

Inmarsat plc

Q4 & preliminary full year results 2010 7 March 2011



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Forward-looking statements

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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.





Full year results 2010

Andrew Sukawaty Chairman & Chief Executive Officer



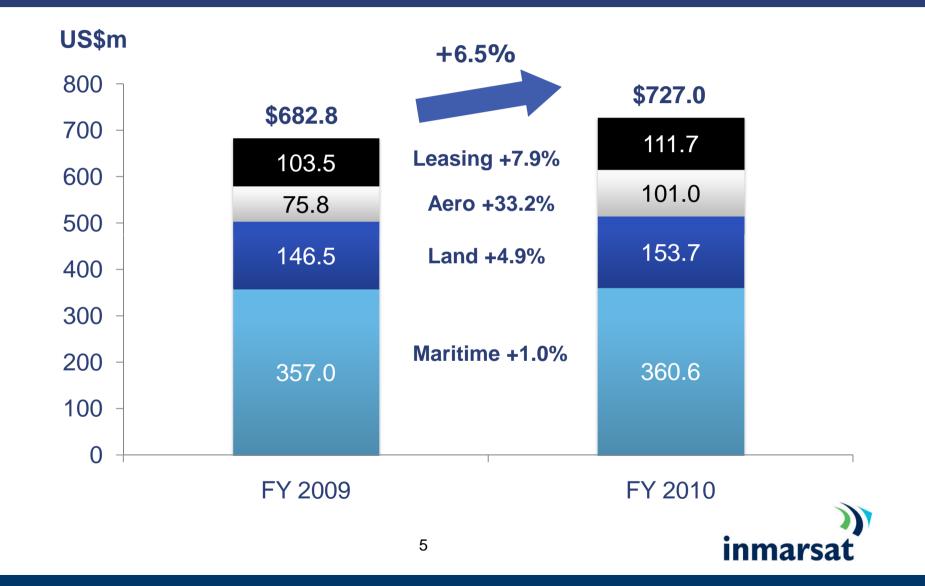
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2010 financial highlights

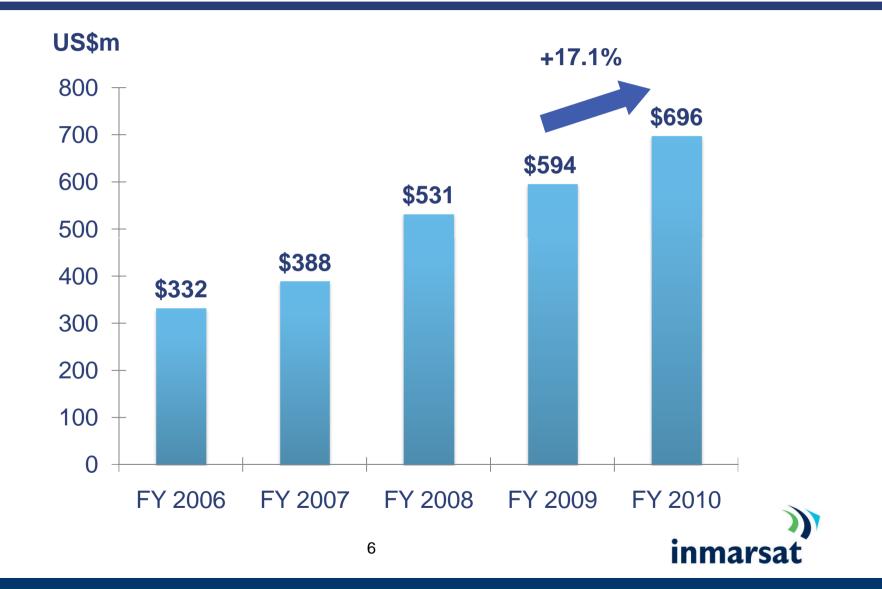
- Total revenue up 12.9% to \$1,171.6m (2009: \$1,038.1m)
 - Inmarsat Global revenue up 10.0% to \$764.1 (2009: \$694.8m)
- EBITDA up 17.1% to \$696.1m (2009: \$594.2m)
 - Inmarsat Global EBITDA up 15.6% to \$572.8m (2009: \$495.5m)
- Operating profit up 29.1% to \$460.6m (2009: \$356.8m)
- EPS up 73% to 57 US cents (2009: 33 US cents)
- Final dividend up 10.0% to 22.26 US cents per share



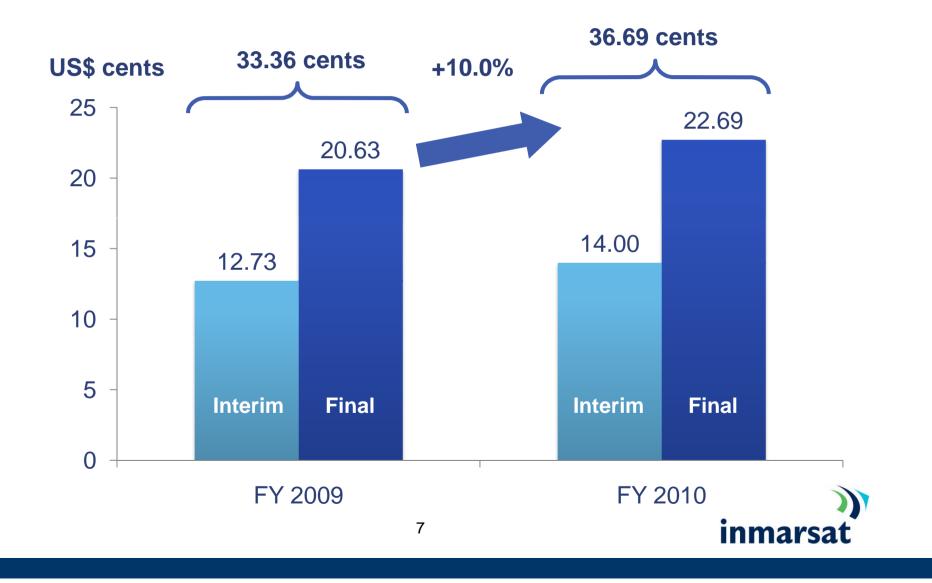
Inmarsat Global – MSS revenue



Inmarsat plc – 5-year EBITDA record



Total dividends



2010 operational achievements

- Commitment to Inmarsat-5 and Global Xpress investment programme to address incremental opportunities
- Handheld strategy implemented with launch of global handheld service, IsatPhone Pro
- LightSquared Cooperation Agreement triggered, realising value after 3 years of work on ATC
- New 5-year growth target for core MSS revenue
- 3-year minimum 10% dividend growth commitment
- Successful year for Segovia, new acquisition



Outlook for 2011

- Confident in growth prospects and 5-year growth target
- Multiple growth opportunities remain ahead
- Material new revenue and profit resulting from Cooperation Agreement with LightSquared
- Near term core business trends will constrain core MSS revenue growth to 2% 4% in 2011
- Investment programmes on track an unchanged as to expected cost, 2011 capital expenditure at \$450m \$550m
- Dividend growth of at least 10%





Q4 & full year results 2010

Rick Medlock

Chief Financial Officer



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Inmarsat plc - 2010 full year results

	Financ		
US\$m	2010	2009	
Revenue	1,171.6	1,038.1	12.9%
Operating costs	(475.5)	(443.9)	(7.1%)
EBITDA	696.1	594.2	17.1%
Depreciation & amortisation	(234.6)	(231.6)	
Other	(0.9)	(5.8)	
Operating profit	460.6	356.8	29.1%
Net interest payable	(127.1)	(159.9)	
Profit before tax	333.5	196.9	69.4%
Tax expense	(72.4)	(44.1)	
Profit for the period	261.1	152.8	70.9%

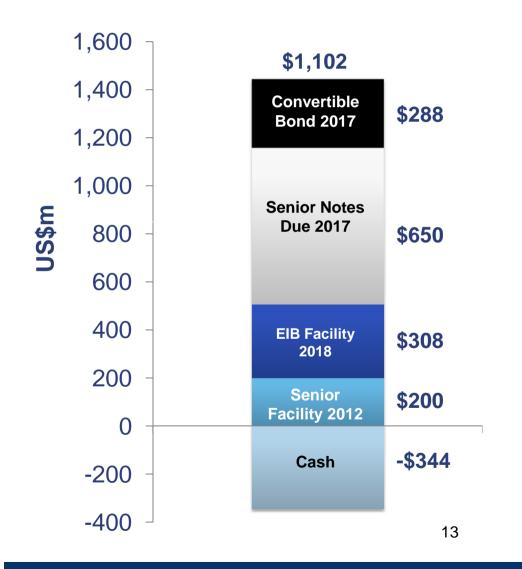


Inmarsat plc - 2010 cash flow

	Financial year		
US\$m	2010	2009	
EBITDA	696.1	594.2	17%
Working capital/non-cash items	89.7	51.6	
Operating cash flow	785.8	645.8	
Capital expenditure	(180.7)	(162.8)	
Cash interest	(92.0)	(109.6)	
Cash tax	(42.8)	(24.6)	
Free cash flow	470.3	349.0	35%



Inmarsat plc – net debt

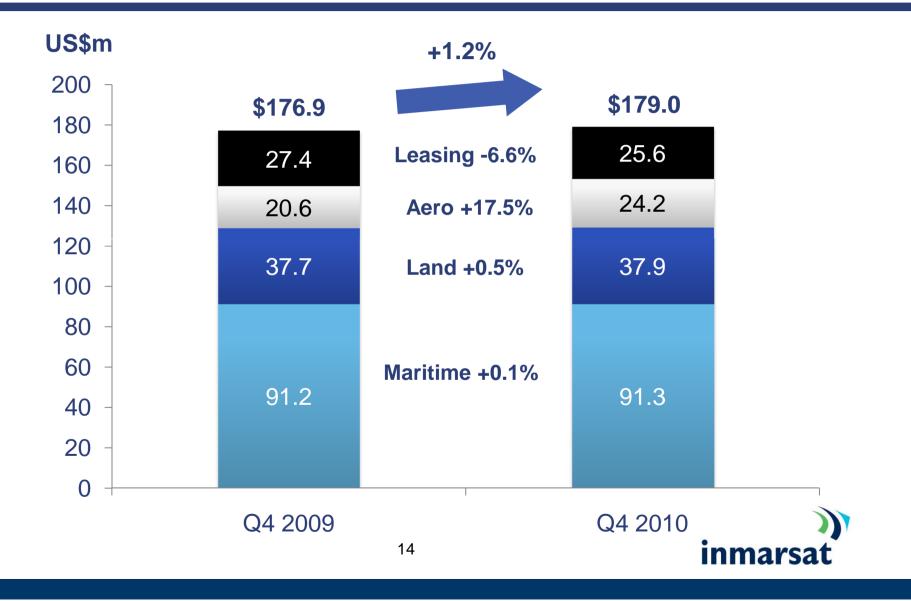


- \$644m of available liquidity through cash and bank facilities
- Legacy Stratos debt refinanced in 2010
- New 8-year EIB Facility fully drawn
- New US Ex-Im Bank financing progressing

Group leverage: Net Debt / EBITDA=1.6x



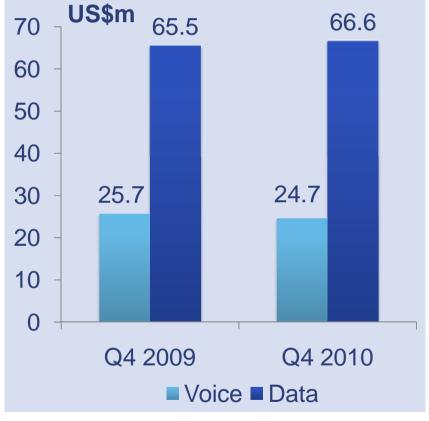
Inmarsat Global Ltd - Q4 MSS revenue



Maritime sector



- Over 10,000 FleetBroadband terminals added in 2010
- Data growth constrained by speed of FleetBroadband take up as traffic re-priced to lower tariffs
- Voice usage impacted by email substitution and increased competition
- Some increasing competition from VSAT as industry reacts to Global Xpress

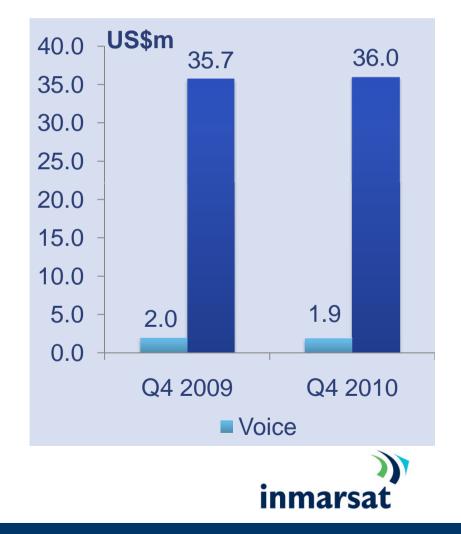




Land mobile sector



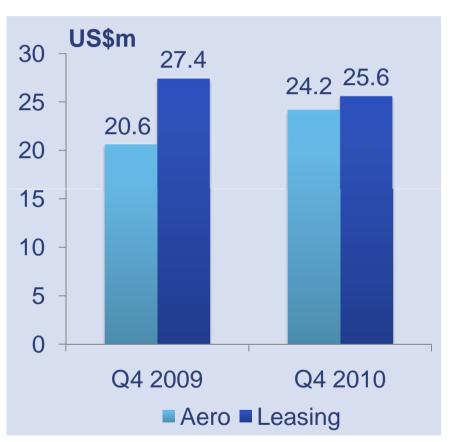
- BGAN up 6% year over year and up 3% sequentially
 - 1,738 terminals added in quarter
 - ARPU steady at \$200 per month
 - No identified event revenues
- Lower revenue levels from Afghanistan are being replaced with more BGAN organic growth
- Strong performance from telemetry services
- IsatPhone Pro not yet material to numbers



Aeronautical & Leasing



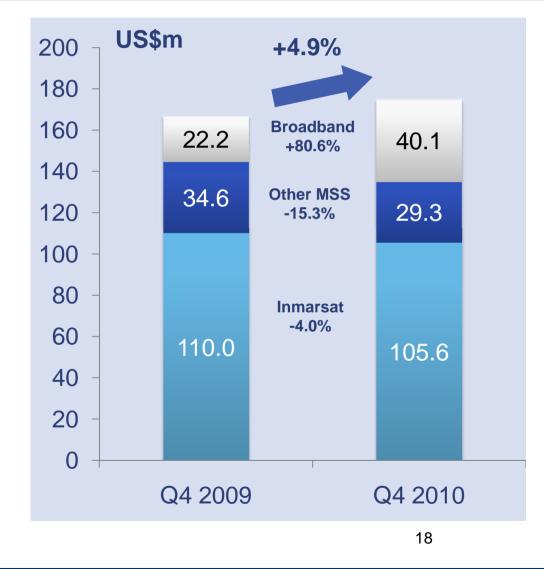
- Aero revenue up 17.5%
- SwiftBroadband terminal sales strong, our leading aero service
- Lower cost SwiftBroadband 200 developed/launched
- Government aero usage levels down, suppressed by lower regional activity and emerging budgetary constraints
- Leasing revenue impacted by anticipated end of an aeronautical lease and reduced maritime lease
- Leasing pipeline positive







Stratos – Q4 results



- Inmarsat MSS revenues impacted by:
 - Pricing pressure in distribution channel
 - Factors consistent with Inmarsat Global Q4
- Other MSS reduced by lower traffic from other networks
- Growth in Broadband driven by new contribution from Segovia
- Broadband contract disposals affects comparability



Inmarsat plc – financial summary







Strategy and operations review

Andrew Sukawaty Chairman & Chief Executive Officer



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2011 priorities – a key year ahead

- Core MSS market initiatives to improve growth rate and continue market leadership
- Develop market proposition for IsatPhone Pro and build on early positive market feedback
- Contract planned capital investments and assemble full team to deliver Global Xpress on budget
- Implement LightSquared Cooperation Agreement to capture new value for shareholders



MSS maritime initiatives



- Consolidate on FleetBroadband's leading market position
 - New pricing plans to ensure attractiveness relative to VSAT plans
 - Inmarsat-B to FleetBroadband migration promotions to lock-in shipping fleets considering upgrades
 - Communicate future service proposition of integrated Ka and Lband capability
 - Ka-band awareness retains customers
- Respond to voice market changes
 - Develop crew services around data applications to reduce appeal of voice alternatives
 - Develop multi-channel voice capability to improve positioning relative to low-end voice alternatives



MSS land initiatives



- BGAN is growing well, but fluctuates with government user activity
 - Introduce geographic pricing to change value proposition in markets where opportunity large, but existing usage low
 - Penetrate next tier of media and news gathering organisations
- Satellite Low Data Rate
 - New product launches, next stage of SkyWave collaboration
 - BGAN M2M service
- IsatPhone Pro multiple market strategies



IsatPhone Pro

- Strong positive market reaction to service launch
- Retail handset price from \$499, well below competitive offerings
- A number of pricing packages launched
- Strong initial orders and good manufacturing performance, despite global component shortages in early phase
- Not material in 2010, a gradual build ahead
- Migration promotions, service enhancements
- Comfortable with market share objectives





MSS aeronautical initiatives



- SwiftBroadband now our leading aeronautical product and strong new terminal activations are continuing
- SwiftBroadband 200 available to target untapped market opportunity in small business jets
- In-flight passenger connectivity remains at an early stage of roll-out but retains significant longer term potential
 - Continue to support distribution in new commercial service launches and trials
 - Articulate Ka-band capability to keep strong hold on market opportunity as it develops



The impact of LightSquared



- Phase 1 and Phase 2 now triggered
- Significant new revenue and profitability ahead
- Cash inflows well ahead of accounting revenue recognition and cash costs
- Confident on managing interference and customer impact
- Downside protected

Cash payments received to date: Phase 1 = \$192.5mPhase 2 = \$20.1mTotal = \$212.6mRevenue recognised to date: Total = \$17.5m



Inmarsat-5 - Global Xpress



- Satellite manufacture underway
- iDirect selected for ground network and core module
- Sea Tel selected for terminal development
- Key personnel appointments
- On track for commercial service in 2013, global service by end 2014
- Strong market interest in service capability and distribution opportunities



Summary

- Another strong year completed, 5-year targets outperformed at revenue and EBITDA
- Retain 5-7% medium term average growth rate target
- New growth opportunities becoming reality, IsatPhone Pro and LightSquared Cooperation Agreement
- Commitment to Global Xpress for incremental market opportunities
- Multiple paths to further growth remain
- Committed dividend growth





Questions & Answers

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