

# **INMARSAT GROUP LIMITED**

**Extract of the consolidated financial results for the  
three months and year ended  
31 December 2016  
(unaudited)**

Certified by: \_\_\_\_\_  
Chief Financial Officer

**INMARSAT GROUP LIMITED**  
**CONDENSED CONSOLIDATED INCOME STATEMENT <sup>1</sup>**  
**For the three months and year ended 31 December (unaudited)**

(US\$ in millions)	For the three months ended 31 December		For the year ended 31 December	
	2016	2015	2016	2015
<b>Revenues</b>	<b>358.1</b>	<b>334.8</b>	<b>1,329.0</b>	<b>1,274.1</b>
Employee benefits costs	(66.3)	(61.4)	(260.4)	(260.4)
Network and satellite operations costs	(41.2)	(43.6)	(168.6)	(180.0)
Other operating costs	(38.9)	(37.6)	(147.3)	(147.2)
Own work capitalised	10.7	10.7	42.0	39.5
<b>Total net operating costs</b>	<b>(135.7)</b>	<b>(131.9)</b>	<b>(534.3)</b>	<b>(548.1)</b>
<b>EBITDA</b>	<b>222.4</b>	<b>202.9</b>	<b>794.7</b>	<b>726.0</b>
Depreciation and amortisation	(87.1)	(85.1)	(349.4)	(311.2)
Gain/(Loss) on disposal of assets	-	-	0.5	9.3
Impairment loss	-	(0.1)	(1.2)	(0.2)
Share of profit of associates	0.4	0.7	2.4	2.5
<b>Operating profit</b>	<b>135.7</b>	<b>118.4</b>	<b>447.0</b>	<b>426.4</b>
Financing income	2.9	0.6	4.8	2.3
Financing cost	(23.7)	(24.3)	(73.0)	(63.6)
Net financing costs	(20.8)	(23.7)	(68.2)	(61.3)
<b>Profit before tax</b>	<b>114.9</b>	<b>94.7</b>	<b>378.8</b>	<b>365.1</b>
Taxation	(25.1)	(1.1)	(64.9)	(61.7)
<b>Profit for the period</b>	<b>89.8</b>	<b>93.6</b>	<b>313.9</b>	<b>303.4</b>

<sup>1</sup> The consolidated financial results were prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union.

**INMARSAT GROUP LIMITED**  
**CONDENSED CONSOLIDATED BALANCE SHEET (unaudited) <sup>1</sup>**

(US\$ in millions)	As at 31 December 2016	As at 31 December 2015
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,964.6	2,860.2
Intangible assets	796.4	772.0
Investments	13.2	12.1
Other receivables	11.7	23.4
Deferred tax assets	39.3	44.6
Derivative financial instruments	0.1	-
	<b>3,825.3</b>	<b>3,712.3</b>
<b>Current assets</b>		
Cash and cash equivalents	259.7	175.5
Short term deposits	395.0	-
Trade and other receivables	326.2	342.3
Inventories	34.3	25.0
Current tax assets	8.5	3.8
Derivative financial instruments	1.7	-
Restricted cash	2.3	3.0
	<b>1,027.7</b>	<b>549.6</b>
<b>Total assets</b>	<b>4,853.0</b>	<b>4,261.9</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Borrowings	203.2	207.2
Trade and other payables	497.0	459.7
Provisions	1.9	1.8
Current tax liabilities	144.5	128.3
Derivative financial instruments	5.9	0.3
	<b>852.5</b>	<b>797.3</b>
<b>Non-current liabilities</b>		
Borrowings	2,163.0	1,703.7
Other payables	41.5	42.9
Provisions	2.8	2.5
Deferred tax liabilities	207.7	198.3
Derivative financial instruments	20.2	-
	<b>2,435.2</b>	<b>1,947.4</b>
<b>Total liabilities</b>	<b>3,287.7</b>	<b>2,744.7</b>
<b>Net assets</b>	<b>1,565.3</b>	<b>1,517.2</b>
<b>Shareholders' equity</b>		
Ordinary shares	0.4	0.4
Share premium	677.4	677.4
Other reserves	396.9	409.8
Retained earnings	490.0	429.0
<b>Equity attributable to shareholders of the parent</b>	<b>1,564.7</b>	<b>1,516.6</b>
<b>Non-controlling interest</b>	<b>0.6</b>	<b>0.6</b>
<b>Total equity</b>	<b>1,565.3</b>	<b>1,517.2</b>

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**INMARSAT GROUP LIMITED**  
**CONDENSED CONSOLIDATED CASH FLOW STATEMENT <sup>1</sup>**  
**For the three months and year ended 31 December (unaudited)**

(US\$ in millions)	For the three months ended		For the year ended	
	31 December 2016	2015	31 December 2016	2015
<b>Cash flows from operating activities</b>				
Cash generated from operations	190.5	144.5	785.1	712.4
Interest received	0.4	0.3	1.0	1.4
Tax paid	(6.4)	(17.7)	(35.6)	(12.9)
<b>Net cash from operating activities</b>	<b>184.5</b>	<b>127.1</b>	<b>750.5</b>	<b>700.9</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(137.1)	(160.4)	(302.9)	(433.5)
Additions to capitalised development costs and other intangibles	(26.1)	(7.9)	(68.0)	(20.8)
Own work capitalised	(10.7)	(9.5)	(42.0)	(39.3)
Proceeds on disposal of assets	-	-	-	32.9
Short-term cash deposits less than 3 months	-	-	(395.0)	-
<b>Net cash used in investing activities</b>	<b>(173.9)</b>	<b>(177.8)</b>	<b>(807.9)</b>	<b>(460.7)</b>
<b>Cash flows from financing activities</b>				
Dividends paid to parent company	(84.5)	(88.1)	(228.5)	(224.1)
Repayment borrowings	(106.5)	(18.4)	(213.0)	(103.6)
Proceeds from issue of long term borrowings	5.5	89.9	678.2	136.7
Interest paid	(28.2)	(26.1)	(83.6)	(74.4)
Arrangement costs of financing	(0.7)	(3.4)	(11.3)	(6.9)
Other financing activities	0.5	0.5	1.8	1.8
<b>Net cash used in financing activities</b>	<b>(213.9)</b>	<b>(45.6)</b>	<b>143.6</b>	<b>(270.5)</b>
Foreign exchange adjustment	0.3	0.1	0.1	0.5
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(203.0)</b>	<b>(96.2)</b>	<b>86.3</b>	<b>(29.8)</b>
<b>Cash and cash equivalents</b>				
At beginning of period	462.2	269.1	172.9	202.7
Net (decrease)/increase in cash and cash equivalents	(203.0)	(96.2)	86.3	(29.8)
<b>At the end of the year</b>	<b>259.2</b>	<b>172.9</b>	<b>259.2</b>	<b>172.9</b>
<b>Comprising:</b>				
Cash at bank and in hand	48.4	51.8	48.4	51.8
Short-term deposits with original maturity of less than three months	211.3	123.7	211.3	123.7
Bank overdrafts	(0.5)	(2.6)	(0.5)	(2.6)
<b>Cash and cash equivalents at the end of the year</b>	<b>259.2</b>	<b>172.9</b>	<b>259.2</b>	<b>172.9</b>

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