarter of 2007.

Inmarsat III's Call Option is not exercisable prior to 14 April 2009, when certain of Inmarsat's distribution agreements expire and terminates on 31 December 2010. The option is exercisable for a payment of between $750,000 and $1.0m. Following the acquisition of Stratos by CIP Canada and, until such time as a decision is made to exercise the option, Stratos will continue its current operations and business as usual.

In order to fund the loan facility, Inmarsat III entered into a new $411.5m borrowing facility agreement with three banks on 19 March 2007. Borrowings under this facility will be structurally subordinated to all of Inmarsat's other outstanding indebtedness. Subject to closing, Inmarsat III expects to draw up to $260m of the facility to fund the loan and to pay fees and expenses of the transaction. The undrawn facility amount will be available to Inmarsat III to fund an additional loan as necessary to support CIP Canada's funding of a mandatory tender offer for Stratos' outstanding bonds that will be required following completion of CIP Canada's acquisition. In the event Stratos bondholders do not tender their bonds to CIP Canada, no additional drawing under the Inmarsat III facility will be required. As the recent trading price of Stratos' outstanding bonds has been well above the mandatory tender price, it is not currently anticipated that Stratos bondholders will tender any bonds to CIP Canada.

Launch of new Satellite Phone Services

The first handheld satellite phone in the Inmarsat service portfolio and related land fixed phone, called the IsatPhone and LandPhone respectively, were launched commercially on 16 July 2007 as part of a new range of low cost Satellite Phone Services ("SPS"), positioning the Company as the world's only one-stop provider of mobile voice and broadband satellite communications.

In connection with our SPS we have appointed the first eight service distribution partners to support the launch. These distribution partners are ACeS; Chinasat; Evosat; Fono; MCN; MVS; SatCom Global and Stratos Global, providing a mix of new and existing distributors and covering all relevant geographies.

On 7 June 2007 we announced an exclusive agreement with Axiom Telecom, one of the world's largest retailers and distributors of mobile communications products, to manage the global distribution of our mobile and fixed phones in our SPS portfolio. Axiom Telecom will support our channel as the logistics and repair partner for the handheld, fixed and maritime satellite phones – stocking products, fulfilling orders, and providing maintenance services for the products and related peripherals.

Dividends

A final dividend of 16.00 cents (US dollars) per ordinary share (total dividend $73.1m) for the 2006 financial year as recommended by the Directors was approved and paid to shareholders on 25 May 2007.

The Board intends to declare and pay an interim dividend of 11.55 cents (US dollars) per ordinary share on 26 October 2007 to ordinary shareholders on the Register at the close of business on 28 September 2007. Dividend payments will be made in Pounds Sterling based on the exchange rate prevailing in the London market four business days prior to payment. This dividend has not been recognised as a liability for the half year ended 30 June 2007.

Construction of a third satellite access station

We have begun construction of a third satellite access station in Hawaii USA, which will transmit and receive our BGAN traffic to and from our satellite network. The third SAS in Hawaii will provide global visibility to our Inmarsat-4 fleet once the third Inmarsat-4 satellite is launched.

Revenues

Revenues for the half year ended 30 June 2007 were $284.2m, an increase of $38.3m, or 15.6%, compared with the half year ended 30 June 2006.

The table below sets out the components of the Group's total revenue for each of the periods under review.

	2007 Half year (unaudited)	**2006 Half year** (unaudited)	**Increase/ (decrease)**
	(US$ in millions)		%
Revenues			
Maritime sector:			
Voice services	52.5	50.2	4.6%
Data services	105.8	90.8	16.5%
Total maritime sector	**158.3**	**141.0**	**12.3%**
Land mobile sector:			
Voice services	7.8	10.7	(27.1%)
Data services	57.8	49.0	18.0%
Total land mobile sector	**65.6**	**59.7**	**9.9%**
Aeronautical sector	20.8	14.4	44.4%
Leasing (incl. navigation)	34.6	27.3	26.7%
Total mobile satellite communications services	**279.3**	**242.4**	**15.2%**
Other income	4.9	3.5	40.0%
Total revenue	**284.2**	**245.9**	**15.6%**

(000's)	**2007 Half year**	**2006 Half year**
Active terminals[(1)(2)]		
Maritime	144.2	128.5
Land mobile	79.3	77.8
Aeronautical	8.3	7.2
Total active terminals	**231.8**	**213.5**

[(1)] Active terminals are the number of subscribers (BGAN and R-BGAN) or terminals that have been used to access services at any time during the preceding twelve-month period (other services except SPS) registered at 30 June. Active SPS terminals are the average number of terminals active on a daily basis during the period.
[(2)] Active terminals as at 30 June 2007 include 8,491 SPS terminals and 11,782 BGAN subscribers (as at 30 June 2006: nil and 3,367 respectively).

During the half year ended 30 June 2007, revenues from mobile satellite communications services were $279.3m, an increase of $36.9m, or 15.2%, compared with the half year ended 30 June 2006. Growth has been strongest in the newer services such as Fleet (maritime users), BGAN (land users) and Swift 64 (aero users). Revenue has also benefited from the introduction of the ACeS handheld customer base in September 2006. The maritime, land mobile, aeronautical and leasing sectors accounted for 56.7%, 23.5%, 7.4% and 12.4% of total revenues from mobile satellite communications services respectively during the half year ended 30 June 2007.

Active terminal numbers increased by 8.6% between 30 June 2006 and 30 June 2007, with strong growth particularly in the maritime and aeronautical sectors. Maritime active terminals were up 12.2% period over period, while our base of active Fleet terminals grew by 46.1%. In the aeronautical sector, we have seen continued growth in Swift 64 (high-speed data, up 55.5%) and 'Classic' Aero (low-speed data, up 11.7%) with increased active terminal numbers. Terminal growth has also benefited from the addition of ACeS handheld terminals which have been included since September 2006.

Maritime Sector. During the half year ended 30 June 2007, revenues from the maritime sector were $158.3m, an increase of $17.3m, or 12.3%, compared with the half year ended 30 June 2006. This reflects an increase in both voice and data revenues.

Revenues from data services in the maritime sector during the half year ended 30 June 2007 were $105.8m, an increase of $15.0m, or 16.5%, compared with the half year ended 30 June 2006. The increase in revenues from data services reflects greater demand, as a result of the continued take-up and strong usage of our Fleet services. Demand for Fleet terminals has also been driven by growth in the global shipping new-build market and from the migration from our Inmarsat A analogue terminals, service for which ends on 31 December 2007. There has also been growth in the low-speed data services of Mini M and Inmarsat B driven by increased demand for email access at sea.

Revenues from voice services in the maritime sector during the half year ended 30 June 2007 were $52.5m, an increase of $2.3m or 4.6% compared with the half year ended 30 June 2006. Historically our voice revenues for the maritime sector have been affected by the migration of users from our higher-priced analogue service to our lower-priced digital services and to a lesser extent by competition. During the half year ended 30 June 2007, this has been more than offset by increased demand for voice services in our newer Fleet services and the revenues from ACeS voice customers.

Land Mobile Sector. During the half year ended 30 June 2007, revenues from the land mobile sector were $65.6m, an increase of $5.9m, or 9.9%, compared with the half year ended 30 June 2006.

Revenues from data services in the land mobile sector during the half year ended 30 June 2007 were $57.8m, an increase of $8.8m, or 18.0%, compared with the half year ended 30 June 2006. The increase is a result of strong growth and usage of BGAN. Although not material to our BGAN revenue for the second quarter, towards the end of the quarter we started to see some migration away from our R-BGAN service which will cease at the end of 2008 and expect this to increase over time. Compared to our expectations our GAN service remains robust although we expect some migration to BGAN to also start to have an effect in due course. Usage levels among land data users are subject to volatility from quarter to quarter depending on end customer activity.

Revenues from voice services in the land mobile sector during the half year ended 30 June 2007 were $7.8m, a decrease of $2.9m, or 27.1%, compared with the half year ended 30 June 2006. This continues the trend seen over the last few years of declining traffic volumes resulting from competition, principally for our Mini M and large antenna Mini M services, from operators of handheld satellite telephones who offer lower-priced voice services. This was partially offset by growth in BGAN voice, and we remain confident that our launch of SPS over a wider geographic area will address this decline in due course. Whilst land voice services currently represent a small percentage of our MSS revenues, 2.8% for the half year ended 30 June 2007, we believe there is a significant opportunity to grow this market segment through our BGAN voice offering and our new SPS portfolio.

Revenues from BGAN services during the half year ended 30 June 2007 are set out in the table below. These figures include voice, data and subscription revenues. As at 30 June 2007, there were 11,782 active BGAN subscribers.

BGAN Services	**2007 Half year (unaudited)**	**2006 Half year (unaudited)**
Revenues (US$ in millions)	15.1	2.1
Active subscribers	11,782	3,367

Aeronautical Sector. During the half year ended 30 June 2007, revenues from the aeronautical sector were $20.8m, an increase of $6.4m, or 44.4%, compared with the half year ended 30 June 2006. The increase continues to be attributed primarily to the strong performance of the Swift 64 high-speed data service, which targets the government aircraft and business jet markets as well as being used by commercial airlines. In addition revenues for low-speed data services benefited from increased industry demand.

Leasing. During the half year ended 30 June 2007, revenues from leasing were $34.6m, an increase of $7.3m, or 26.7%, compared with the half year ended 30 June 2006. The increase is a result of the new navigation contracts and an aeronautical Swift 64 lease, which commenced in June 2006, and increased take-up of other leasing business.

Other income. Other income was $4.9m for the half year ended 30 June 2007, an increase of $1.4m, or 40.0%, compared with the half year ended 30 June 2006. The increase in other income relates to additional in-orbit support services provided to other satellite operators. Other income consists primarily of income from the provision of conference facilities, renting surplus office space, fees for in-orbit support services and revenue from sales of SPS end-user terminals.

Seasonality – Impact of volume discounts. Revenues are impacted by volume discounts which increase over the course of the year with lower discount levels in early quarters and higher discounts in later quarters as our distribution partners meet specific volume thresholds. The effect of these volume discounts will be most prominent in the fourth quarter. Additionally, until April 2009, the total amount of volume discounts will be affected by the consolidation of distribution partners. If the proposed merger of Vizada Satellite Communications (formerly France Telecom Mobile Satellite Communications) and Telenor Satellite Services is completed, the impact in terms of additional volume discounts would be in the range of $6.0m to $8.0m in a full year, based on historic traffic patterns.

Net operating costs

Net operating costs in the half year ended 30 June 2007 were $83.4m, an increase of $0.3m or 0.4% compared with the half year ended 30 June 2006. The table below sets out the components of the Group's net operating costs for each of the periods under review.

(US$ in millions)	**2007 Half year (unaudited)**	**2006 Half year (unaudited)**
Employee benefit costs	46.4	41.8
Restructuring costs including termination benefits	—	6.8
Network and satellite operations costs	16.8	15.0
Other operating costs	28.2	26.3
Work performed by the Group and capitalised	(8.0)	(6.8)
Total net operating costs	**83.4**	**83.1**

Employee benefit costs

Employee benefit costs during the half year ended 30 June 2007 were $46.4m, an increase of $4.6m, or 11.0% compared with the half year ended 30 June 2006 (excluding non-recurring restructuring costs of $6.8m incurred in 2006). The increase can be attributed largely to the accrual of staff bonuses and an adverse movement in the Group's hedged rate of exchange, which has increased from $1.77/£1.00 in 2006 to $1.81/£1.00 in 2007 (the majority of staff costs are incurred in Sterling and we report the Group's results in US dollars). In addition, although to a lesser extent, costs have increased with additional headcount in Batam, Indonesia for which we assumed responsibility following the ACeS collaboration arrangements in September 2006. Total full-time equivalent headcount at 30 June 2007 was 448 (includes Batam employees: 57), compared to 381 as at 30 June 2006 (includes Batam employees: nil).

Network and satellite operations costs

Network and satellite operations costs during the half year ended 30 June 2007 were $16.8m, an increase of $1.8m, or 12.0%, compared with the half year ended 30 June 2006. The increase is primarily due to in-orbit insurance costs for the Inmarsat-4 F1 and F2 satellites which commenced on expiry of the launch insurance policy, being 11 March 2006 for the F1 and 8 November 2006 for the F2.

Other operating costs

During the half year ended 30 June 2007, other operating costs were $28.2m, an increase of $1.9m, or 7.2%, compared with the half year ended 30 June 2006. During the half year ended 30 June 2007, the Group recognized a foreign exchange loss of $1.2m (2006: $0.3m gain) on the revaluation of certain foreign exchange contracts. The remainder of the increase is attributable to higher direct cost of sales with the introduction of SPS terminal sales. The increase was offset in part by lower rental costs in the half year ended 30 June 2007 compared to the half year ended 30 June 2006 which included a non-cash and non-recurring adjustment to rental costs as a result of amending the accounting treatment for rental payments on our head office building to record costs on a straight-line basis.

Work performed by the Group and capitalised

Own work capitalised during the half year ended 30 June 2007 was $8.0m, an increase of $1.2m, or 17.6%, compared with the half year ended 30 June 2006. Own work capitalised reflects the shift of work from our BGAN and Inmarsat-4 programme, now that it is largely operational, to work on new services that are soon to be introduced such as FleetBroadband, SwiftBroadband and the global rollout of our SPS service.

EBITDA

As a result of the factors discussed above, EBITDA for the half year ended 30 June 2007 was $200.8m, an increase of $38.0m, or 23.3%, compared with the half year ended 30 June 2006. EBITDA margin has increased to 70.7% for the half year ended 30 June 2007 compared to 66.2% for the half year ended 30 June 2006.

Set forth below is a reconciliation of profit for the period to EBITDA for each of the periods indicated:

(US$ in millions)	**2007 Half year** (unaudited)	**2006 Half year** (unaudited)
Profit for the period	**63.6**	**31.3**
Add back:		
Income tax expense	14.2	16.2
Net interest payable	40.3	40.0
Depreciation and amortization	82.7	75.3
EBITDA	**200.8**	**162.8**

Depreciation and amortisation

During the half year ended 30 June 2007, depreciation and amortisation was $82.7m, an increase of $7.4m, or 9.8%, compared to the half year ended 30 June 2006. The increase relates principally to a full six months of depreciation in 2007 on the second Inmarsat-4 satellite following commencement of commercial service in February 2006 as well as the commencement of depreciation on certain elements of the Inmarsat-4 ground network that became commercially operational during 2006.

Operating profit

As a result of the factors discussed above, operating profit during the half year ended 30 June 2007 was $118.1m, an increase of $30.6m, or 35.0%, compared with the half year ended 30 June 2006, the majority of which is accounted for by increased revenues partially offset by the higher depreciation charge.

Net interest payable

Interest payable for the half year ended 30 June 2007 was $43.3m, a decrease of $1.2m compared with the half year ended 30 June 2006, due primarily to a $1.9m decrease in our pension and post-retirement liability finance costs as a result of favourable foreign exchange movements. Additionally lower interest was incurred on our Senior Notes as a result of the purchase of $43.6m of these notes during the half year ended 30 June 2006. The decrease was largely offset by $1.7m of additional interest on our Senior Discount Notes following the semi-annual accretion of interest.

Interest receivable for the half year ended 30 June 2007 was $3.0m, a decrease of $1.5m compared with the half year ended 30 June 2006. The decrease principally relates to the interest rate swap which expired in December 2006.

Profit before income tax

During the half year ended 30 June 2007, profit before income tax was $77.8m, an increase of $30.3m compared with the half year ended 30 June 2006.

Income tax expense

The tax charge for the half year ended 30 June 2007 was $14.2m, compared to $16.2m for the half year ended 30 June 2006. The decrease in the effective tax rate for the half year ended 30 June 2007 (18.3%) and 2006 (34.1%) is largely driven by the effect of adjusting the deferred tax balances to take account of a reduction in corporation tax rate from 30% to 28%. In addition there has been a reduction in the level of permanent differences. Excluding the reduction in corporation tax rate the effective rate would have been 30.1%.

The Group’s tax profile is such that material cash tax payments are not expected in the next twelve months as available capital allowances and deductions for interest charges are anticipated to be in excess of the taxable profits.

Profit for the period

As a result of the factors discussed above, profit for the half year ended 30 June 2007 was $63.6m, an increase of $32.3m compared with the half year ended 30 June 2006.

Liquidity and capital resources

The Group had net borrowings at 30 June 2007 of $897.2m primarily comprising of Senior Credit Facility drawings of $300.0m, Senior Notes of $256.8m (net of $53.6m Senior Notes held by the Group, being 17.3% of the aggregate principal amount outstanding), Senior Discount Notes of $391.7m (including accretion of principal) and deferred satellite payments of $57.1m, net of cash and cash equivalents of $94.3m. See note 8.

Net cash from operating activities during the half year ended 30 June 2007 was $169.0m compared to $134.0m during the half year ended 30 June 2006. The increase primarily relates to increased EBITDA and movements in working capital.

Net cash used in investing activities during the half year ended 30 June 2007 was $76.6m compared with $40.6m for the half year ended 30 June 2006, reflecting capital expenditure for the continued construction of other new BGAN services such as Fleetbroadband and Swiftbroadband, investment in our new SPS network and the payment of outstanding milestones relating to the construction of our Inmarsat-4 satellites. In addition the Group incurred $7.6m in transaction fees during the half year ended 30 June 2007 in relation to the offer by CIP Canada to acquire Stratos and made a $1.5m payment in respect of the ACeS collaboration arrangement.

Net cash used in financing activities during the half year ended 30 June 2007 was $43.0m compared to $113.7m during the half year ended 30 June 2006. During the half year ended 30 June 2007 the Group drew down $50.0m on the revolving Senior Credit Facility ($300.0m facility), paid $18.6m of interest costs on Senior Notes and Facilities and paid fees of $1.4m related to a finance lease disposal. The Group also paid dividends totalling $73.0m to shareholders compared to $49.7m in 2006. During the half year ended 30 June 2006, the Group purchased $43.6m of its Senior Notes (2007: $nil).

On 19 March 2007, Inmarsat III entered into a new $411.5m loan facility with three banks. The purpose of the facility is to provide a loan to CIP in connection with an offer by CIP Canada to acquire the entire issued share capital of Stratos and to provide a further loan, if required to fund a mandatory tender for Stratos's outstanding 9.875% bonds. At 30 June 2007 there were no drawings under the loan facility. Drawings under the facility will be subordinated to all of the other indebtedness of the Group.

The Group continually evaluates sources of capital and may repurchase, refinance, exchange or retire current or future borrowings and/or debt securities from time to time in private or open-market transactions, or by any other means permitted by the terms and conditions of borrowing facilities and debt securities.

Outlook

With our core business performing very well and operating costs fully in line, we now expect our full year performance to be ahead of our previous expectations.

Recent Events

Having explored several options in an effort to secure a 2008 launch date for our third Inmarsat-4 satellite we are pleased to report that on 3 August 2007 we signed a contract with International Launch Services for the launch of our third satellite on a Proton launch vehicle and have been allocated a launch period between March and April 2008. Our option to launch the third satellite using an Atlas launch vehicle remains in place and will now be regarded as a backup capability. The launch of the third satellite will provide global Inmarsat-4 coverage for our existing BGAN service and will benefit our new broadband maritime and aeronautical services as well as our global satellite phone service.

We have been selected by the European Space Agency ("ESA") as the preferred operator for the Alphasat project. Alphasat is an ESA initiative for the development of Alphabus, a new platform capable of carrying a large communications payload. The Group's mission will consist of an advanced L-Band payload which will supplement the existing satellite constellation and offer the opportunity for new and advanced services with access to a new allocation of L-band spectrum. Commercial contract negotiations are currently being finalised and are expected to be completed before the end of the financial year.

Subsequent to 30 June 2007, other than the events discussed above, there have been no material events, which would affect the information reflected in the condensed consolidated interim financial results of the Group.

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
For half year ended 30 June

(US$ in millions)	**2007 Half year (unaudited)**	**2006 Half year (unaudited)**
Revenue	**284.2**	**245.9**
Employee benefit costs	(46.4)	(41.8)
Restructuring costs including termination benefits	—	(6.8)
Total employee benefit costs	(46.4)	(48.6)
Network and satellite operations costs	(16.8)	(15.0)
Other operating costs	(28.2)	(26.3)
Work performed by the Group and capitalised	8.0	6.8
EBITDA	**200.8**	**162.8**
Depreciation and amortisation	(82.7)	(75.3)
Operating profit	**118.1**	**87.5**
Interest receivable and similar income	3.0	4.5
Interest payable and similar charges	(43.3)	(44.5)
Net interest payable	(40.3)	(40.0)
Profit before income tax	**77.8**	**47.5**
Income tax expense	(14.2)	(16.2)
Profit for the period	**63.6**	**31.3**
Earnings per share for profit attributable to the equity holders of the Company during the period (expressed in US$ per share)		
— Basic	0.14	0.07
— Diluted	0.14	0.07

CONDENSED CONSOLIDATED INTERIM STATEMENT OF RECOGNISED INCOME AND EXPENSE
For half year ended 30 June

(US$ in millions)	2007 Half year (unaudited)	2006 Half year (unaudited) (as restated)
Actuarial gains from pension and post-retirement healthcare benefits	9.0	7.1
Gains on cash flow hedges	13.3	9.4
Tax charged directly to equity	(6.4)	(0.3)
Net gains recognised directly in equity	**15.9**	**16.2**
Profit for the period	63.6	31.3
Total recognised income for the period	**79.5**	**47.5**

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

(US$ in millions)	**As at 30 June 2007** (unaudited)	**As at 31 December 2006** (audited)	**As at 30 June 2006** (unaudited)
ASSETS			
Non-current assets			
Property, plant and equipment	1,219.7	1,247.5	1,294.4
Intangible assets	517.0	522.0	521.2
Derivative financial instruments	—	—	1.9
	1,736.7	1,769.5	1,817.5
Current assets			
Cash and cash equivalents	94.3	42.8	15.1
Trade and other receivables	189.0	152.0	152.4
Inventories	0.6	0.8	0.4
Derivative financial instruments	21.9	8.5	6.1
	305.8	204.1	174.0
Total assets	**2,042.5**	**1,973.6**	**1,991.5**
LIABILITIES			
Current liabilities			
Trade and other payables	124.1	146.0	137.3
Borrowings	64.5	11.8	36.8
Provisions	0.2	1.6	2.6
Current income tax liabilities	23.0	8.4	23.3
Derivative financial instruments	0.1	—	0.4
	211.9	167.8	200.4
Non-current liabilities			
Other payables	5.8	6.7	33.4
Borrowings	927.0	910.6	870.3
Provisions	31.8	37.6	34.7
Deferred income tax liabilities	140.1	134.4	173.3
Derivative financial instruments	—	—	0.4
	1,104.7	1,089.3	1,112.1
Total liabilities	**1,316.6**	**1,257.1**	**1,312.5**
Net assets	**725.9**	**716.5**	**679.0**
SHAREHOLDERS' EQUITY			
Ordinary shares	0.4	0.4	0.4
Share premium	677.0	675.4	675.3
Other reserves	22.4	11.3	19.9
Retained earnings/(accumulated losses)	26.1	29.4	(16.6)
Total shareholders' equity	**725.9**	**716.5**	**679.0**

INMARSAT PLC

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT
For half year ended 30 June

(US$ in millions)	2007 Half year (unaudited)	2006 Half year (unaudited)
Cash flow from operating activities		
Cash generated from operations	166.4	133.0
Interest received	2.7	1.4
Income taxes paid	(0.1)	(0.4)
Net cash inflow from operating activities	**169.0**	**134.0**
Cash flow from investing activities		
Purchase of property, plant and equipment	(67.5)	(40.6)
Corporate finance activities	(9.1)	—
Net cash used in investing activities	**(76.6)**	**(40.6)**
Cash flow from financing activities		
Dividends paid to shareholders	(73.0)	(49.7)
Drawdown of revolving Senior Credit Facility	50.0	—
Interest paid on Senior Notes and Facilities	(18.6)	(20.4)
Finance lease disposal fees	(1.4)	—
Purchase of Senior Notes	—	(43.6)
Net cash used in financing activities	**(43.0)**	**(113.7)**
Foreign exchange adjustment	0.1	—
Net increase/(decrease) in cash and cash equivalents	**49.5**	**(20.3)**
Movement in cash and cash equivalents		
At beginning of period	42.7	35.1
Net increase/(decrease) in cash and cash equivalents	49.5	(20.3)
As reported on balance sheet (net of bank overdrafts)	**92.2**	**14.8**
At end of period, comprising		
Cash and cash equivalents per the balance sheet	94.3	15.1
Bank overdrafts	(2.1)	(0.3)
	92.2	**14.8**

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS

1. General Information

These unaudited condensed consolidated interim financial results were approved by the Board of Directors for issue on 7 August 2007.

The financial information for the year ended 31 December 2006 does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified and did not contain statements under section 237(2) or (3) of the Companies Act 1985.

2. Principal accounting policies and critical estimates

Basis of preparation

The unaudited condensed consolidated interim financial results have been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) and in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".

The same accounting policies, presentation and methods of computation are followed in these condensed consolidated interim financial results as were applied in the preparation of the Group's Annual Report for the year ended 31 December 2006 as available on our website www.inmarsat.com.

The preparation of the condensed consolidated interim financial results in conformity with IFRS requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet dates and the reported amounts of revenue and expenses during the reported period. Although these estimates are based on management's current knowledge of the amount, event or actions, these results ultimately may differ from those estimates.

The functional currency of the Company and Group is the US dollar, as the majority of operational transactions are denominated in US dollars.

There have been no changes to the critical accounting estimates disclosed in the published financial statements for the year ended 31 December 2006.

3. Restatement of results for the period ended 30 June 2006

The Consolidated Statement of Recognised Income and Expense for the half year ended 30 June 2006 has been restated to include the $1.8m deferred tax credit on share options, previously disclosed in the Reconciliation of Movements in Shareholders' Equity, note 7, only.

4. Segment information

The Group operates in one business segment being the supply of mobile satellite communications services ("MSS").

"Other" principally comprises income from technical support to other operators, the provision of conference facilities and leasing surplus office space to external organisations.

Primary reporting format—Business segments

(US$ in millions)	2007 Half year (unaudited) Mobile satellite communications services	Other	Unallocated	Total
Revenue	280.0	4.2	—	284.2
Segment result (operating profit)	117.2	0.9	—	118.1
Net interest charged to the Income Statement	—	—	(40.3)	(40.3)
Profit before income tax				77.8
Income tax expense				(14.2)
Profit for the period				63.6
Segment assets	1,948.2	—	94.3	2,042.5
Segment liabilities	(162.0)	—	(1,154.6)	(1,316.6)
Capital expenditure[(a)]	(49.8)	—	—	(49.8)
Depreciation	(72.1)	—	—	(72.1)
Amortisation of intangible assets	(10.6)	—	—	(10.6)

(a) Capital expenditure stated using accruals basis.

(US$ in millions)	2006 Half year (unaudited) Mobile satellite communications services	Other	Unallocated	Total
Revenue	243.1	2.8	—	245.9
Segment result (operating profit)	86.2	1.3	—	87.5
Net interest charged to the Income Statement	—	—	(40.0)	(40.0)
Profit before income tax				47.5
Income tax expense				(16.2)
Profit for the period				31.3
Segment assets	1,976.4	—	15.1	1,991.5
Segment liabilities	(208.8)	—	(1,103.7)	(1,312.5)
Capital expenditure[(a)]	(46.8)	—	—	(46.8)
Depreciation	(65.2)	—	—	(65.2)
Amortisation of intangible assets	(10.1)	—	—	(10.1)

(a) Capital expenditure stated using accruals basis.

5. Net interest payable

(US$ in millions)	2007 Half year (unaudited)	2006 Half year (unaudited)
Accretion of principal on Senior Discount Notes	(19.2)	(17.5)
Interest on Senior Notes and Senior Credit Facility	(18.7)	(19.9)
Amortisation of debt issue costs	(1.8)	(1.5)
Unwinding of discount on deferred satellite liabilities	(1.7)	(2.0)
Pension and post-retirement liability finance costs	(1.5)	(3.4)
Other interest payable	(0.3)	—
Interest and facility fees payable on bank loans and overdrafts	(0.1)	(0.2)
Total interest payable and similar charges	**(43.3)**	**(44.5)**
Bank interest receivable and other interest	3.0	3.3
Interest rate swap	—	1.2
Total interest receivable and similar income	**3.0**	**4.5**
Net interest payable	**(40.3)**	**(40.0)**

6. Tax

(US$ in millions)	2007 Half year (unaudited)	2006 Half year (unaudited)
Current tax:		
UK corporation tax	15.3	0.8
	15.3	0.8
Deferred tax:		
Current year	(1.1)	15.4
	(1.1)	15.4
Total tax charge	**14.2**	**16.2**

The corporation tax charge for the half year is $14.2m (2006: $16.2m), with an effective tax rate of 18.3% (2006: 34.1%) and represents the best estimate of the weighted average annual corporation tax rate expected for the full financial year. This differs from the UK corporation tax rate of 30% largely because of the effect of adjusting the deferred tax balances to take into account the reduction in corporation tax rate from 30% to 28% with effect from 1 April 2008. In addition there has been a reduction in the level of permanent differences.

7. Reconciliation of movements in shareholders' equity

(US$ in millions)	Ordinary share capital	Share premium account	Other reserves	Retained earnings/(accumulated losses)	Total
Balance as at 1 January 2006	**0.4**	**672.3**	**8.7**	**(4.9)**	**676.5**
Fair value gains - cash flow hedges	—	—	9.4	—	9.4
Issue of ordinary share capital	—	3.0	—	—	3.0
Share option charge	—	—	1.8	—	1.8
Profit for the period	—	—	—	31.3	31.3
Dividend payable	—	—	—	(49.8)	(49.8)
Actuarial gains from pension and post-retirement healthcare benefits	—	—	—	7.1	7.1
Tax charged directly to equity	—	—	—	(0.3)	(0.3)
Balance as at 30 June 2006	**0.4**	**675.3**	**19.9**	**(16.6)**	**679.0**
Fair value losses – cash flow hedges	—	—	(1.2)	—	(1.2)
Issue of ordinary share capital	—	0.1	—	—	0.1
Share option charge	—	—	1.2	—	1.2
Profit for the period	—	—	—	96.4	96.4
Dividend payable	—	—	—	(48.4)	(48.4)
Actuarial losses from pension and post-retirement healthcare benefits	—	—	—	(1.9)	(1.9)
Movement in cumulative translation reserve	—	—	(6.6)	—	(6.6)
Tax charged directly to equity	—	—	(2.0)	(0.1)	(2.1)
Balance as at 31 December 2006	**0.4**	**675.4**	**11.3**	**29.4**	**716.5**
Fair value gains - cash flow hedges	—	—	13.3	—	13.3
Issue of ordinary share capital	—	1.6	—	—	1.6
Share option charge	—	—	1.4	—	1.4
Profit for the period	—	—	—	63.6	63.6
Dividend payable	—	—	—	(73.1)	(73.1)
Actuarial gains from pension and post-retirement healthcare benefits	—	—	—	9.0	9.0
Tax charged directly to equity	—	—	(3.6)	(2.8)	(6.4)
Balance as at 30 June 2007	**0.4**	**677.0**	**22.4**	**26.1**	**725.9**

8. Net borrowings

These balances are shown net of unamortised deferred finance costs, which have been allocated as follows:

(US$ in millions)	As at 30 June 2007 (unaudited)			As at 31 December 2006 (audited)		
	Amount	**Deferred finance costs**	**Net balance**	**Amount**	**Deferred finance costs**	**Net balance**
Current:						
Bank overdraft	2.1	—	2.1	0.1	—	0.1
Deferred satellite payments	12.4	—	12.4	11.7	—	11.7
Senior Credit Facility	50.0	—	50.0	—	—	—
Total current borrowings	**64.5**	**—**	**64.5**	**11.8**	**—**	**11.8**
Non-current:						
Senior Credit Facility	250.0	(1.4)	248.6	250.0	(1.6)	248.4
Senior Discount Notes, 10.375%	386.7	(7.7)	379.0	367.6	(8.2)	359.4
—Accretion of principal	5.0	—	5.0	4.9	—	4.9
Senior Notes	256.8	(8.1)	248.7	256.8	(8.9)	247.9
Premium on Senior Notes	1.0	—	1.0	1.1	—	1.1
Deferred satellite payments	44.7	—	44.7	48.9	—	48.9
Total non-current borrowings	**944.2**	**(17.2)**	**927.0**	**929.3**	**(18.7)**	**910.6**
Total borrowings	**1,008.7**	**(17.2)**	**991.5**	**941.1**	**(18.7)**	**922.4**
Cash and cash equivalents	**(94.3)**	**—**	**(94.3)**	**(42.8)**	**—**	**(42.8)**
Net borrowings	**914.4**	**(17.2)**	**897.2**	**898.3**	**(18.7)**	**879.6**

(US$ in millions)	As at 30 June 2006 (unaudited)		
	Amount	**Deferred finance costs**	**Net balance**
Current:			
Bank overdraft	0.3	—	0.3
Deferred satellite payments	11.5	—	11.5
Current portion - Senior Credit Facility	25.0	—	25.0
Total current borrowings	**36.8**	**—**	**36.8**
Non-current:			
Senior Credit Facility	225.0	(2.0)	223.0
Senior Discount Notes, 10.375%	349.5	(8.4)	341.1
—Accretion principal	4.6	—	4.6
Senior Notes	256.8	(9.7)	247.1
Premium on Senior Notes	1.2	—	1.2
Deferred satellite payments	53.3	—	53.3
Total non-current borrowings	**890.4**	**(20.1)**	**870.3**
Total borrowings	**927.2**	**(20.1)**	**907.1**
Cash and cash equivalents	**(15.1)**	**—**	**(15.1)**
Net borrowings	**912.1**	**(20.1)**	**892.0**

9. Dividends

(US$ in millions)	2007 Half year (unaudited)	2006 Half year (unaudited)
Ordinary Shares		
Final dividend for the year ended 31 December 2006 of 16.00 cents (US$) (2005: 10.95) per share	73.1	49.8

In May 2007, a final dividend of 16.00 cents for the 2006 financial year (2006: 10.95 cents for the 2005 financial year) per share was paid to shareholders. The Board intends to declare and pay an interim dividend of 11.55 cents (US dollars) per ordinary share on 26 October 2007 to ordinary shareholders on the Register at the close of business on 28 September 2007. Dividend payments will be made in Pounds Sterling based on the exchange rate prevailing in the London market four business days prior to payment. In accordance with IAS10, this dividend has not been recognised as a liability for the half year ended 30 June 2007.

10. Earnings per share

Basic and diluted earnings per share is based on a weighted average number of ordinary shares in issue of 457,035,470 and 460,001,272 respectively (2006: 453,497,292 and 458,753,854). At 30 June 2007, there were a total of 457,482,416 ordinary shares in issue.

11. Contingent liabilities / Contingent assets

There were no material contingent assets or liabilities at 30 June 2007.

INDEPENDENT REVIEW REPORT TO INMARSAT PLC

Introduction

We have been instructed by the Company to review the financial information for the six months ended 30 June 2007 which comprise the condensed consolidated interim income statement, the condensed consolidated interim balance sheet, the condensed consolidated interim statement of recognised income and expense, the condensed consolidated interim cash flow statement and related notes 1 to 11. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the Company in accordance with Bulletin 1999/4 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority and the requirements of IAS 34 which require that the accounting policies and presentation applied to the interim figures are consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with the guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of Group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2007.

Deloitte & Touche LLP
Chartered Accountants London
7 August 2007