



Interim Results 2015

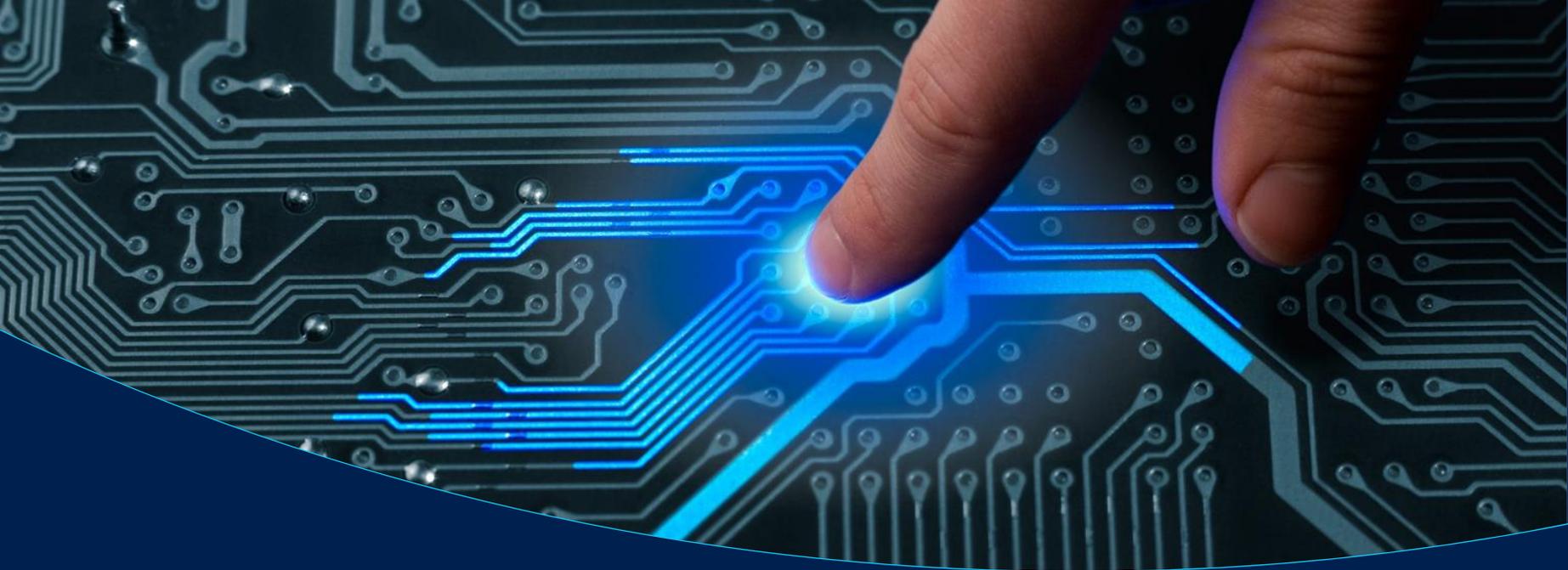
6th August 2015

Interim Results 2015

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Forward looking Statements

This announcement contains “forward-looking statements” within the meaning of the US 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 or 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.



Interim Business Review 2015

Rupert Pearce
Chief Executive Officer



Growing markets

Demand for global mobile broadband – satellite a key enabler

> **Global Coverage**

> **High Speed Broadband**

> **On the move**

> **Secure & Resilient**

> **Solutions Enabling**

Maritime

- > Smart Ship to Drone Ship
- > Crew Welfare

Governments

- > 'AISR', situational awareness, 'BLOS'
- > Morale, welfare & recreation

Enterprise

- > Energy, Resources, Transportation, Agriculture, Control systems, Security, Media, e-Commerce

Aviation

- > Aircraft safety & operations
- > Passenger connectivity

Focused strategy

Clear roadmap to sustained profitable growth

Grow in core markets > Innovate & expand into new markets > New services & applications



Business developments

Global Xpress: New F3 launch date establishes momentum

- > F1 already in commercial service
- > F2 in commercial service late August
- > Satellite Access Stations all completed
- > Strong distribution network in place

↳ > F3 launch now late August

↳ > Targeting global commercial services introduction by the end of 2015

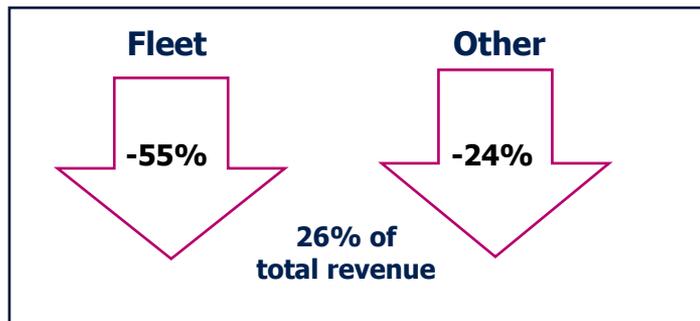
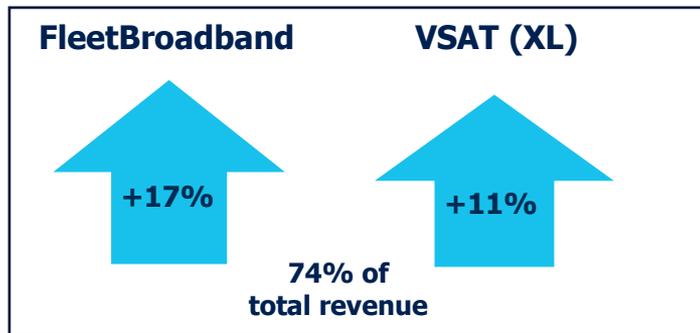


Target of \$500m of incremental annual revenue by fifth anniversary of global commercial service introduction (i.e. end 2020)

LightSquared: situation stabilising, payments received regularly

Q2 : Maritime

Growth in new products offset by expected legacy and non-MSS decline



- > Trade-up to FB from legacy Fleet largely completed
 - > FB connections in Q2'15 +7% y-o-y vs. +13% in FY'14
 - > Fleet now just 7% of Maritime revenue (H1'14 14%)
- > ARPU > growth driver for FB in mid-market (+10%)
 - > Opportunities: Fleet Media, Gateway/CAP, OEMs, pricing innovation
 - > Increased usage for value-driving purposes
- > VSAT revenue growth rate dipped in H1 2015
 - > Anticipated GX global CSI early Q3 2015
 - > Strong Q2 VSAT installation exit run-rate and excellent backlog
- > Other legacy & non-MSS revenues declining as expected
- > Fleet One new market opportunity remains promising

Q2 : Government



US more resilient; tougher environment in some non-US legacy markets

- > Continuing budgetary constraints & lower operational tempo in many markets
- > US a little more resilient
 - > Rate of decline is moderating
 - > Growing demand for GX
- > Weaker quarter in non-US legacy markets – Germany & Australia
- > Encouraging progress in new market development programme
- > Continued progress in sector & product diversification efforts

Q2 : Enterprise



Continuing strong underlying growth



**M2M
Revenue**

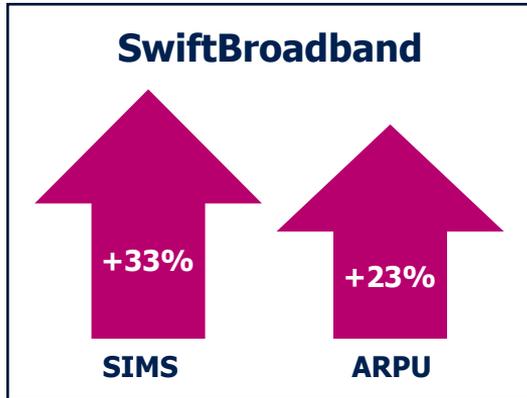


**Enterprise FB
Revenue**

- > Underlying revenue up 8.9%
- > Increased focus on key vertical markets
 - > Energy/resources, Transportation, Security, e-Commerce, Agriculture, Media, Control systems
- > Good product pull-through
 - > FleetBroadband up 45% (Energy-driven)
 - > M2M up 25%
 - > BGAN up 5% (deployments after Nepal earthquake)
- > IsatPhone2 manufacturing glitch at end of quarter

Q2 : Aviation

Continuing strong growth – developing commercial passenger opportunity



- > Existing business - growth in cockpit, operations & safety services
 - > SwiftBroadband – higher connections & ARPU
 - > Classic Aero still delivering good growth
- > Passenger connectivity - strong commercial & technical progress
 - > Advanced stage of negotiation with several large airlines
 - > First major contract expected to be announced in H2
 - > GX (global) and S-band (Europe) complement each other
- > Good progress on EU aviation network
 - > Satellite construction remains on schedule
 - > Contracts for complementary ground network close to completion
 - > Regulatory approvals process remains on track

Q2 Summary

Transition continues: robust core business + transformational new opportunities

- > L-band business resilient
 - > Diversified markets and opportunities
 - > Core products (FB, SB) delivering strong growth
- > GX primed to deliver a step-change in growth
 - > New I-5 F3 launch date creates renewed momentum
 - > Strong backlog of customers for global commercial service – e.g. XL-to-GX transition
- > Optimistic about potential of EU aviation network
 - > Good technological, operational & regulatory progress
 - > Above all, excellent commercial interest from airlines & passengers
- > LightSquared revenue stream visibility continuing to improve

Financial Review H1 2015

Tony Bates
Chief Financial Officer

Group Income statement

\$m	HY 2015	HY 2014	Change	Q2 2015	Q2 2014	Change
Revenue	616.2	652.3	(5.5%)	311.4	307.6	1.2%
Operating costs	(273.5)	(282.6)	9.1	(145.5)	(147.8)	2.3
EBITDA	342.7	369.7	(27.0)	165.9	159.8	6.1
Depreciation & amortisation etc	(150.9)	(136.1)	(14.8)	(75.5)	(68.5)	(7.0)
Other	10.4	0.6	9.8	0.5	1.2	(0.7)
Operating profit	202.2	234.2	(32.0)	90.9	92.5	(1.6)
Interest payable	(36.3)	(65.9)	29.6	(21.3)	(50.5)	29.2
Profit before tax	165.9	168.3	(2.4)	69.6	42.0	27.6
Tax	(34.3)	(31.6)	(2.7)	(15.4)	(5.5)	(9.9)
Profit for the period	131.6	136.7	(5.1)	54.2	36.5	17.7
Free cash flow	94.8	50.0	44.8	(21.6)	10.6	(32.2)
Basic EPS (\$)	0.29	0.30	(0.01)			
DPS (cents)	19.61	18.68	5.0%			

Revenue & EBITDA

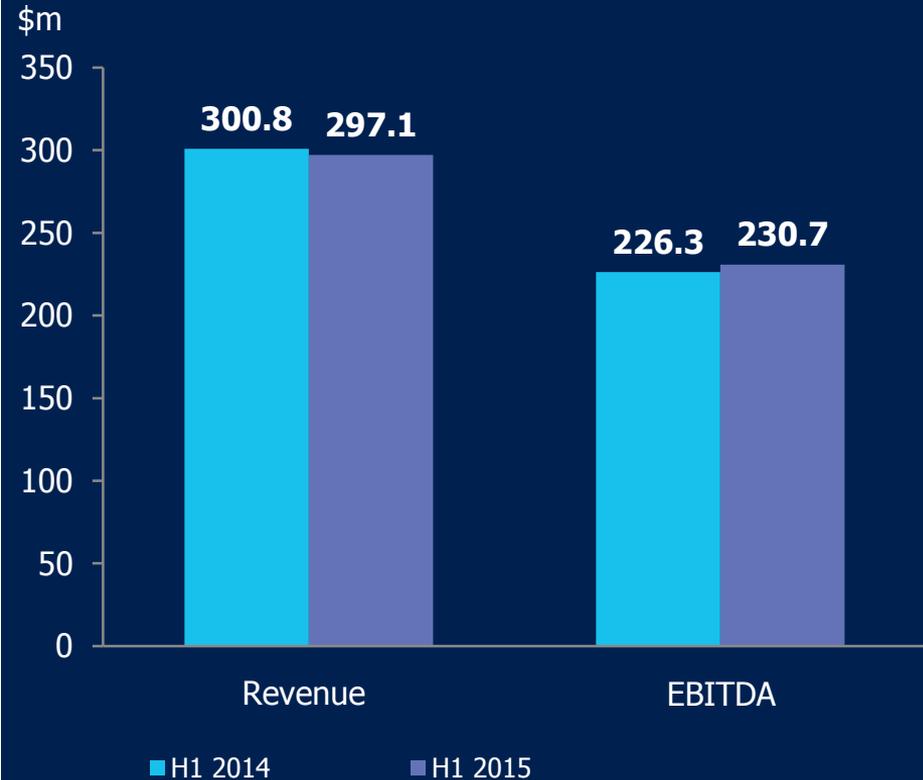
\$m	HY 2015	HY 2014	Change	Q2 2015	Q2 2014	Change
Wholesale MSS revenue	403.8	387.6	4.2%	205.6	196.1	4.8%
Other MSS & terminals	177.4	217.6	(18.5%)	88.4	109.7	(19.4%)
LightSquared	35.0	47.1	(25.7%)	17.5	1.8	872.2%
Total revenue	616.2	652.3	(5.5%)	311.4	307.6	1.2%
EBITDA ex L2	307.7	322.6	(14.9)	148.4	158.0	(9.6)
L2 EBITDA	35.0	47.1	(12.1)	17.5	1.8	15.7
Total EBITDA	342.7	369.7	(27.0)	165.9	159.8	6.1
<i>Total EBITDA margin</i>	<i>55.6%</i>	<i>56.7%</i>	<i>(1.1ppt)</i>	<i>53.3%</i>	<i>52.0%</i>	<i>1.3ppt</i>

Maritime



Business Unit Results - H1

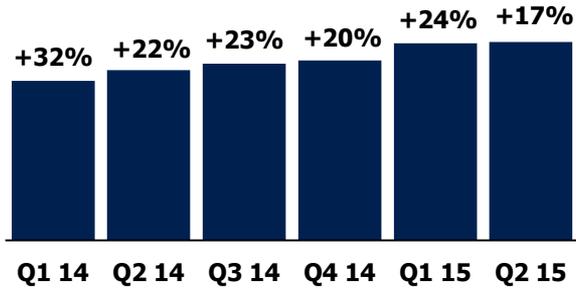
- > FleetBroadband +20%
- > VSAT/XpressLink +12%
- > Fleet -53%
- > EBITDA margin:
 - > H1 2015: 77.7%
 - > H1 2014: 75.2%



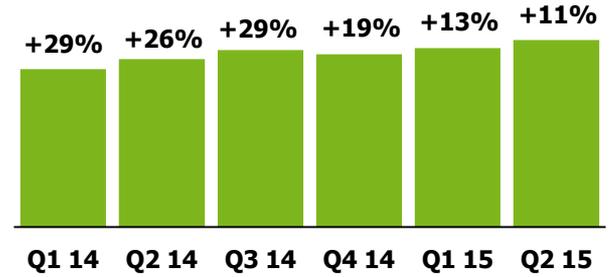
Maritime

Quarterly Product Revenue (year-on-year change)

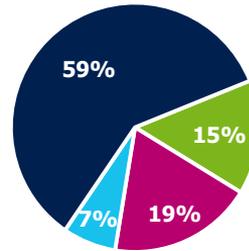
FleetBroadband



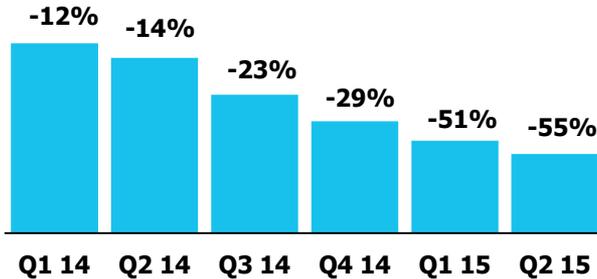
VSAT



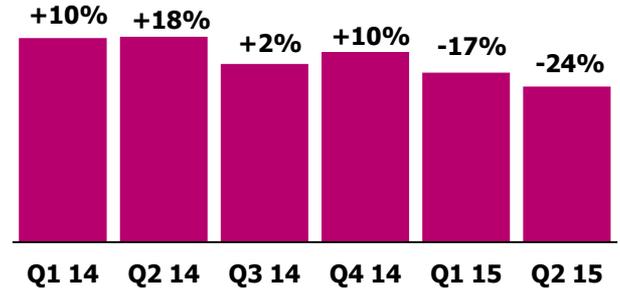
Proportion of Maritime H1 2015 Revenue



Fleet



Other

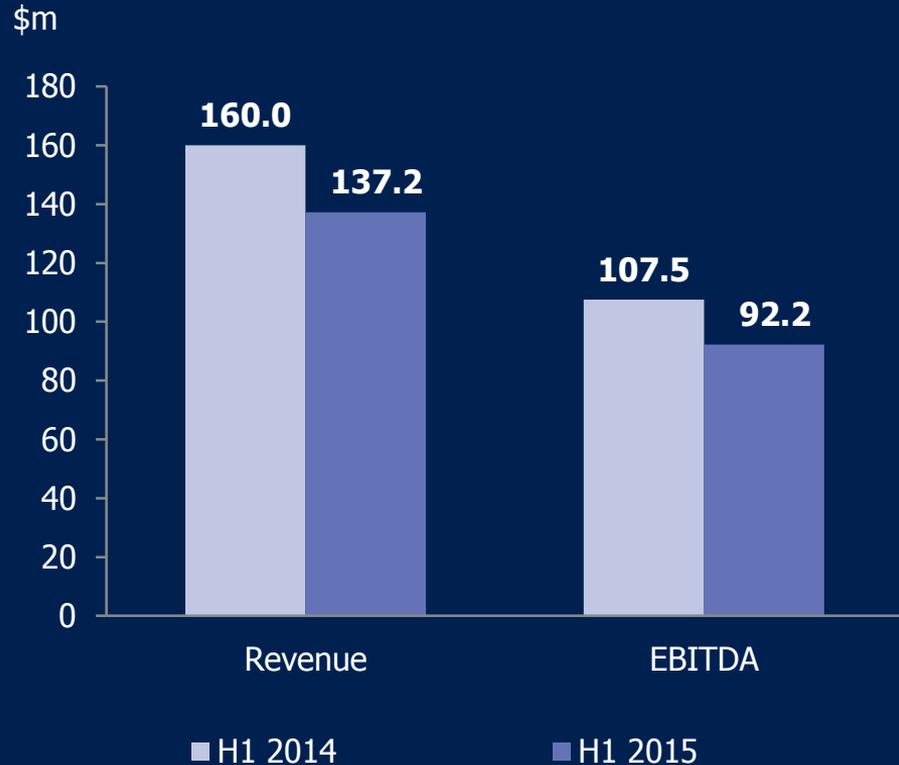


Government



Business Unit Results – H1

- > Budget and Op Tempo pressure
- > Slower decline in the US
 - > Revenue down 16% (37%)
- > Tough elsewhere
 - > Europe down 9%
 - > Australia down over 30%
 - > Growth overall elsewhere
- > EBITDA margin:
 - > Unchanged at 67.2%

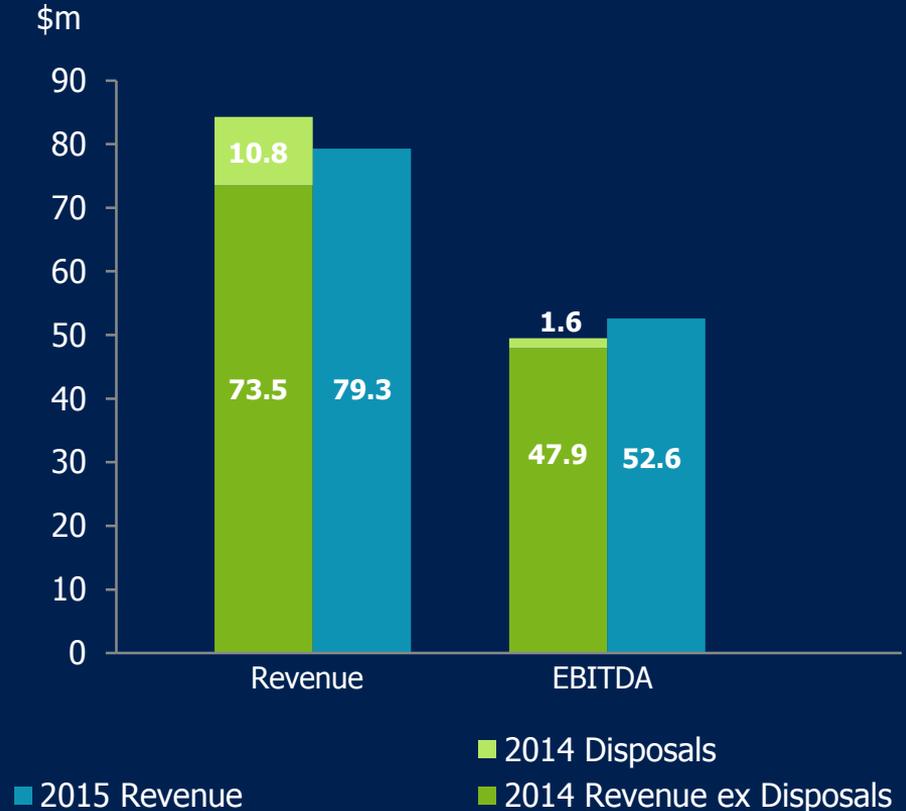


Enterprise



Business Unit Results – H1

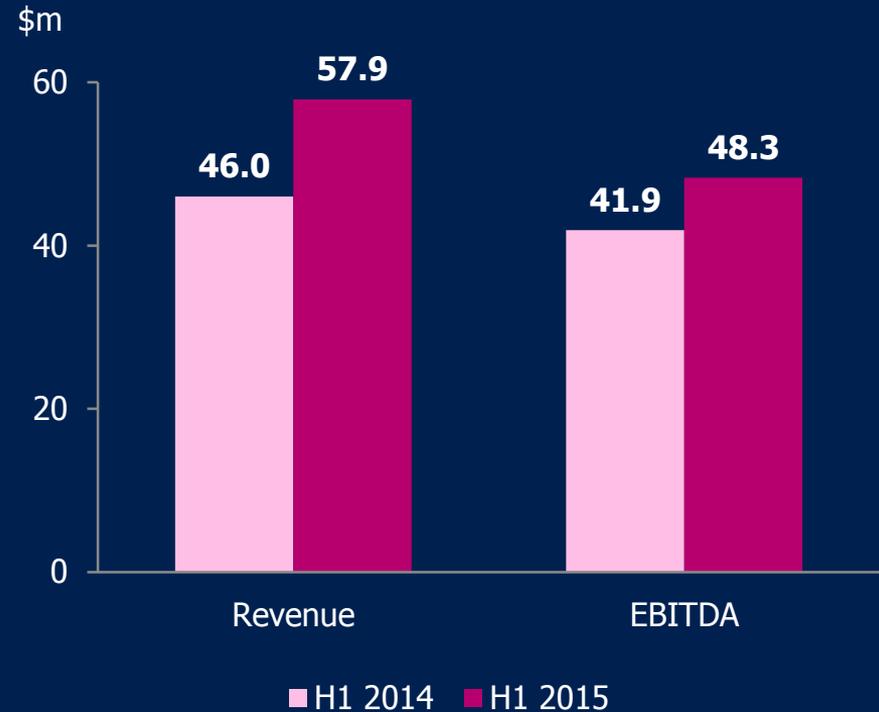
- > Asset disposals
- > FB +48%
- > M2M +27%
- > BGAN -2%
- > GSPS flat
- > EBITDA margin:
 - > 2015: 66.3%
 - > 2014: 58.7%



Aviation

Business Unit Results – H1

- > SwiftBroadband revenue +44%
- > Take or Pay
- > Investment in capability
- > EBITDA margin:
 - > H1 2015: 83.4%
 - > H1 2014: 91.1%

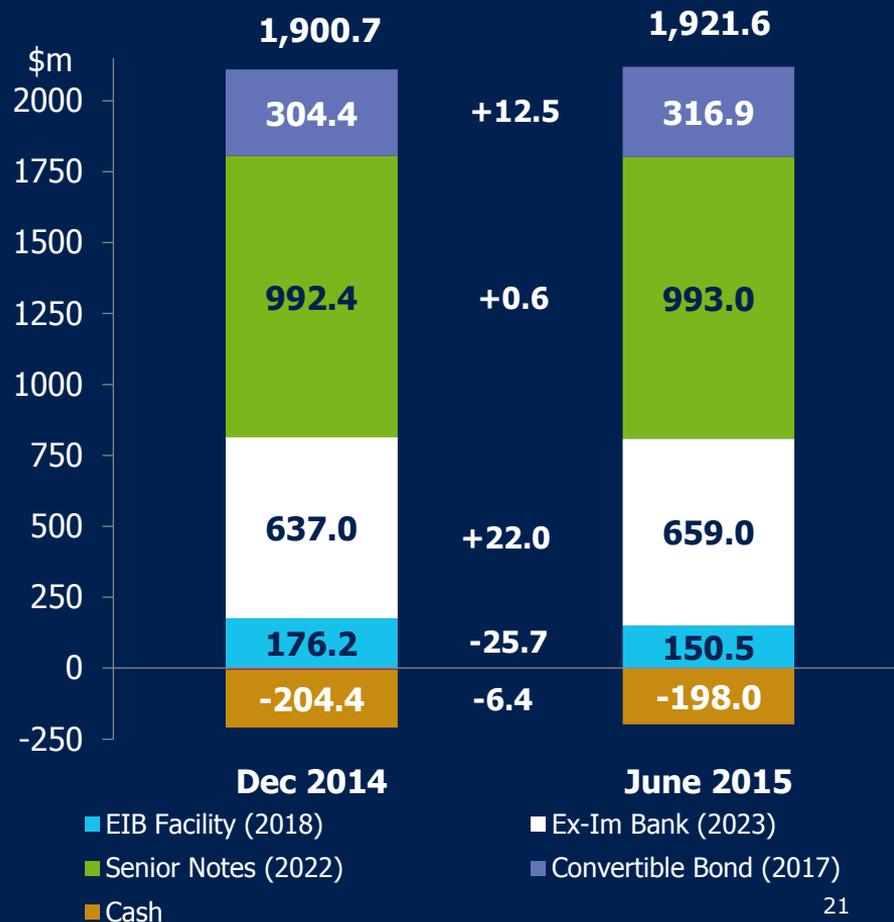


Group Cash Flow

US\$m	H1 2015	H1 2014	Change	Q2 2015	Q2 2014	Change
EBITDA	342.7	369.7	(27.0)	165.9	159.8	6.1
Working capital/non-cash items	21.2	(63.3)	84.5	5.2	(3.6)	8.8
Operating cash flow	363.9	306.4	57.5	171.1	156.2	14.9
Capital expenditure	(240.8)	(205.1)	(35.7)	(152.1)	(109.4)	(42.7)
Interest paid	(39.0)	(49.5)	10.5	(28.2)	(39.2)	11.0
Tax paid	10.7	(1.8)	12.5	(12.4)	3.0	(15.4)
Free cash flow	94.8	50.0	44.8	(21.6)	10.6	(32.2)
Acquisitions and investments	-	(45.5)	45.5	-	-	-
Disposals	32.9	27.0	5.9	-	4.5	(4.5)
Dividends	(135.1)	(127.3)	(7.8)	(135.1)	(127.3)	(7.8)
Other movements	0.5	0.4	0.1	(1.7)	(0.5)	(1.2)
Net cash flow	(6.9)	(95.4)	88.5	(158.4)	(112.7)	(45.7)
Opening net debt	1,900.7	1,812.8	(87.9)	1,754.2	1,801.4	47.2
Net cash flow	6.9	95.4	88.5	158.4	112.7	(45.7)
Other	14.0	44.6	30.6	9.0	38.7	29.7
Closing net debt	1,921.6	1,952.8	31.2	1,921.6	1,952.8	31.2

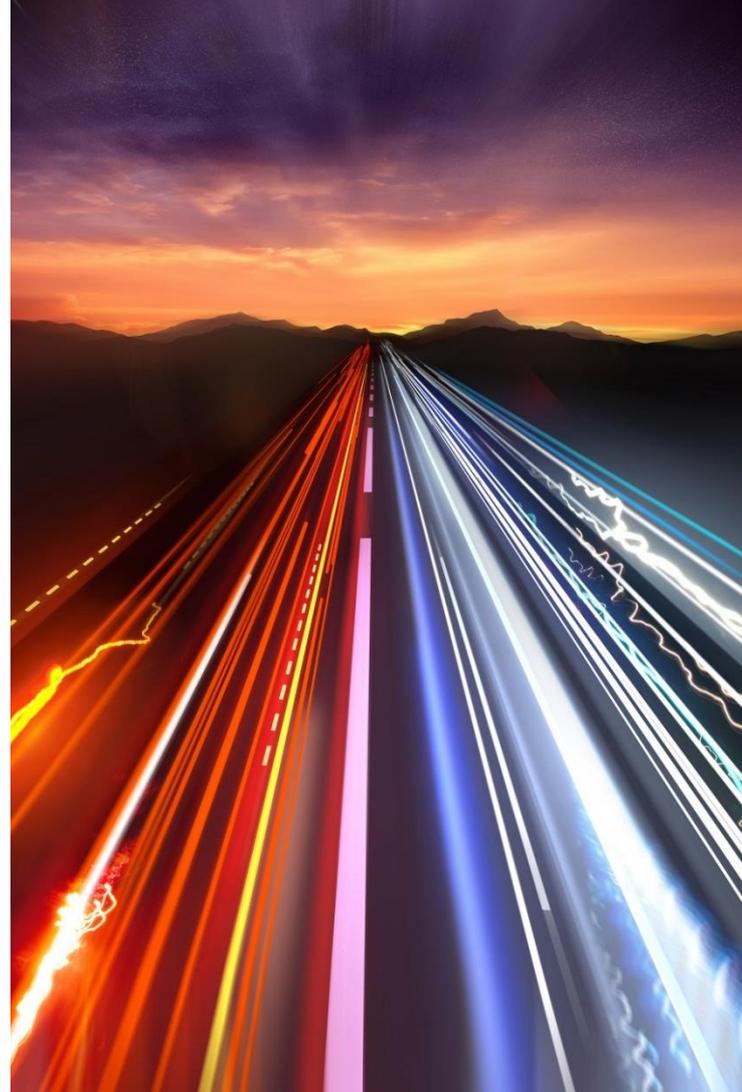
Net debt

- > Overall profile little changed over the first half of this year
- > New revolving credit facility
 - > \$500m, five years, lower cost
 - > Stronger bank group
- > Average interest rate now 3.98%
- > Maturities run from 2017 to 2022
- > Leverage 2.9x (Dec 2014: 2.7x)
 - > Normally maintain below 3.5x
- > \$900m liquidity at 30 June 2015:
 - > Credit Facility \$500m
 - > Undrawn Ex-Im Facilities \$188.8m
 - > Cash \$198m



Outlook/Guidance

- > Annual GX revenues of \$500m by the fifth anniversary of Global Commercial Service Introduction
- > No material change in the trading environment in the second half
 - > Revenues \$1,250-\$1,300m
 - > Includes L2 and latest GX timing
- > Capex \$450m-500m for 2015, below \$400m for 2016 and 2017
- > New medium term revenue guidance to follow after I-5 F3 launch
- > Capital Markets Day early October



Q & A

Interim Results 2015