



Press release

Inmarsat plc Interim Management Statement

London, UK: 5 November 2012. Inmarsat plc (LSE: ISAT.L), the leading provider of global mobile satellite communications services, today provided the following information for the three months ended 30 September 2012.

Inmarsat plc - Highlights

- Total revenue excluding LightSquared \$322m up 5% (2011: \$308m)
- Wholesale maritime revenues up 17%
- Over 2,100 FleetBroadband terminals added in Q3
- Over 71,000 IsatPhone Pro subscribers at end of Q3
- XpressLink gaining market share with new orders
- Honeywell 5-year capacity commitment for business aviation with Global Xpress

Inmarsat Group Limited - Third Quarter Highlights

- Inmarsat Global MSS revenue \$187m up 3% (2011: \$181m)
- Inmarsat Solutions revenue \$206m up 4% (2011: \$197m)
- Total EBITDA excluding LightSquared \$161m (2011: \$172m)
- MSS active terminals up 13%

Rupert Pearce, Inmarsat's Chief Executive Officer, said, "The third quarter saw continued customer take-up of new services across our business sectors. In maritime, another very positive quarter was driven by the benefit of pricing initiatives earlier in the year and by the continuing strong take-up of FleetBroadband. Despite the headwinds we face from the on-going withdrawal from Afghanistan, results for our land mobile business improved with growth from IsatPhone Pro and positive underlying data growth due mainly to new BGAN subscribers.

In addition, we saw momentum in the take-up of our XpressLink service which is beginning to capture new market share and leads us to feel increasingly confident about the launch of Global Xpress. In view of these developments we have decided for 2013 to increase our level of investment in certain L-band opportunities and bring forward some costs for Global Xpress that will provide for a more advanced state of readiness for service launch. Overall, the third quarter continues to demonstrate improved and more stable revenues from our core wholesale operations and positions us well, despite the challenging macro-economic environment, to deliver revenues over this year and next within our current target."

Inmarsat plc

(US\$ in millions)	Three months ended 30 September		Increase/ (decrease)
	2012	2011	
Inmarsat Global – MSS revenue	186.7	180.7	3.3%
Inmarsat Global – Other Income (including LightSquared)	11.7	64.5	(81.9%)
Inmarsat Solutions	205.9	197.4	4.3%
	404.3	442.6	(8.7%)
Intercompany eliminations and adjustments	(78.4)	(78.5)	
Total revenue	325.9	364.1	(10.5%)

Inmarsat Global

(US\$ in millions)	Three months ended 30 September		Increase/ (decrease)
	2012	2011	
Maritime voice services	19.6	21.6	(9.3%)
Maritime data services	85.4	68.0	25.6%
Total maritime sector	105.0	89.6	17.2%
Land mobile voice services	3.7	2.2	68.2%
Land mobile data services	30.6	34.8	(12.1%)
Total land mobile sector	34.3	37.0	(7.3%)
Aviation sector	24.3	26.6	(8.6%)
Leasing	23.1	27.5	(16.0%)
Total MSS revenue	186.7	180.7	3.3%
Other income (including LightSquared)	11.7	64.5	(81.9%)
Total revenue	198.4	245.2	(19.1%)

Growth in maritime data revenue resulted primarily from the impact of pricing initiatives implemented in the first half of 2012. During the third quarter we added 2,128 FleetBroadband terminals and ended the quarter with an installed base of over 32,000 active FleetBroadband terminals. On-going decline in maritime voice revenue is due to a structural shift to data services through increasing email substitution and take up of VOIP applications, offset to a limited extent by organic voice growth opportunities from crew services and smaller vessels.

On-going customer migration to FleetBroadband from our older maritime services will have a continuing negative impact on our rate of revenue growth in the maritime sector because the cost of service is typically lower than for the services being replaced. Generally, we expect this impact to be offset by on-going usage increases and net new subscriber growth.

During the quarter, take up of XpressLink, our hybrid L and Ku-band maritime service, was also encouraging and a number of new contracts were signed and will begin installation over the coming months. At the end of the quarter we had an installed base of 1,150 ships using our VSAT service, including more than 250 ships using XpressLink.

In our land mobile sector, the year-over-year decline in revenue for data services is due to reduced revenue from government users in Afghanistan and other material event-related revenues recorded the third quarter 2011. We estimate that Afghanistan and events in North Africa in the third quarter of 2011 contributed \$8.1m more revenue year-over-year, compared to the third quarter 2012. While revenue from North Africa has now largely normalised, our annualised land mobile revenue from Afghanistan remains material and is expected to decline further and therefore impact performance in

future periods. Underlying growth in BGAN revenues excluding Afghanistan and other events was positive with growth in active terminals coupled with steady ARPUs.

Our IsatPhone Pro service was the main driver behind strong growth in land voice revenue. During the third quarter we recorded over 6,000 net subscriber additions and we ended the quarter with a total base of over 71,000 active IsatPhone Pro terminals.

Aviation revenue for the third quarter was down year-over-year when compared to an unusually strong third quarter in 2011 and was driven by lower Swift 64 revenue mainly due to lower military and government usage in the quarter. SwiftBroadband continued to see strong take-up and revenue growth. The third quarter of 2012 was a record for SwiftBroadband additions, many of which are being installed to support in-flight passenger services. The take-up of SwiftBroadband continues to expand our customer base and reduces our dependence on government aviation business.

Leasing was in line with expectations for the third quarter. The decline in Other Income relates primarily to the reduced revenue contribution from our Cooperation Agreement with LightSquared and this was also the primary cause of the overall fall in Inmarsat Global revenue for the third quarter.

Inmarsat Solutions

(US\$ in millions)	Three months ended		Increase/ (decrease)
	30 September		
	2012	2011	
Inmarsat MSS	104.1	107.4	(3.1%)
Broadband and Other MSS	101.8	90.0	13.1%
Total revenue	205.9	197.4	4.3%

Lower Inmarsat MSS revenue at the Inmarsat Solutions level was driven primarily by lower revenue from Afghanistan and lower event-related revenue year-over-year. Growth in Broadband and Other MSS was primarily due to increased revenue from our US Government business unit in relation to managed network services and equipment sales.

Liquidity

At 30 September 2012, the Inmarsat plc group had net borrowings of \$1,423.0m, made up of cash and cash equivalents of \$446.8m and total borrowings of \$1,869.8m. Including cash and available but undrawn borrowing facilities, the group had total available liquidity of \$1,527.5m. We remain fully funded as to all our capital needs for the foreseeable future.

Our Financial Reports

Inmarsat Group Limited, our wholly-owned subsidiary, today reported unaudited consolidated financial results for the three months ended 30 September 2012. A copy of the full financial report for Inmarsat Group Limited can be accessed via the investor relations section of our website.

Other Information

Inmarsat management will discuss the results announced today and other financial and business information in a conference call on Monday, 5 November at 2:00pm London time, (United States 9:00am EST). To access the call please dial +44 (0)1452 555566. The conference id for the call is 53479787. The call will be recorded and available for one week after the event. To access the recording please dial +44 (0)1452 550000 and enter the access number 53479787. The call will also be available via a webcast, to access the webcast please go to www.inmarsat.com/webcast.

Forward-looking Statements

Certain statements in this announcement constitute “forward-looking statements”. 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.

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