Inmarsat plc (LSE: ISAT) Investor Day Presentation

25th September 2007
99 City Road
London EC1Y 1AX

inmarsat

Forward-looking statements

Certain statements in this presentation may 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 presentation.

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, except where we would be required to do so under applicable law.

Please note: The materials included in this presentation for Aeromobile and OnAir have not been prepared by Inmarsat.

inmarsat

Inmarsat management and speakers

Andrew Sukawaty
CEO and Chairman

Michael Butler
COO and President

Rick Medlock
CFO

**Rupert Pearce**
Group General Counsel

Simon Ailes
Director,
Corporate Finance

Perry Melton
VP, Sales and Marketing

James Collett
Director,
Commercial Solutions
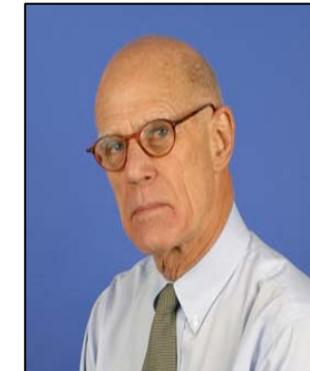
Gene Jilg
CTO

inmarsat

Inmarsat Investor Day – Agenda

- **9.00 Welcome**   **Andy Sukawaty, Chairman & CEO**

- **9.10 Maritime review**   **James Collett, Director, Commercial Solutions**

- **9.30 BGAN review**   **Perry Melton, VP, Sales & Marketing**

- **10.00 SPS handheld review**   **Rupert Pearce, Group General Counsel**

- **10.35 Aero review**   **James Collett – Director, Commercial Solutions**

  - **10.55 Guest, Aeromobile**   **David Coiley, Director, Marketing & Relationships**

  - **11.20 Guest, OnAir**   **Nigel Rhodes, Sales Director**

- **11.45 F3 & Alphasat**   **Gene Jilg, Chief Technology Officer**

- **12.15 Summary and Q&A**   **Andy Sukawaty & Rick Medlock, CFO**

- **12.30 Lunch with management**

Maritime business update

25 September 2007
James Collett, Director – Commercial Solutions

inmarsat

Fleet – the maritime business growth engine

Maritime Revenues - $ Millions

Legend: ☐ Other maritime services   ☐ Fleet

Year	Fleet	Other maritime services
2004	21	230
2005	42	226
2006	65	220
H1 2006	30	111
H1 2007	47	111
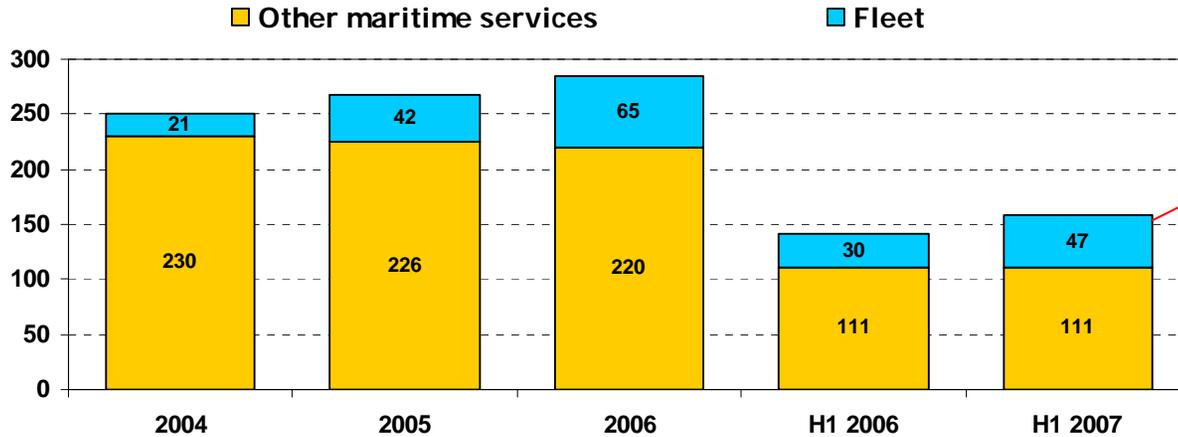
Fleet H1 07 revenue growth 58% yoy

Growing Fleet ARPT

Fleet H1 07 terminal growth 45% yoy

Fleet Commissioned Terminals - Year End

Legend: ☐ Fleet 77   ☐ Fleet 55   ☐ Fleet 33

Year	Fleet 77	Fleet 55	Fleet 33
2004	2,847	635	692
2005	5,424	1,037	1,770
2006	8,343	1,496	3,006
H1 2006	6,903	1,309	2,479
H1 2007	9,989	1,728	3,836

inmarsat

Inmarsat Fleet demand drivers

- Strong new-build and solid retro-fit markets in merchant shipping

- Growth in demand for bridge data and crew communications

- GMDSS status and product & service performance make Fleet the de facto deep sea merchant fit

Merchant Ships Over 5,000 GRT
Annual Number of Ships Built - 1970 to 2009

Average Usage Per Terminals (mins/month) — Fleet
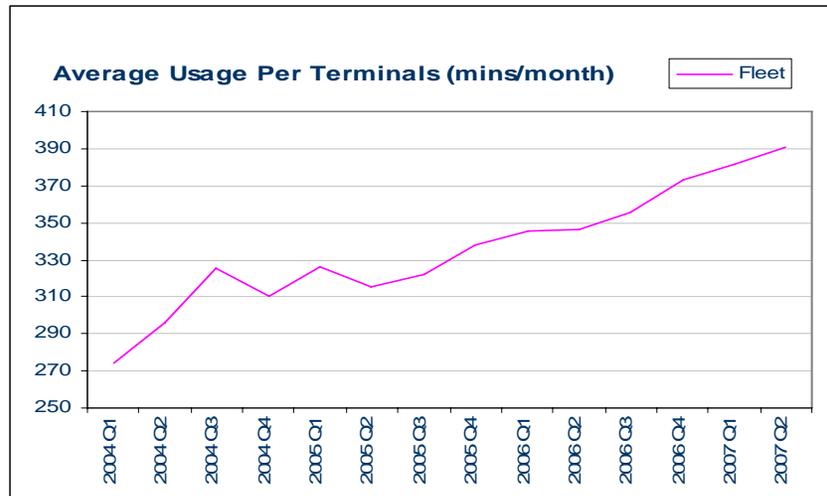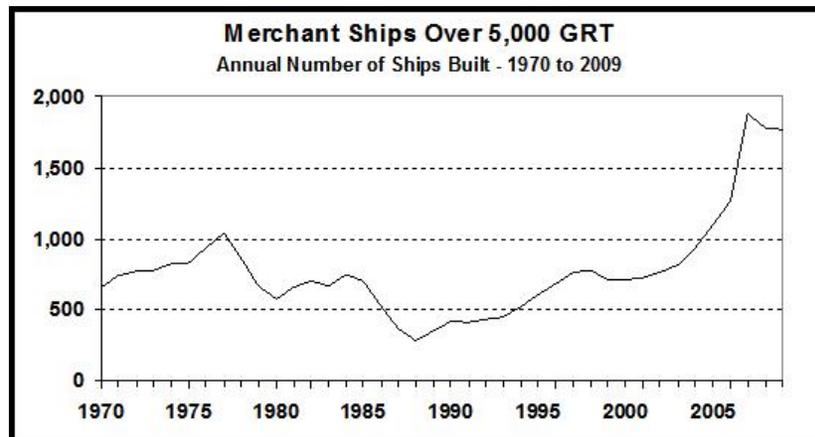
Note: source of new build data from Fairplay/Lloyds list

FleetBroadband

Broadband IP data - up to 432kbps (contended service)

… plus voice
… plus fax

with guaranteed data rates on-demand

with 64kbps ISDN that will be available globally

inmarsat

FleetBroadband – Positioning

What are our FB goals?

1. Customer retention
   - Raise the barrier further to end-users moving to VSAT
   - Win back voice traffic
   - Move existing end-users into the 'broadband' era, capturing additional demand

2. Natural migration
   - FB is a service evolution – not a revolution
   - Maintain Fleet momentum

3. The 'preferred option' for new builds

Where will we target?

	Year 2008 and onwards	Year 2009 and onwards
Market sectors	Large Merchant; Government	Small Merchant; Fishing; Super Yachts
Geographies	Northern Europe; North America; Mediterranean	Asia Pacific; Middle East; Australia; South America

inmarsat

FleetBroadband – Who will we target?

% of Total Revenues by Monthly Spend
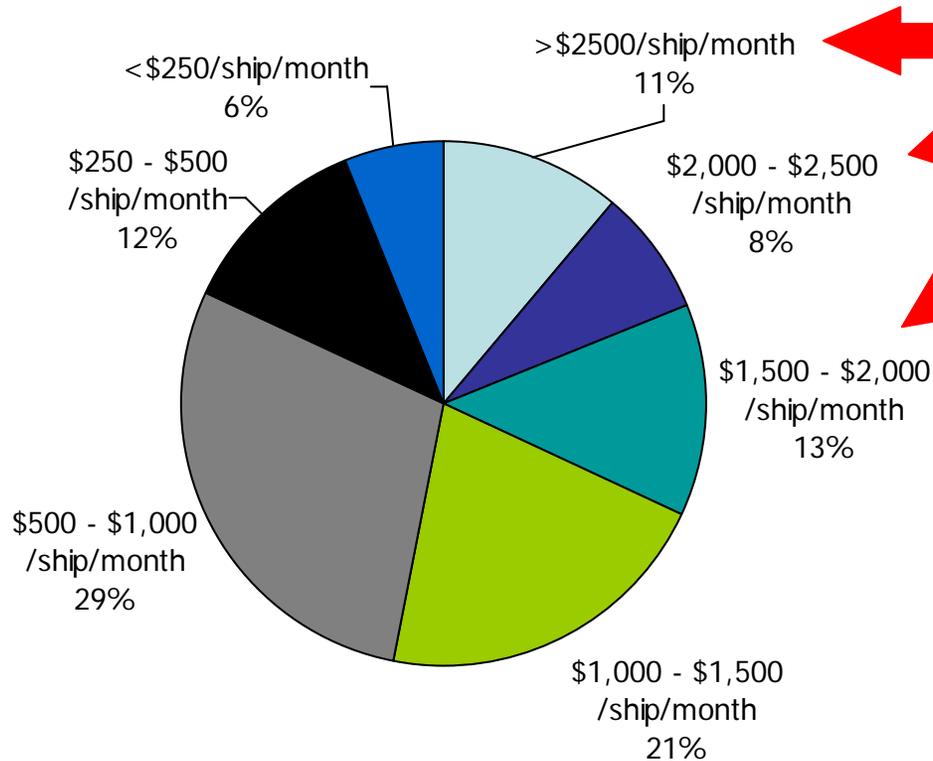
FB proposition initially targeted at these users

- Desire predictable costs
- ARPU expansion
- Increase barriers to VSAT

Source: Inmarsat B & Fleet user base at March 2007

Focus on top one-third revenue-generators

inmarsat

FleetBroadband Commercial Service Introduction

- Targeted for November 2007

- With seven Distribution Partners from our core maritime distribution network

- And two launch hardware providers with at least two further to follow

- Wide-ranging plan for field evaluations throughout 2008

inmarsat

BGAN Update

25 September 2007

Perry Melton – Vice President, Sales & Marketing

inmarsat

# BGAN 2006/2007 quarterly progression

BGAN revenue and subscribers
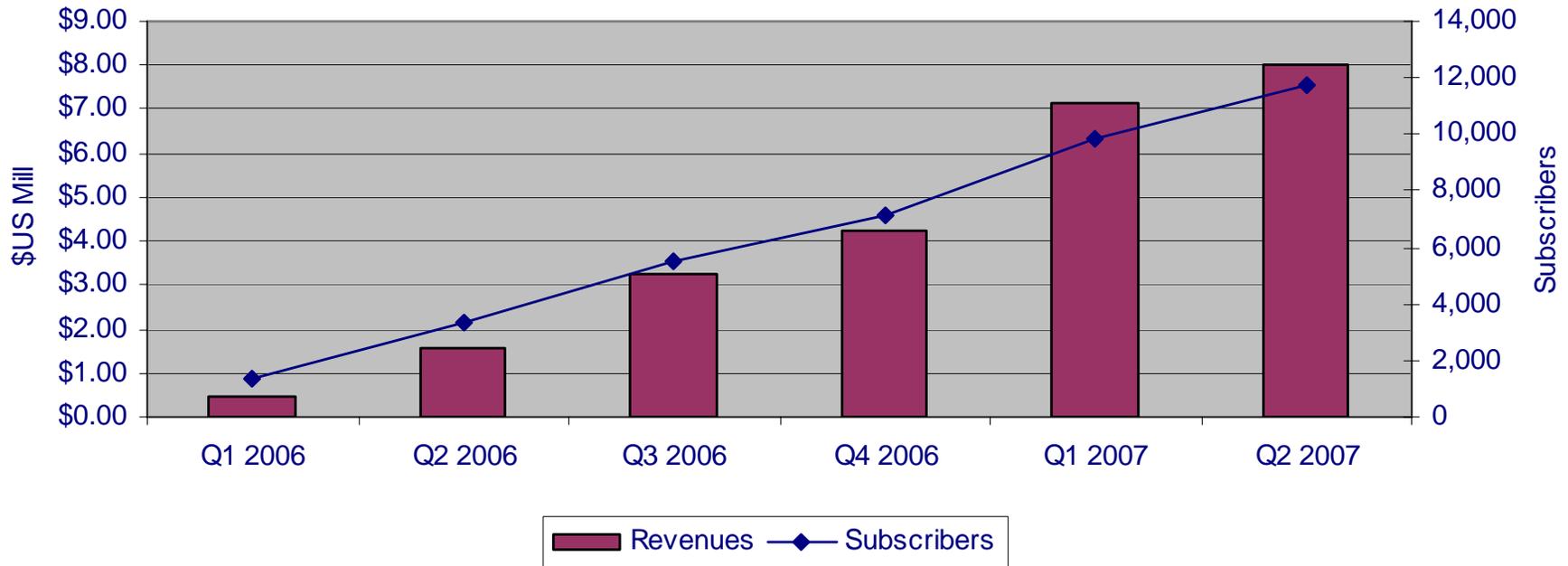
BGAN geographic usage analysis
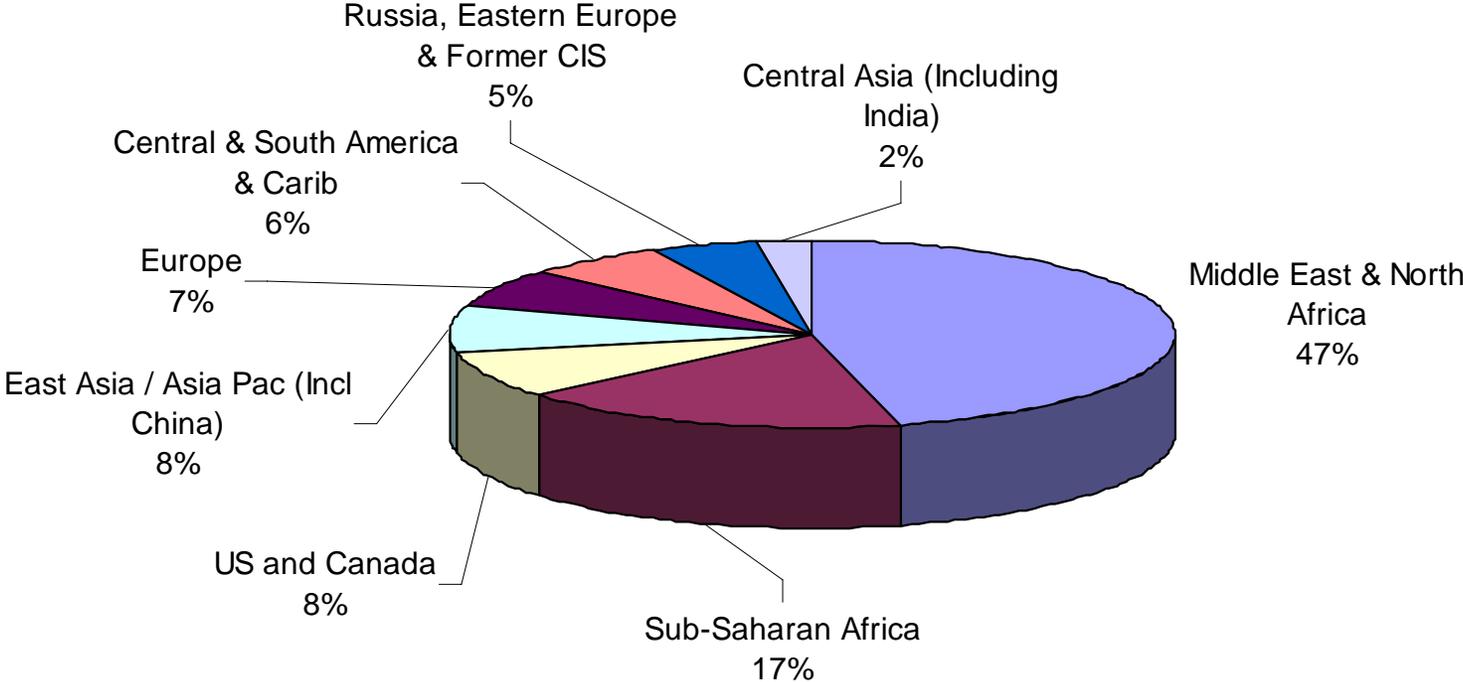
BGAN usage – by service type

Standard IP
61%

Streaming
33%

ISDN
4%

Voice
2%
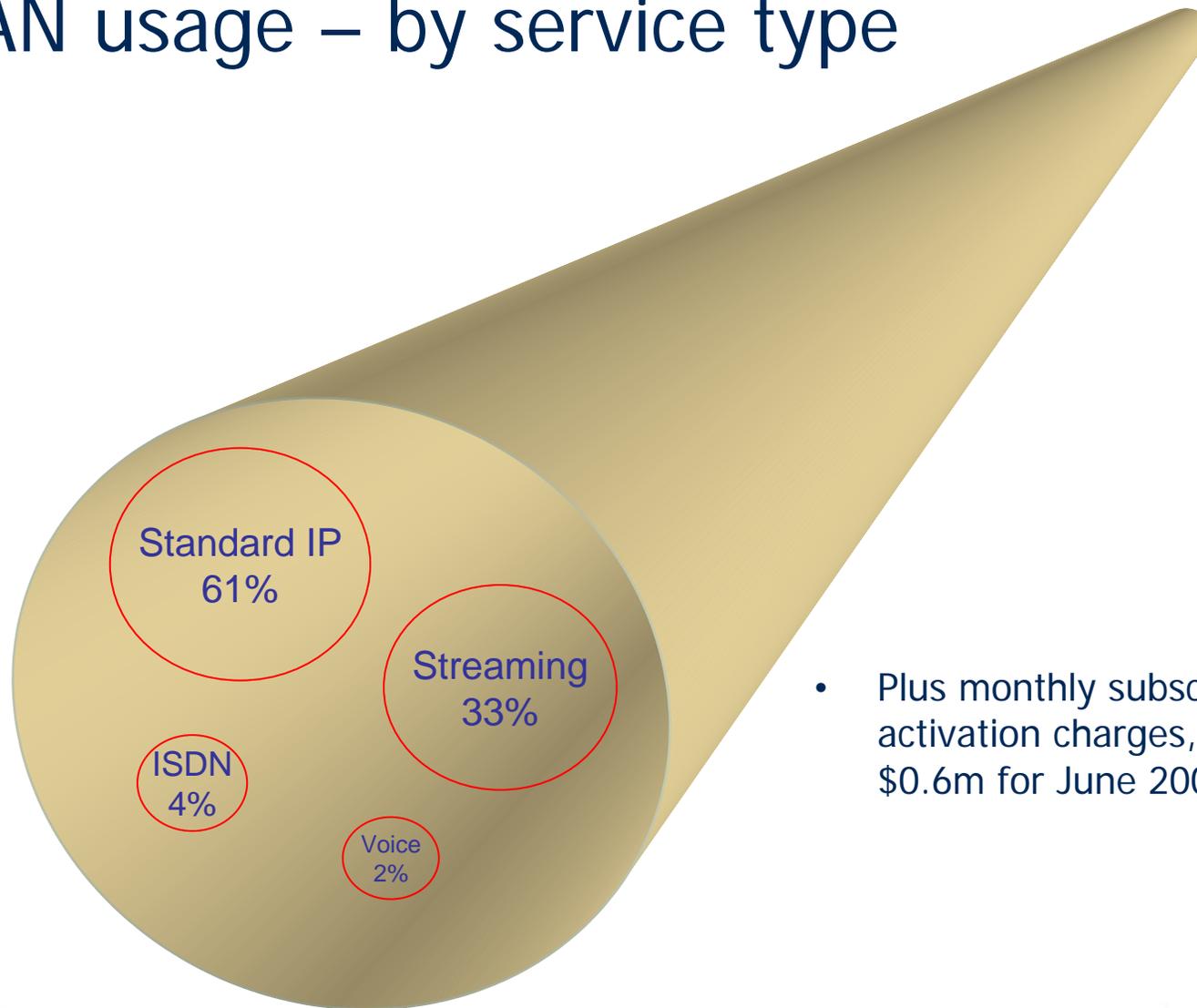
- Plus monthly subscription and activation charges, run rate $0.6m for June 2007

Note: Data relates H1 2007

inmarsat

Positive impact of new BGAN distributors

'LESO' distributors: Beijing MCN; KDDI; MVS; SingTel; Stratos Global; Vizada

New distributors share of quarterly BGAN revenue

	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q2 2007
	0%	2%	3%	3%	3%	11%
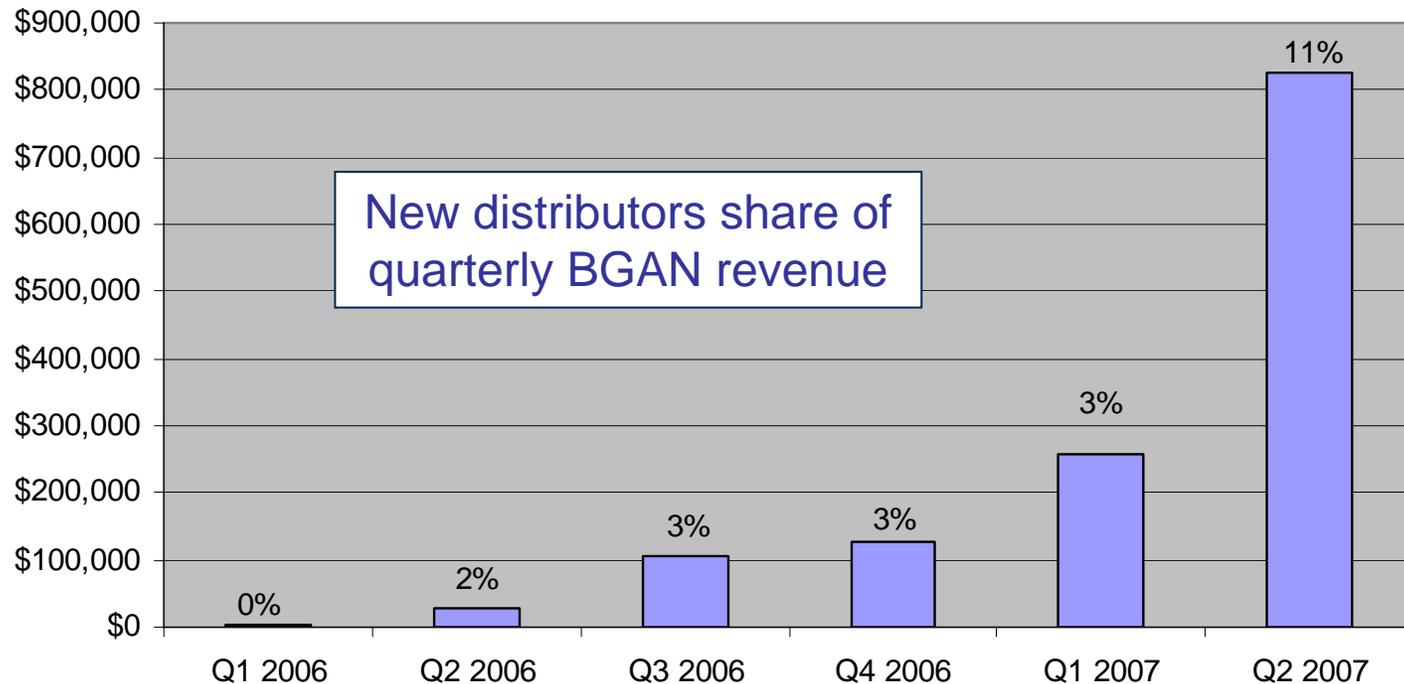
'New' distributors: ACeS; BT; Chinasat; Evolution; iPass; Satcom Global; Telefonica; Thales; Thrane & Thrane

inmarsat

Limited migration to date
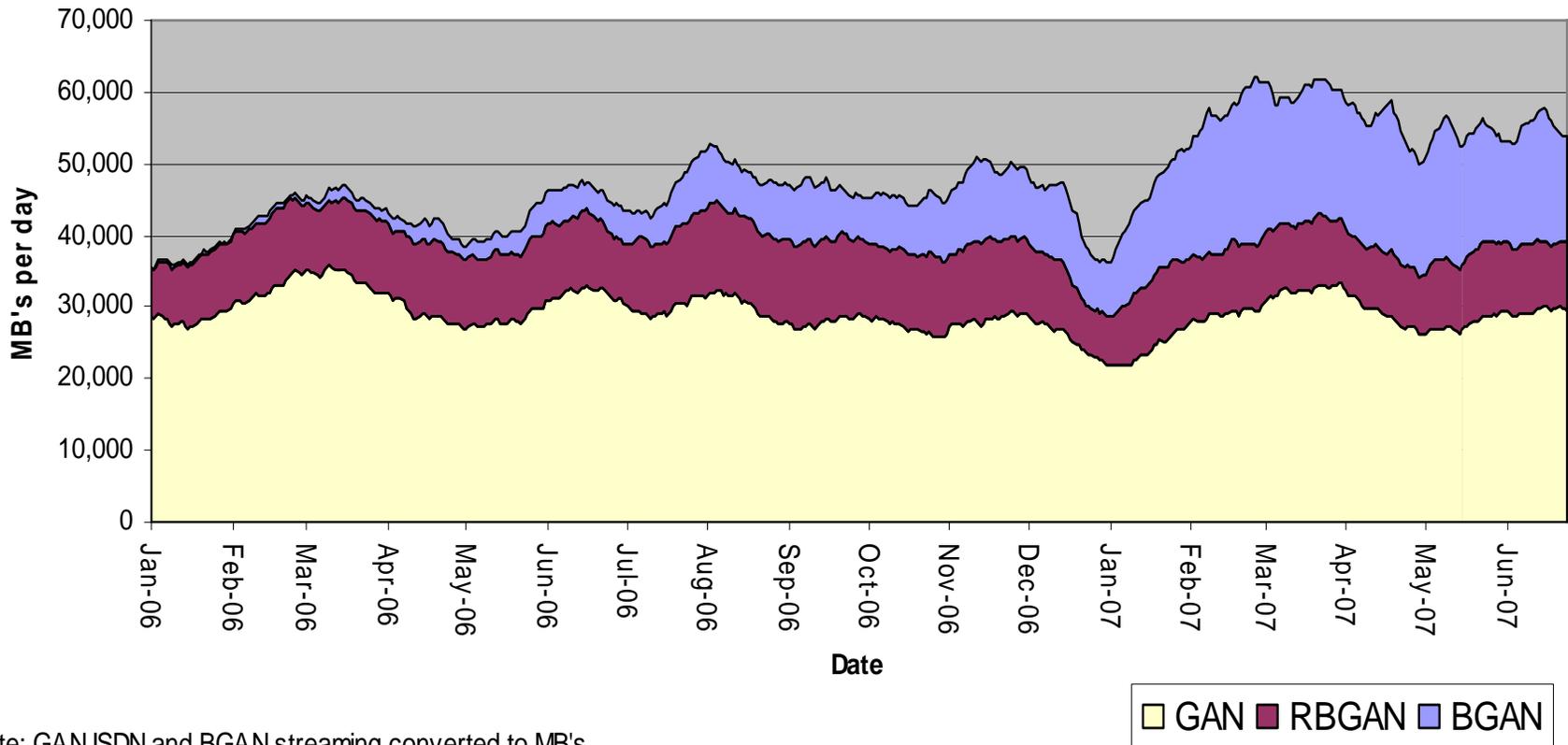
Note: GAN ISDN and BGAN streaming converted to MB's

BGAN outlook

End user markets

- Leveraging know-how into new, unpenetrated markets
    - e.g. Stratos in Japan
- Intensive campaign to ramp-up new distributors
- Dedicated US-based team to serve and develop US government business

Products

- New vehicular products building on early entry terminal success

- 2008 launch of ViaSat terminal

nmarsat

# Government Land Services

- Blue Force Tracking
  - 30,000 terminals deployed (combatants)
    - 180,000 terminals projected
  - Land mobile, maritime, and aeronautical (fixed and rotary wing)
- Movement Tracking System
  - Tracking logistics vehicles
  - Same technology as BFT
- Communications on the Move (COTM)
  - Being tested US & NL
- Special Operations
- Army Intelligence Support Command
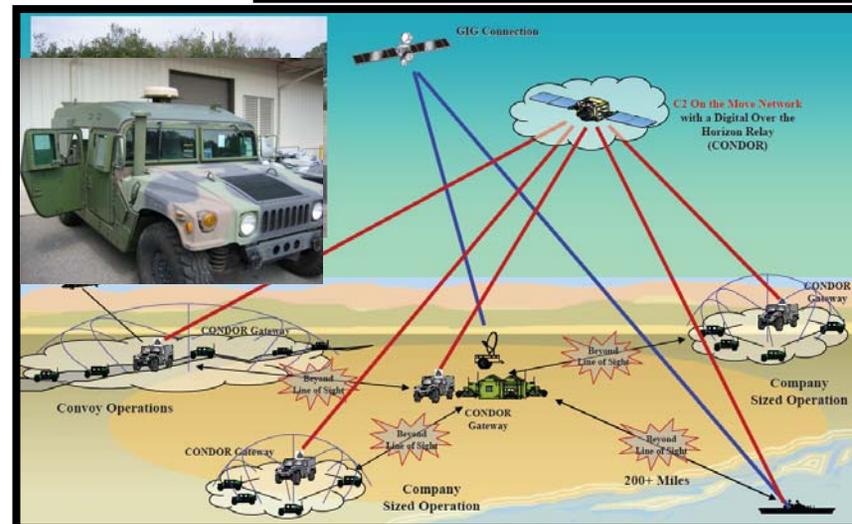
Government Civil Services

Disaster Response	→	Emergency Response	→	State and Local Non-Emergency Services
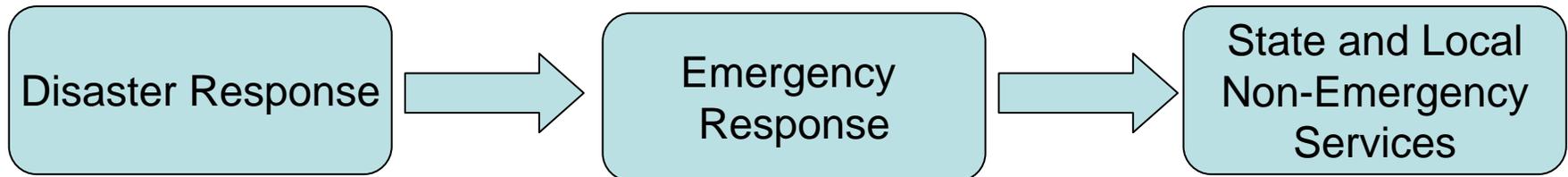
- Transition existing users from GAN to BGAN
- Leverage early adopters into state and local government
  - State
  - City Police/Fire Departments
- Encourage early adopters to use BGAN outside actual emergency operations
- Leverage first responder experience into broader government market for emergency and daily usage
  - Golden Guardian exercise
  - Department of Public Health pandemic response team

inmarsat

Government Services Expansion

- UK Ministry of Defence (MoD) Special Forces (SF)
- Netherlands Ministry of Defence (MoD)
- Irish Defence Forces
- South African Defence Forces
- NATO Rapid Reaction Force
- Various other defence BGAN requirements
  - Coalition forces (NATO, AUSCANZUKUS, etc.)

inmarsat

Satellite Phone Services

Rupert Pearce

Group General Counsel

inmarsat

The SPS and handheld opportunity

- Accelerated entry into handheld market through ACeS collaboration
  - Regional launch from Asia 2006-08
  - Rapid global roll-out around modernised network from 2009

- Access to new MSS users through low-cost land and maritime products
  - Global MSS voice users (government, media, aid, large corporates)
  - New regional/coastal MSS voice users

- Ideal time to enter the handheld market
  - Growing demand for voice-centric mobile satellite services
  - Competitive landscape moving in our favour

- Completes Inmarsat's portfolio and strengthens Inmarsat's market position
  - Fills the voice service void and accesses an attractive market
  - Allows Inmarsat to cross-sell and bundle a one-stop-shop for MSS
  - Unique attractions of the Inmarsat brand

inmarsat

Overall Market Picture

- What is the market to which we should benchmark?
  - + Handheld satellite phones
  - + USO, fixed low-end phones
  - + Broader low-end voice by satellite (includes low-end maritime)
  - – Low Speed Data services ('tainting' Globalstar/Iridium numbers)
- We are focused on the handheld and low-end voice marketplace
- Wholesale AT revenues ~$350M in 2006, estimated to rise to ~$500M by 2010
- Non-Inmarsat subscribers at >700K in 2006, estimated to rise to ~1M in 2010
- Incumbents & market share today (est)
  - – Thuraya   34%   250,000 subscribers
  - – Iridium   27%   200,000 subscribers
  - – Globalstar   27%   200,000 subscribers
  - – Inmarsat   7%   50,000 (Mini-M) active terminals
  - – MSV   3%   25,000 subscribers
  - – ACeS   1%   10,000 subscribers

inmarsat

Globalstar

- Launched 1999, relaunched 2004
- LEO, 47 satellites, EOL 2008
- Multi-regional MSS operator
- H1 07: Revenues $49M, normalised EBITDA $6.5M
- Traffic: 85% NA (exposed to competition in NA)
- Estimated 200,000 subscribers at Q2 2007
- Phone: SO; Size: 340g, 160x55x35mm; RRP $1,000
- Issues for Globalstar
  - Questionmark over financing of $1.2B Gen 2 Fleet
  - Class action lawsuits regarding IPO disclosures
  - Current service degradation = high end customer losses 07-08
  - Quality of earnings reducing with focus on low speed data
  - Translating ATC license into viable business

inmarsat
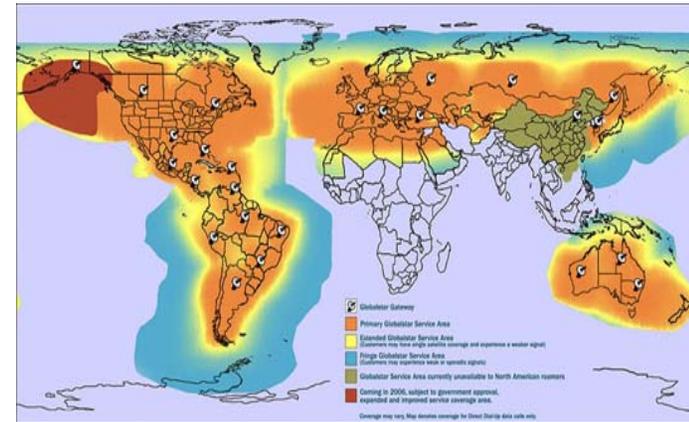
Thuraya

- Launched 2000
- GEO, 1 satellite (soon to be 2), EOL 2018
- EMEA operator (extending to Asia Dec 07)
- 06: Revenues $160M, EBITDA est $40M
- Traffic: high dependency on Middle East
- c250,000 subscribers at end 2006
- Phone: DM; Size: 180g, 141x48x18mm; RRP $700
- R-BGAN look-alike, Thuraya DSL
- Next generation phones recently launched
- Issues for Thuraya
    - Extension of coverage into Asia (lack of spectrum)

Iridium

- Launched 1998, relaunched 2001
- LEO, 66 satellites, EOL 2013
- The only truly global MSS network
- Q2 07: Revenues $66.7m; EBITDA $20.2M
- Traffic: 12% NA; 30% EMEA/Asia; 44% Maritime
- Growing low-end aeronautical voice business
- Estimated 200,000 subscribers at Q2 2007
- Phone: SO, Size: 375g, 158x62x59; RRP $1,300
- Issues for Iridium
  - Questionmark over $2B Gen 2 fleet (Iridium NEXT)
  - Vulnerable to competition for DoD contract ($45Mpa)
  - Focus on low speed data, reducing quality of earnings
  - Vulnerable to Inmarsat attack in maritime sector
  - Satphone is large, clunky and expensive, no replacement

inmarsat

Inmarsat pre SPS

- GEO, 10 satellites, EOL 2020
- Global, except the polar regions
- Mini-M/LAMM are our low-end voice products
- 06: Revenues $83m (all airtime)
- Traffic: 75/25% maritime/land. 12% LAMM
- H2 2007: c50,000 active terminals
- Phone: SO, 2.2kg, 270x152x200mm; RRP $3,000
- Clearly not competitive with handheld
  - Expensive for HW, though competitive on AT
  - Uncompetitive where handheld form factor important

Inmarsat mini-M land and maritime

inmarsat

Conclusions

- Mini-M is not competitive with handheld
- Some 50%+ of the market is unstable
  - Globalstar & Iridium's future is uncertain
  - High value customers are looking for a new home
  - Many can <u>only</u> be served by Inmarsat
- Strong competitive threat from Thuraya incumbency
  - Good time to push back at their Asian roll-out
  - First time they've been challenged in their ME heartland
- No incumbent has Inmarsat's unique value proposition:
  - Global coverage with modern satellites & terminals
  - 'One-stop-shop' for all MSS needs (voice & data)
  - Unrivalled heritage in maritime, land and aeronautical MSS
  - Powerful distribution channel to market

inmarsat

Go to market strategy

Highly Competitive

Dual Mode (MSS & GSM)
Weight: 210g, Size: 130 x 50 x 32 mm
RRP: $500

inmarsat

What? Market Propositions

IsatPhone

NGOs, Media, Govt users, Military, Industrial/MNCs, private individuals
BGAN bundle
Frequent Replenishment

LandPhone

Social, Welfare and Business users
Migrate from LAMM
High ARPU

FleetPhone
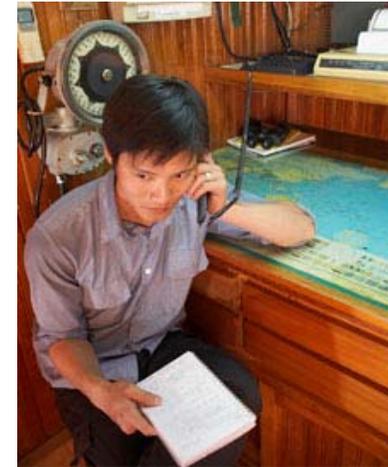
Coastal & Regional vessels
Fishing & Merchant
Leisure
Multiple units/vessel
High ARPU

inmarsat

Value Proposition

	Inmarsat	Iridium	Globalstar	Thuraya
Coverage				
Coverage	Regional to Global	Global	Multi-regional	Multi-regional
Countries in footprint	83 to Global	Global	120	100
Retail Pricing				
Standard handset price (US$)	$500	$1,300	$1,000	$700
Monthly Subscription (US$)	$20	$30	$40	$20
Typical per minute billing rates end user (US$)	$0.85 - $1.00	$0.90 - $1.87	$0.99 - $2.70	$0.72 - $1.41

inmarsat

Where? Service launch coverage 2007-08

Service coverage for IsatPhone, LandPhone and FleetPhone
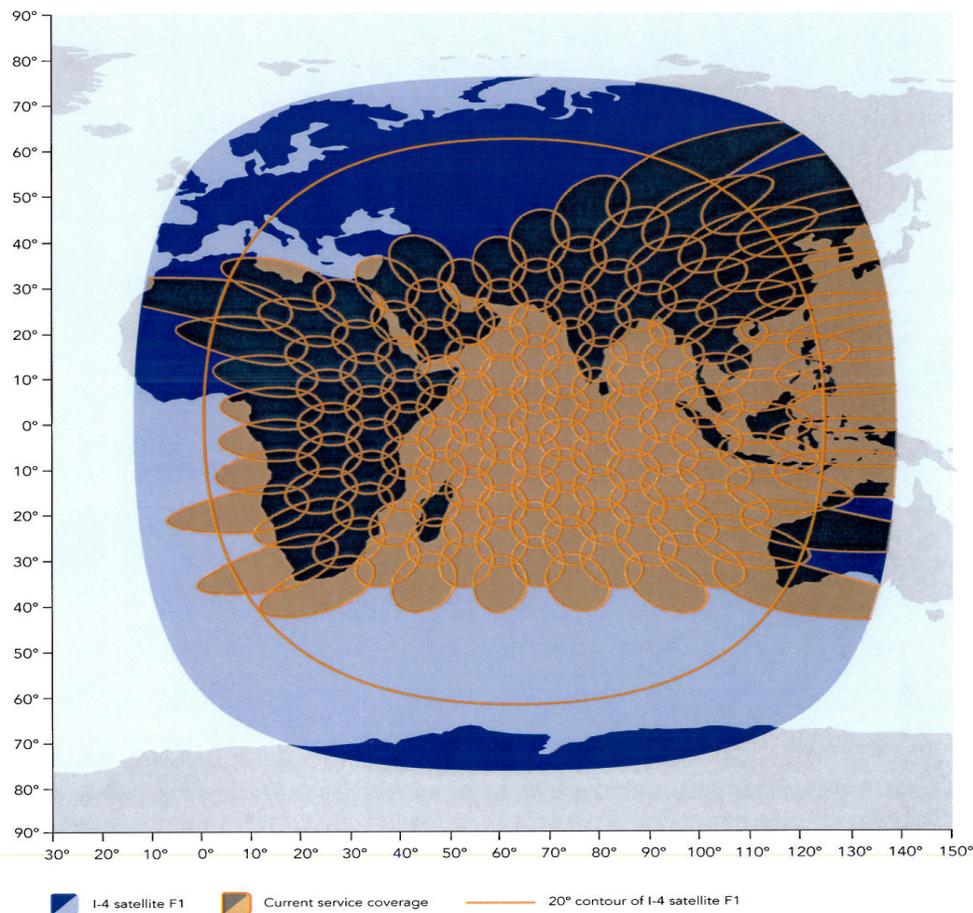
- Positioned as F1 within 20 degree elevation
- Covers key land areas & maritime trade routes
- Provides full China land & coastal coverage
- Opportunity to develop Indian market
- Uses 140+ beams
- Overlay with ACeS Garuda-1
- Plan to extend to global coverage by end 08

Legend: I-4 satellite F1 | Current service coverage | 20° contour of I-4 satellite F1

inmarsat

How? Distribution

- Airtime Distribution at Service Launch
  - ACeS currently sole distributor over Garuda satellite
  - 8 DPs at Service Launch over 14 F1
    - Significant presence in Asian region
    - Strong ME coverage (Fono)
    - New Africa focus (Evosat/Satcom)
- Hardware Distribution – Axiom Telecom
  - Sole logistics and repair provider
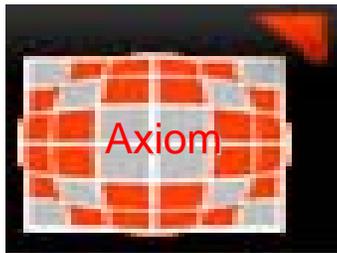
What's Next? 2008 and beyond

- Pre-pay Platform (November 2007)
  - Real-time control, rating and charging
  - CRM facility for Inmarsat channel
  - Multi-language retail IVR for top-up
  - Expect pre-pay to be majority of revenues going forward
- Global SPS by end of 2008
  - Modern, global network infrastructure
  - Modern, global handsets
    - Circuit-switched dual mode voice
    - SMS
    - Low speed fax/data
    - Customer-centric development
- Aim for 10% handheld market share by 2010

inmarsat

Aeronautical business update

25 September 2007

James Collett – Director,
Commercial Solutions

inmarsat

Aircraft connectivity technology - networks

Global

LEO L-band
GEO L-Band
GEO Ku-band
- Inmarsat
- Iridium
- New Entrants?

Over Land
VHF/UHF/HF Datalink and Voice
- AirCell
- Verizon Airfone

On the Ground
Gatelink
WiFi
GPRS
UMTS
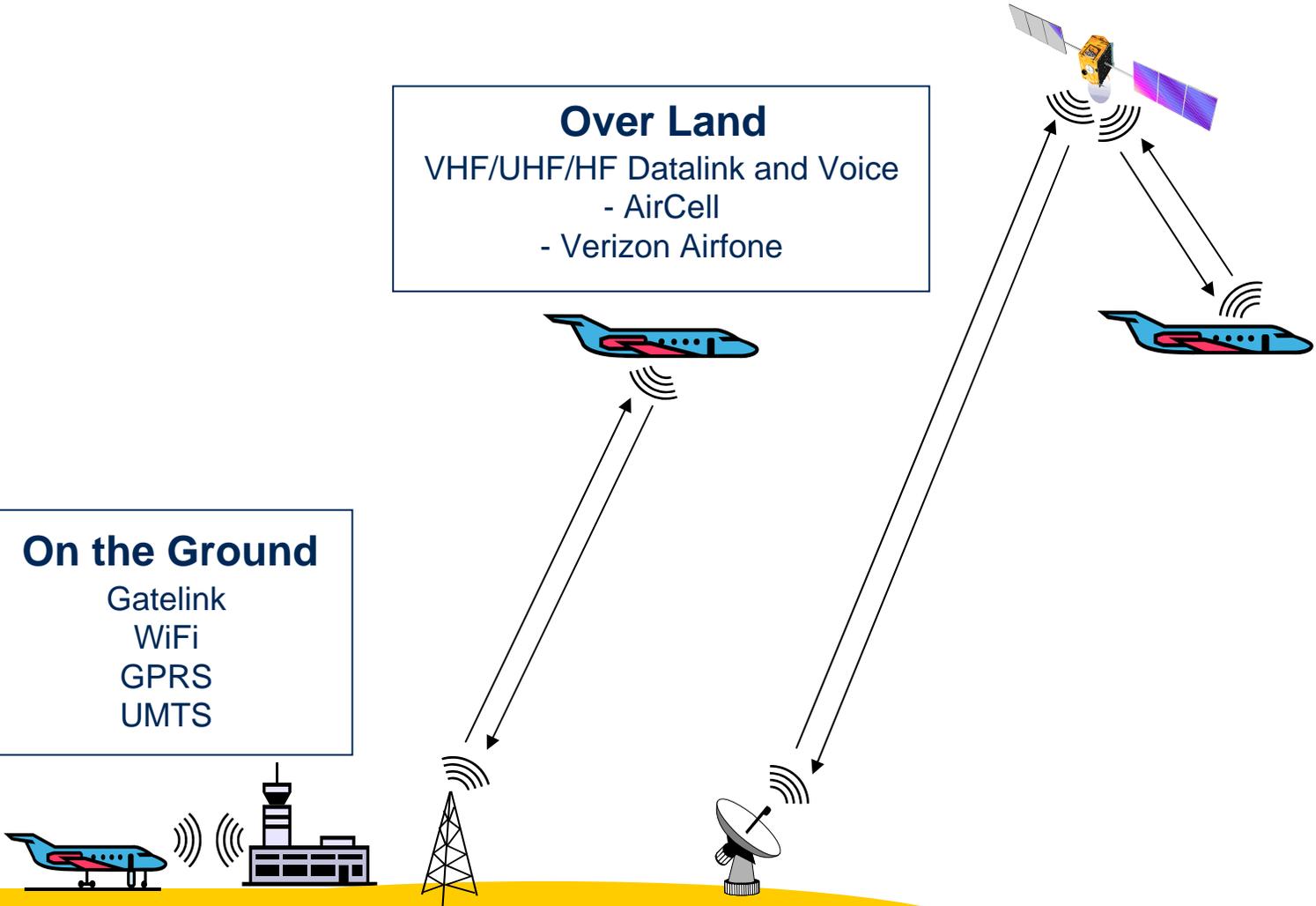
Aircraft connectivity technology - avionics

2 MCU SDU

IGA or HGA

HLD = HPA + DLNA
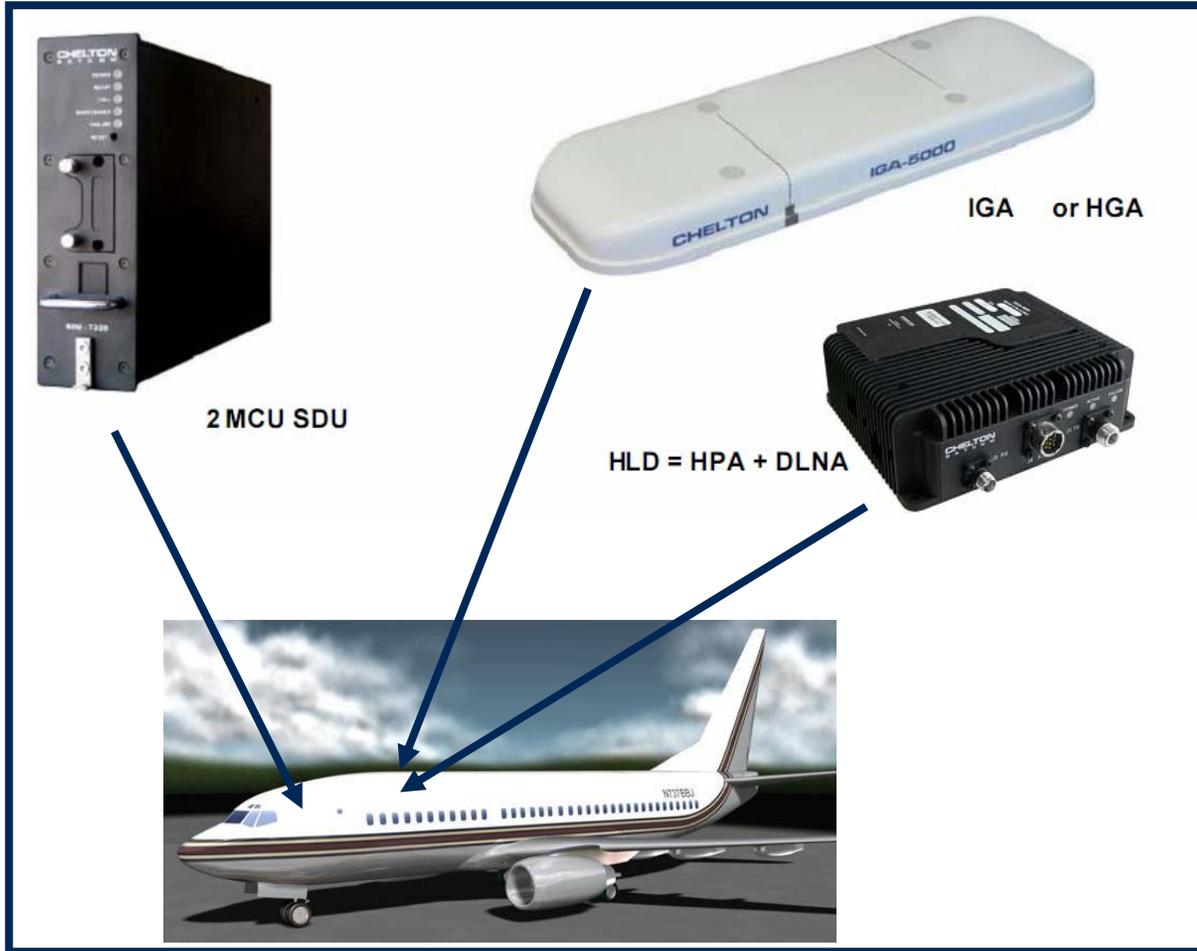
Total Weight Equals???

<10kg

Smaller, Lighter and Cheaper Technology

inmarsat

Inmarsat aeronautical business today

Aeronautical Revenues $m

	Classic Aero	Swift 64
2004	11.4	5.5
2005	12.4	10.3
2006	13.4	17.2
H1 2006	6.7	7.7
H1 2007	6.5	14.3

Aeronautical Terminals

	Classic Aero	Swift 64
2004	5631	447
2005	6058	782
2006	6434	1241
H1 2006	6236	984
H1 2007	6777	1530

inmarsat
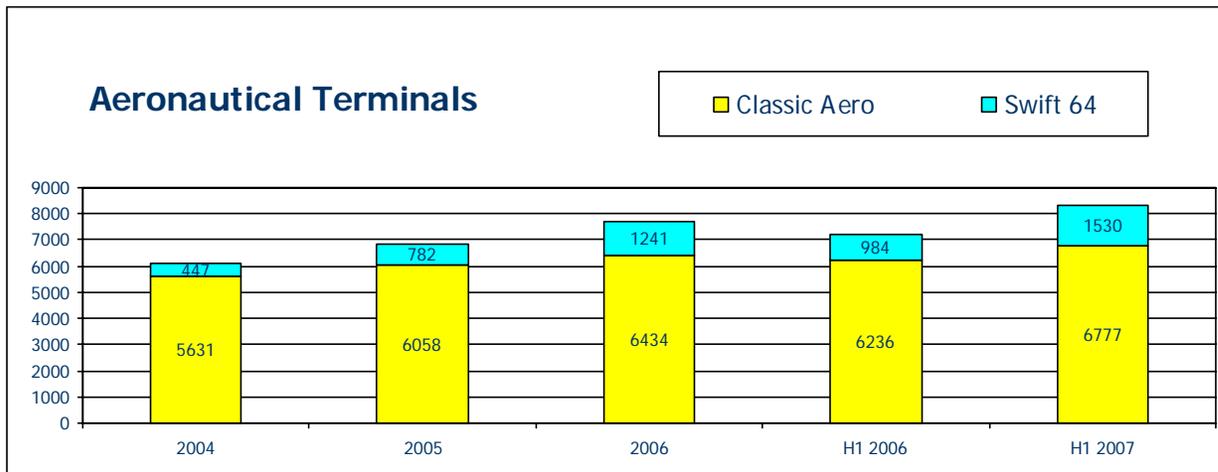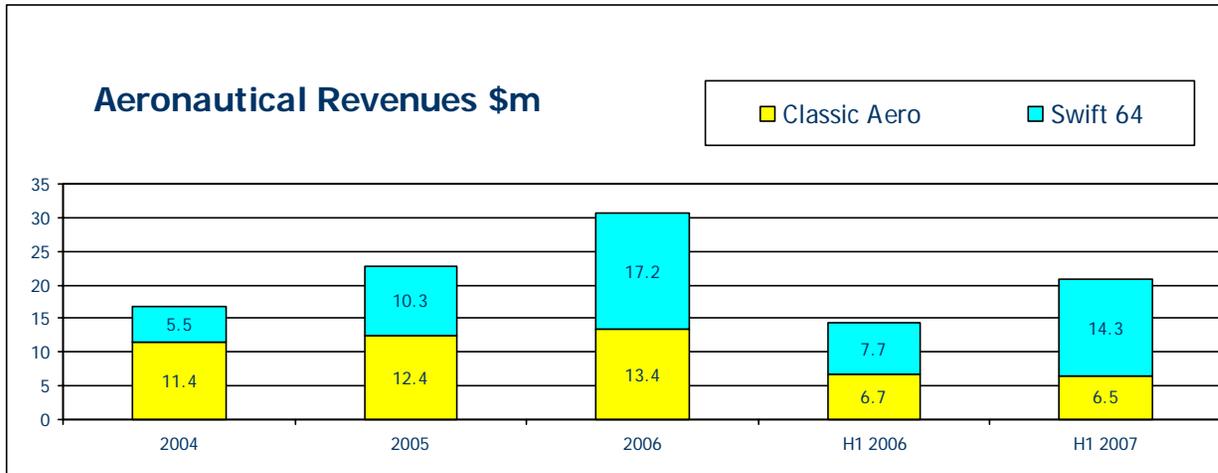
Market drivers in key aeronautical sectors today

Business Aviation

- Connectivity on high-end corporate jets no longer a differentiator - accepted norm
- Significant increase in numbers of business jets equates to real opportunity
- Technology advances deliver greater market penetration and a wider customer base

Government

- Maturity in US Government L-band market
- Interoperability drivers in Rest of World
- US Government agencies seeking assured access post Connexion by Boeing demise
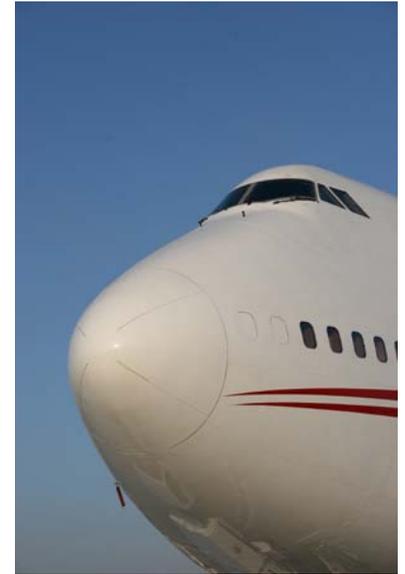
Air Transport

- Optimism for GSM on aircraft – synergies with data applns (GPRS, GSM)
- Operational applications (e.g. Electronic Flight Bag) the enabler for cabin connectivity

inmarsat

The Inmarsat aeronautical business model

Airtime Providers

Aeronautical Service Providers

Avionic and Antenna Manufacturers

Airframe Manufacturers

SwiftBroadband overview

- 'BGAN in the air' service – broadband IP data + simultaneous voice
- Commercial Service Introduction targeted October 2007
- 3 Distribution Partners signed to date (OnAir, Stratos & MVS)

- Broad commitment from avionics manufacturers
- More aggressive price point anticipated

inmarsat

SwiftBroadband target markets

- Early adoption from Business Aviation due to ability to adopt IP technology
- Some early adoption from Military customers - governed by pace to migrate from circuit switched technology
- Airlines today fitting Swift64 for operational applications (with intent of upgrading to SwiftBroadband)
- On board certification of equipment sets Air Transport timeline
- Longer term – acceptance of SwiftBroadband for safety services

inmarsat

Connectivity trends

'Bandwidth Hungry' domain   **'Thin Enterprise' domain**

Gbps

Mbps

Kbps

bps

GPRS

UMTS

GSM

IP

ISDN

*Divergent trends exist on the ground –
'Thin Enterprise' best suited for the cabin*

inmarsat

Market space for SwiftBroadband in Air Transport

- SwiftBroadand is a global IP service, well matched to thin enterprise domain. Not a $30/passenger/flight public internet connection
- Leverages existing Inmarsat installations – antenna, etc
- Single antenna solution for Aero safety services and SwiftBroadband
- For avionics, no weight penalty & cost of installation concerns
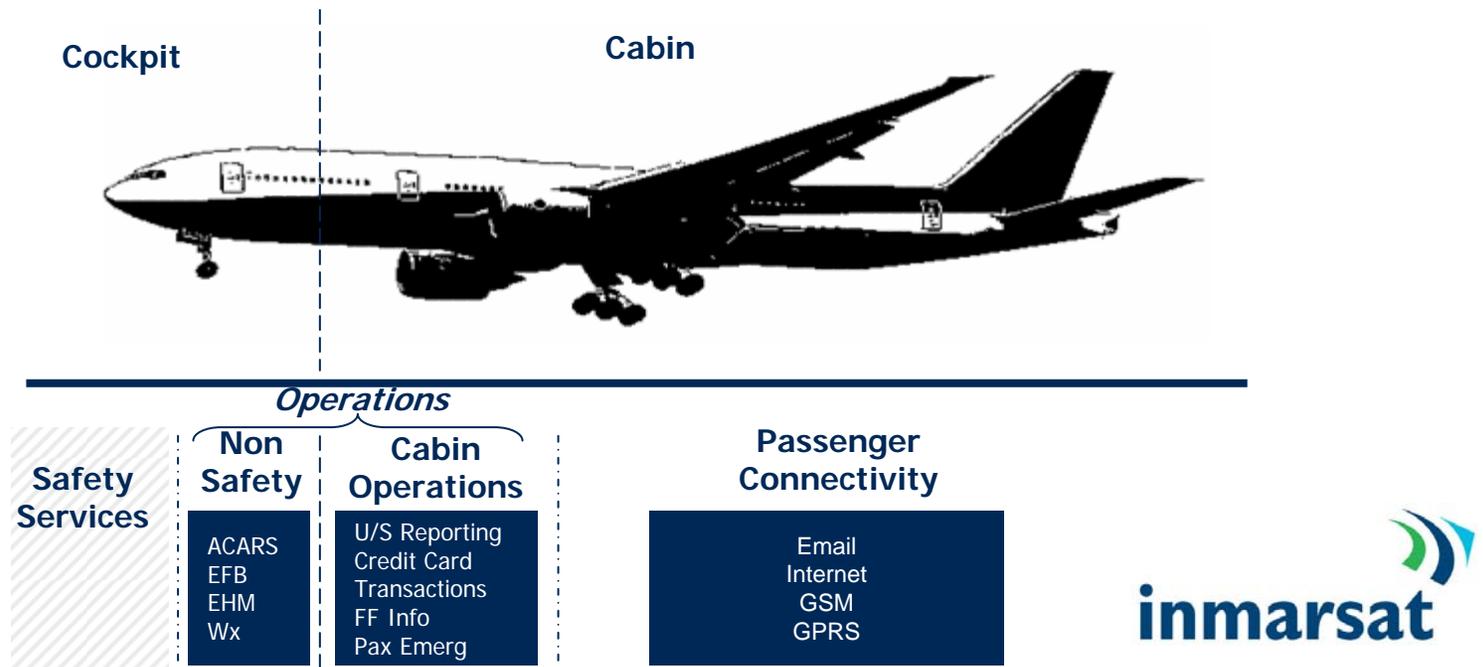
Cockpit

Cabin

Operations

Safety Services	Non Safety	Cabin Operations	Passenger Connectivity
	ACARS EFB EHM Wx	U/S Reporting Credit Card Transactions FF Info Pax Emerg	Email Internet GSM GPRS

inmarsat

AeroMobile™
Delivering Cellular Services in Flight:
The Reality

David Coiley

Director, Marketing and Strategic Relationships

The global cellular market place

- ✓ 3 billion cellular subscribers worldwide

- ✓ Over 2.5 billion GSM subscribers
  - ✓ 1000 new connections a minute
  - ✓ 784 GSM networks in 209 countries

Demand for in-flight communications

- ✓ 80%+ passengers carry a mobile phone

- ✓ Research and behaviour shows that passengers do want to keep in touch, in flight

- ✓ Airline interest and activity is now surging

- ✓ AeroMobile is the *only* operator in service today
  - ✓ Unique ability to operate over *ALL* Inmarsat systems

AeroMobile™
AIRBORNE MOBILE CONNECTIVITY

ARINC **telenor**

AeroMobile Limited

- **Global GSM operator - focused on aviation sector**
- **Worlds 1st - enabling mobile device usage in-flight**
- **Emirates is launch customer – fleetwide commitment**
- Company established in 2006
- Headquarters' in dedicated new facility in the UK

Telenor

- Established in 1855
- International Operations
- Over 21,000 employees.
- International Telco – Telenor Mobile.
- International ISP – Telenor
- Cellular Services on Ships – Maritime Communications Partners
- Headquarters' - Oslo

ARINC

- Established in 1929
- Global provider of communications supporting five major industries: Aviation, Airports, Defense, Government and Transportation
- 3,300 employees, 111 offices & product and services in 140 countries.
- Headquarters' - Annapolis, USA
- Regional HQ – London, Singapore, Dubai, Beijing, Tokyo, Seoul

The Qantas Evaluation

- ✓ Boeing 767 aircraft installed with Panasonic-supplied AeroMobile system

- ✓ Inmarsat 'Classic' and Swift64 satcom for both SMS and GPRS data services.

- ✓ Familiar interface and access to own address book.

- ✓ Cost of usage appears on mobile bill, as on the ground.

- ✓ End user pricing similar to terrestrial roaming rates
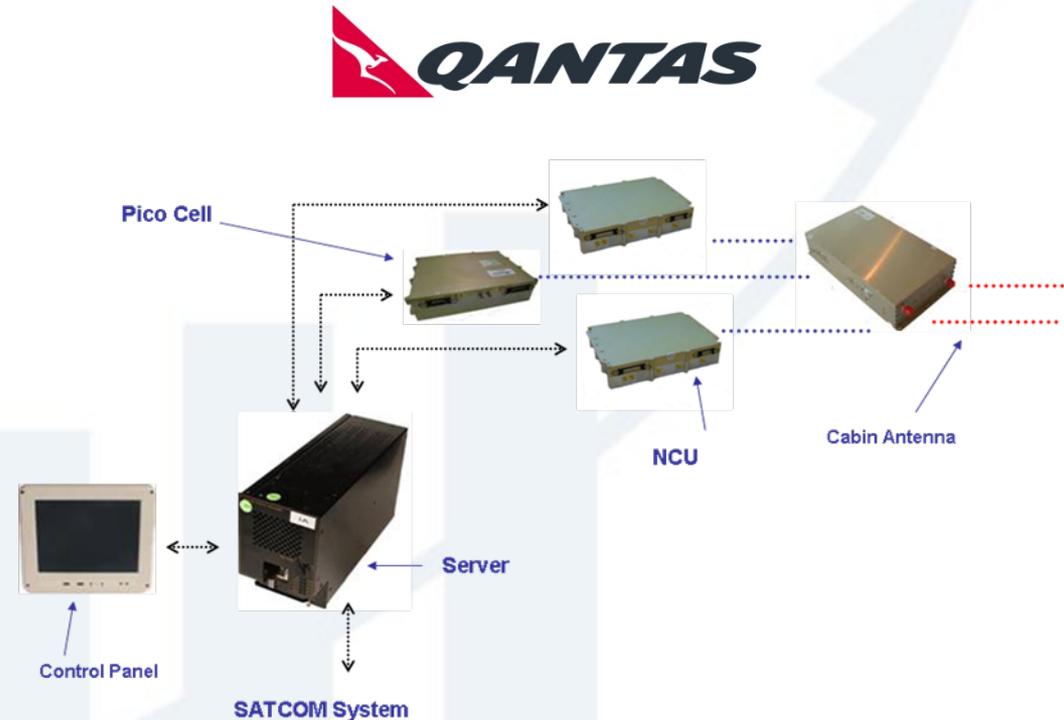
Invaluable experience from both technical and passenger perspectives

AeroMobile: system installation

LEAKY FEEDER INSTALLATION

Slotted copper outer conductor
Fire barrier tape
Low density cellular PE
Outer jacket
Inner conductor
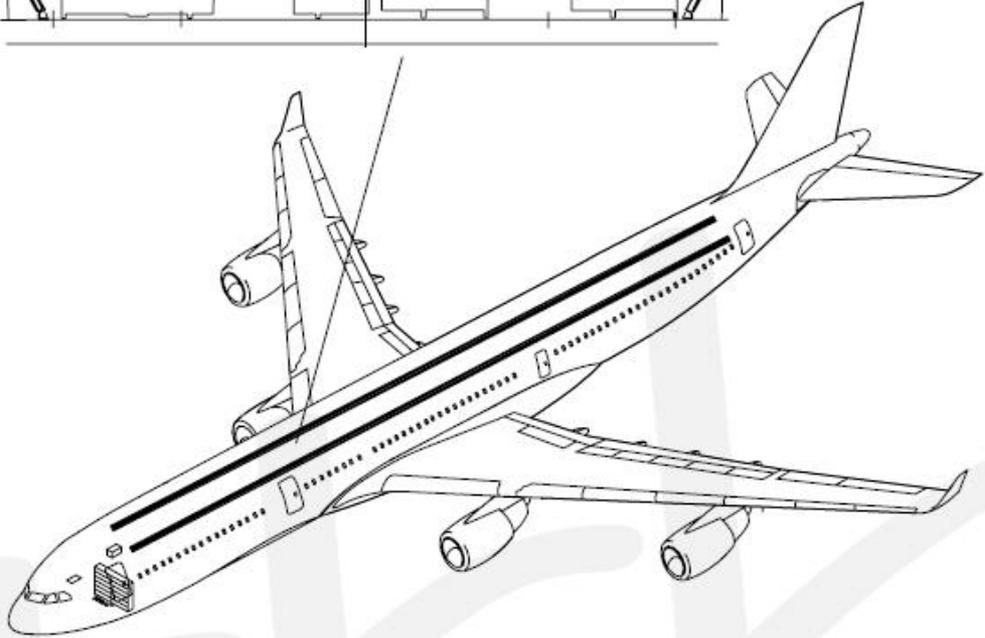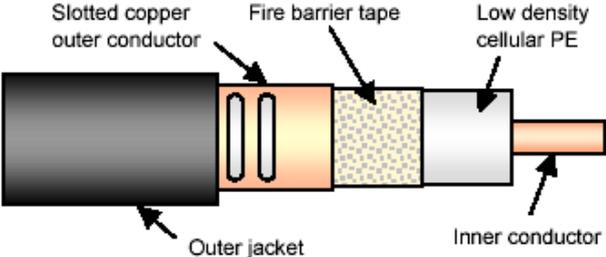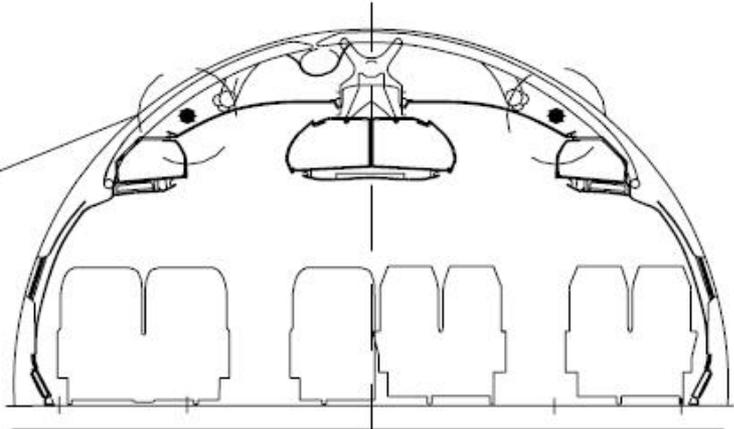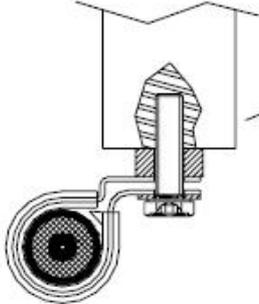
AeroMobile and Inmarsat

- Leverages existing investment in satcom *i.e. 2000+ aircraft today*
- Future-proofed for Swift services – no hardware changes needed

Unique to AeroMobile

Bearer	Voice Calls	Short Messaging Service	Supplementary Services (caller ID, call waiting etc)	PrePaid Cards	GPRS (BlackBerry, MMS, push email etc)	802.11x (Wi-Fi enabled devices)
Classic (H / H+)	✔ (5 – 6 voice calls)	✔ (unlimited)	✔	✔	✘	✘
Classic + Swift64	✔ (5 – 6 voice calls)	✔ (unlimited)	✔	✔	✔	✘
Swift Broadband	✔ (up to 14 calls per channel)	✔ (unlimited)	✔	✔	✔	✔

Managing The Passenger Experience

✓ Promotion and Education
- Revised Cabin Crew Procedures
- PA announcements
- Seatback educational cards
- In-flight video
- Promotion of social etiquette
- Cabin crew training
- Questionnaires and market research
- The challenges of marketing a one aircraft evaluation

✓ Tailoring service delivery
- SMS and GPRS (Blackberry) services are being offered
- Passenger feedback defines which services are offered and how they are delivered e.g. night flights

AeroMobile™
AIRBORNE MOBILE CONNECTIVITY

ARINC telenor

Technical Challenges

- ✓ Installation and certification
    - ✓ Installation projects for 7 aircraft types
    - ✓ Certification applications near completion

- ✓ "Guilty until proven innocent"
    - ✓ Testing, testing and more testing
    - ✓ What if, what if, what if ….

Commercial Challenges

- ✓ Operating an airborne service
    - ✓ 130 roaming agreements

- ✓ Regulatory requirements
    - ✓ 37 regulatory approvals

ABC NEWS ONLINE

Last Update: Thursday, April 19, 2007, 0:37am (AEST)

Print Email

CASA backs in-flight mobile phone use trial

The Civil Aviation Safety Authority (CASA) says it has complete confidence in the safety of a trial to allow passengers on planes to use their mobile phones.

The Australian Communications and Media Authority (ACMA) has given the go-ahead for the trial, which allows passengers to text and email with their phones via a small receiving cell located above passenger seats.

But CASA spokesman Peter Gibson says the new technology also acts as a fail-safe system in the plane.

"The Civil Aviation Safety Authority doesn't believe there are any safety issues, but if some interference was found, the simple solution for the pilot would be to turn off the phone system in the aircraft," he said.

"So if there was any interference at any time they could simply shut the whole thing down - no more problem."

Qantas is hosting the trial on one of its jets that is flying domestic routes.

Mr Gibson says the trial is designed to answer questions about mobile phone use on aircraft.

"I think Qantas obviously recognised that there may be some customer demand for it, so they wanted to run a trial," he said.

"But the obviously realised there were lots and lots of questions, technical ones that had to be answered, and social ones too about how people accepted telephones inside aircraft."

News Home
Top Stories
Just In
World
Australia/Local
Business
Politics
Weather
Sport
Health
Arts
Sci-Tech
Environment
Rural
Indigenous
Opinion
Offbeat
Forums
Services
Help/Site Map

Over 1200 flight hours, 450 flights, 14,000 text messages & 65MBytes of Blackberry data

AeroMobile – *we have the answers*

- ✓ Market interest surging:
  - ✓ Commitments from Emirates, Qantas and four unannounced customers
  - ✓ Mature dialogue with 15 other aircraft operators
- ✓ In service *now*:
  - ✓ Mature, proven; passenger interest overwhelmingly positive
  - ✓ Plan to activate Emirates before end of 2007
  - ✓ Multiple aircraft installation projects underway
  - ✓ Growing list of regulatory approvals and roaming agreements

OnAir

Inmarsat Analyst Briefing

25 September 2007

Agenda

- About OnAir

- Mobile OnAir

- Confirmed programmes

- Key milestones achieved

OnAir

A company established in 2005 owned by SITA (65%), Airbus (30%) and the former Tenzing shareholders (5%)

OnAir has developed aircraft communications services for passengers including GSM, SMS, GPRS (Blackberry) & wi-fi internet access in flight

OnAir has committed investment of more than US$100m in system development, certification and service deployment

OnAir In-flight mobile system is EASA certified and will shortly enter revenue service

onair

OnAir Management

Chief Executive Officer
Benoît Debains

Chief Financial Officer
Sean Lund

Chief Operating Officer
David Russell

Mobile OnAir

- For single aisle, A320 family and B737 aircraft

- Long range aircraft programmes also planned

- Passengers use their own mobile phones
  or other PDA during flights

  - SMS, email & voice

  - GPRS - Supports BlackBerry™-type devices

  - Invoiced by passenger's own mobile account

    at international roaming rates

  - Available for use in Europe/Middle East in late 2007

- Services available for use above 3000m to meet regulatory
  requirements

5

Passenger benefits

Last minute calls

Stay contactable

Email during flight

Be prepared when land

Advice of any delays

Normal bill at international roaming rates

onair

Airline benefits

- ## New revenue stream

  - Opportunity to generate additional income from inflight communication services

- ## Advanced passenger services

  - Benefit from a clear service differentiator and competitive advantage

  - New opportunities for improved customer relationship management

- ## Controlled cabin environment

  - Can adapt to their passengers' demand

Market demand

OnAir has conducted extensive market research which shows that:

Passengers travelling on business

- Up to 40% carry a BlackBerry-type device
- 69% would like to turn their device on
- 93% of those would like to send & receive emails

Voice calls

- 55 % would like to turn their phone on
- Of those
  - 94% would accept incoming calls – they want to be reachable
  - 82% would make calls & send emails

End-to-end service architecture

Ground station

OnAir point of presence

OnAir GSM ground infrastructure

GSM™

@

OnAir business systems

Repository

onair
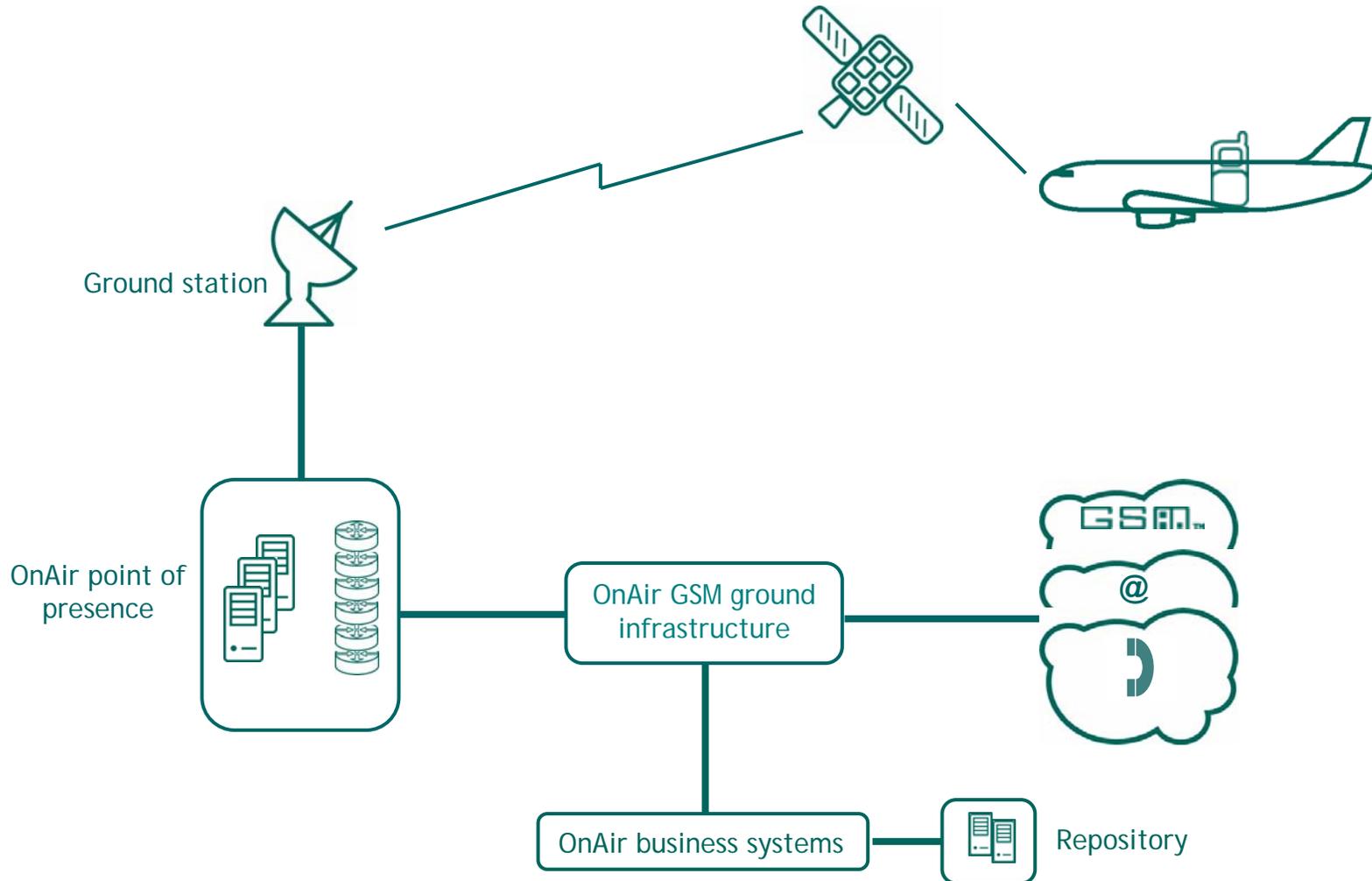
Confirmed programmes

Fleet deployments:

Air Asia — A320 line & retrofit (fleet wide)

RYANAIR — B737 retrofit (fleet wide)

Shenzhen Airlines — A320 family line & retrofit + B737 retrofit (fleet wide)

KINGFISHER AIRLINES *Fly the good times* — A330/A340/A350/A380 (fleet wide) linefit

Trials leading to fleet deployment:

AIR FRANCE — A318 linefit

bmi — A320 retrofit

TAP PORTUGAL — A319 retrofit

onair

Key milestones achieved

- ## Telecom regulatory

  - CEPT framework providing framework for in-flight mobile telephony across Europe

  - Blueprint for other regions

- ## Aviation regulatory

  - EASA approval of installations on A318 and B737-800 aircraft

- ## Commercial success

  - Confirmed airline programmes covering 600+ aircraft

Invitation to OnAir Analyst Presentation

onair

Presenters:
Benoit Debains   CEO of OnAir
Sean Lund   CFO of OnAir

The introduction of inflight communications, allowing passengers to use their mobile phones and BlackBerry-type devices while flying, is imminent.

The presentation will introduce OnAir, an Airbus and SITA company that will be the service provider for inflight passenger communications, the technology and regulatory requirements, and the opportunity inflight passenger voice and data services will provide to airlines.

Date: Thursday 27th September, 2007

Time: 11:00 - 13:00

Venue: Threadneedles
            5 Threadneedle Street
            London EC2R 8AY
            +44 (0)20 7657 8295

Agenda: 11:00-12:00 Presentation
            12:00-13:00 Buffet lunch

www.onair.aero

RSVP: Sandra.Schwyter@onair.aero

F-3 Launch, Alphasat Update

Gene Jilg
Chief Technology Officer

25 September 2007

inmarsat

Refresher: Inmarsat Assets

Now

- Inmarsat-4 F1 and F2 in orbit. Sound performance over 52+ satellite-months. Stationkeeping lifetime through 2023
- Burum and Fucino Satellite Access Stations (SASs) fully operational
- Five Inmarsat-3s. Stationkeeping lifetimes 2016-2019
- Three Inmarsat-2s. Stationkeeping lifetimes 2010-2016

Imminent

- BGAN "Mobility" functionality – commercial introduction
- F3 Launch
- Third SAS in Hawaii

inmarsat

F3 Launch

- Contract signed 3 August with International Launch Services for March-April 2008 launch period using Proton vehicle

- Price decreases if contractor causes delays, does not decrease if Inmarsat is the cause

- Performance to 4 Sept 07: 54 for 56 Proton since 2000, 14 for 15 Proton M/Breeze M success rate is consistent with best-of-class

- Requires a fast prep cycle and superb Astrium-Khrunichev-Inmarsat collaboration

- Astrium Eurostar 3000 spacecraft previously launched on Proton

inmarsat

Proton Launch failure 5 Sept 07

- JCSAT-11 launch failure on Proton M Breeze M destroyed launch vehicle & satellite, total loss ~ US$190m insured
- Second-stage malfunction
- Second-stage has never caused a failure in previous 41 flights with ILS
- Previous second-stage Proton failure 8 years ago, in 1999
- Total of 4 second-stage failures in 182 launches in last 20 years
- Failure likely to be random rather than systemic, so return-to-flight should be sooner rather than later
- Proton track record of efficient failure investigations.
- Preliminary results of Russian federal review expected mid October, Inmarsat will only then be able to assess the impact on launch timing

inmarsat

Proton Launch - Conclusion

The proposed plan to use Proton to launch F3, originally targeting a March-April 2008 date, is still the best option to have emerged from eleven months of intensive launch service search efforts. The price premium relative to a launch in July 2009 is justified by the positive impact to Inmarsat's core business of the announcement and delivery of an earlier global BGAN and voice service over Inmarsat 4.

inmarsat

Alphasat - Compelling rationale

- Significant European Space Agency subsidy for new next generation satellite
  - ~€200m of ESA subsidy, a further $24m LDA support
- Stand alone business case
  - Service footprint in area of greatest MSS revenue opportunity
  - Enhanced BGAN services (data rate advancement)
  - Voice increased capacity, Middle East and Africa
  - Potential for broadcast or ATC style platform
- 14MHz of additional spectrum in area of most potential and most traffic of existing network
- Additional potential savings in timing and quantum of I-5 investment
  - Redundancy benefit to I-4 fleet

inmarsat

Alphasat – How much?

- Impact on Inmarsat forecast capital expenditures
  - $200m – construction estimate
  - $150m - launch costs
- Target initial launch date early 2013
- Capex payment profile
  - Construction 2008 to 2012
  - Launch costs 2012/13
- Opex impact not material after launch

inmarsat

Alphasat Status

- Contract progressing full funding in place

- Tri-partite contract construct challenging; we are committed to assuring Inmarsat's interests are preserved

- ESA to fund head start programme on critical-path processor technology – a show of good faith and confidence

On track for contract finalisation during Q4

inmarsat

Andy Sukawaty
Chairman and CEO

Closing remarks and Q&A

inmarsat

Checklist since IPO

Complete
✓ Disposal of subsidiaries
✓ Launch of second I-4 (F2)
✓ Start of BGAN services on F1
✓ Third I-4 completed
✓ Commercial services on F2
✓ In-orbit insurance placed
✓ Operating cost reductions
✓ Start of BGAN services on F2
✓ Handheld strategy implemented
✓ Core business growth acceleration
✓ SPS handheld services on F1

Ahead	
• SwiftBroadband launch	Q4 2007
• FleetBroadband launch	Q4 2007
• Alphasat contract	Q4 2007
• CIP/Stratos closing	Q4 2007
• Launch of third I-4	Q2 2008
• Global SPS handheld	Q4 2008
• Handheld upgrade	Q1 2009
• Stratos call option	Q2 2009
• Distribution renewal	Q2 2009

inmarsat

Core strategy and evolving growth options

2007 and beyond

L-band ATC in US
S-Band CGC in Europe
Low-data rate services
Galileo European GPS

Global security and event revenues

Handheld voice

Embedded in govt. /military programmes

Aero passenger connectivity

Broadband Global Area Network (BGAN)
Expanded military/capacity leasing

Base Case

Strong underlying data growth in existing services

Multiple paths to additional growth and value creation

Notes: (1) EU Galileo system
(2) Ancillary Terrestrial Component, using US spectrum for hybrid networks

inmarsat

Summary

- IPO objectives implemented and successful
  - Step change and strong revenue growth across sectors
  - Continuing momentum in Maritime, BGAN, and Aero
  - Reiterate 6-8% revenue growth target (2005-2010)
  - Cash flow and dividend growth
- Significant opportunities ahead, medium and long term
  - Aggressive voice strategy
  - Aero passenger connectivity
  - Remodel distribution
  - MSS sector opportunities may emerge

inmarsat

Investor Day
25th September 2007

Q&A

Contact: Simon Ailes, Inmarsat plc
simon_ailes@inmarsat.com
+44 20 7728 1518
www.inmarsat.com/investor_relations/

inmarsat