



Press release

Inmarsat plc Interim Management Statement

London, UK: 9 May 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 31 March 2012.

Inmarsat plc - Highlights

- Total revenue \$355m up 10% (2011: \$324m)
- Wholesale maritime revenues up 7%
- Over 2,000 FleetBroadband terminals added in Q1
- Over 55,000 IsatPhone Pro subscribers at end of Q1
- Agreement with LightSquared, resulting in \$56m payment in April
- Honeywell to develop Global Xpress in-flight passenger services
- First XpressLink dealers appointed

Inmarsat Group Limited - First Quarter Highlights

- Total revenue \$237m up 6% (2011: \$223m)
- Inmarsat Global MSS revenue \$178m (2011: \$181m)
- Inmarsat Solutions revenue \$191m (2011: \$176m)
- Total EBITDA \$205m up 1% (2011: \$204m)
- MSS active terminals up 10%

Rupert Pearce, Inmarsat's Chief Executive Officer, said, "The results for the first quarter are in line with our expectations and give us confidence in our outlook. Strong subscriber growth of over 10% in the first quarter continues to underpin our expectations for improved results in 2012. In addition, we are encouraged by rapidly developing market interest in our XpressLink service and in the partnerships we are forming for our Global Xpress service."

Inmarsat plc

(US\$ in millions)	Three months ended 31 March		
	2012	2011	Increase
Inmarsat Global	236.9	222.8	6.3%
Inmarsat Solutions	190.8	176.1	8.3%
	427.7	398.9	7.2%
Intercompany eliminations and adjustments	(72.9)	(75.0)	
Total revenue	354.8	323.9	9.5%

Inmarsat Global

(US\$ in millions)	Three months ended		Increase/ (decrease)
	31 March		
	2012	2011	
Maritime voice services	21.4	24.0	(10.8%)
Maritime data services	74.0	65.0	13.8%
Total maritime sector	95.4	89.0	7.2%
Land mobile voice services	2.6	1.5	73.3%
Land mobile data services	30.6	38.9	(21.3%)
Total land mobile sector	33.2	40.4	(17.8%)
Aviation	24.0	23.8	0.8%
Leasing	25.4	27.4	(7.3%)
Total mobile satellite services	178.0	180.6	(1.4%)
Other income	58.9	42.2	39.6%
Total revenue	236.9	222.8	6.3%

Growth in our maritime data revenue resulted primarily from the impact of pricing initiatives, in particular as a result of the elimination of volume discounts previously available for older services where we are encouraging customer migration to our FleetBroadband service. In addition, we added 2,010 FleetBroadband terminals during the quarter, showing that take up of this service remains strong. Although maritime voice revenue was down year over year, this is largely due to the impact of voice price reductions implemented in the second quarter of 2011. While economic conditions in shipping remain challenging, we remain comfortable with the customer usage trends we are seeing and have a positive outlook for our maritime business in 2012.

Interest in our XpressLink service also continues to build rapidly and we recently announced the appointment of a number of leading maritime communications specialists as dealers for this important new service. Some of these dealers have already concluded agreements with shipping companies to purchase XpressLink. XpressLink is a unique hybrid service combining FleetBroadband with Ku-band connectivity for a fixed monthly price. We believe XpressLink will gain meaningful market traction during 2012 and will contribute to revenue reported for our Inmarsat Solutions business.

In our land mobile sector, while our BGAN and IsatPhone Pro services continue to attract new customer revenue to our network, this growth has been more than offset by the on-going decline in revenue from government and military users in Afghanistan. Lower revenue from Afghanistan, in connection with reduced military activity, remains a material headwind to our overall rate of growth in 2012. We estimate that Afghanistan and events in North Africa and Japan in the first quarter of 2011 contributed \$9.5m more revenue year-over-year, compared to the first quarter 2012. While revenue from North Africa and Japan has now largely normalised, our annualised land mobile revenue from Afghanistan remains material, but is expected to decline further in the remainder of the year.

Our IsatPhone Pro service continues to see strong subscriber take up. At the end of the quarter we had over 55,000 IsatPhone Pro subscribers, putting us well on track to meet our market share targets measured by number of users. Although revenue from usage has been slower to develop, we are seeing steady increased usage from a larger base and this was a contributor to strong growth in our first quarter land voice revenue.

Aviation revenue growth for the first quarter was driven by the combination of strong growth in revenue from our SwiftBroadband service, offset by lower usage from Swift 64 mainly due to lower military and government usage in the quarter. The trends in our aviation business are encouraging, as SwiftBroadband is seeing rapid take up in commercial markets, including for supporting in-flight

passenger services. The take up of SwiftBroadband is expanding our customer base and reducing our dependence on government aviation business.

Leasing was in line with expectations for the first quarter, consistent with the outlook provided in March 2012. Growth in Other Income was primarily driven by revenue from LightSquared and also by increased equipment sales in relation to our IsatPhone Pro service.

Inmarsat Solutions

(US\$ in millions)	Three months ended		Increase/ (decrease)
	31 March		
	2012	2011	
Inmarsat MSS	94.9	108.3	(12.4%)
Broadband and other MSS	95.9	67.8	41.4%
Total revenue	190.8	176.1	8.3%

Growth in our Inmarsat Solutions division was primarily driven by recognition of new VSAT service revenues resulting from the acquisition of Ship Equip completed in April 2011, and by growth in our Inmarsat Government business unit, both primarily reported within Broadband and other MSS. 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. Inmarsat MSS revenue was also impacted by competition from other Inmarsat distributors.

Liquidity

At 31 March 2011, the Inmarsat plc group had net borrowings of \$1,345.1m, made up of cash and cash equivalents of \$286.5m and total borrowings of \$1,631.6m. Including cash and available but undrawn borrowing facilities, the group had total available liquidity of \$1,409.1m. On 4 April 2012, we issued a further \$200.0m in principal amount of our existing 7.375% Senior Notes due 2017. The proceeds of the offering are available for general corporate purposes and increase our liquidity. 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 31 March 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 Wednesday, 9 May at 14:00pm London time, (United States 09:00am DST). To access the call please dial +44 (0)20 7162 0025. The conference id for the call is 915852. The call will be recorded and available for one week after the event. To access the recording please dial +44 (0)20 7031 4064 and enter the access number 915852. 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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