Press Release

Inmarsat plc Reports 2009 Interim Results

London, UK: 6 August 2009. Inmarsat plc (LSE: ISAT), the leading provider of global mobile satellite communications services, today reported consolidated financial results for the 6 months ended 30 June 2009.

Inmarsat plc – 2009 Interim Highlights

- **Total revenue $508.7m up 4.9% (2008: $485.0m)**
- **EBITDA $289.9m up 10.0% (2008: $263.6m)**
- **Profit before tax $97.0m up 10.5% (2008: $87.8m)**
- **Interim dividend increased by 5.0% to 12.73 cents (US$) per share**
- **Strong maritime growth, revenue up 9.8%**
- **Free cash flow more than doubles to $143.6m**
- **Acquisition of Stratos Global completed**
- **New distribution terms implemented**

Q2 2009 Highlights

- **Q2 Inmarsat[1] revenue $173.2m up 5.8% (2008: $163.7m)**
- **Q2 Inmarsat MSS revenue $170.3m up 7.4% (2008: $158.6m)**
- **Q2 Inmarsat EBITDA $125.4m up 10.0% (2008: $114.0m)**

Andrew Sukawaty, Inmarsat's Chairman and Chief Executive Officer said, "Our results for the first half and second quarter show that we are on track for solid revenue growth in 2009. In particular, the continuing strong performance of our maritime business, driven by revenue from new services, shows that we are more than offsetting the impact of reduced shipping volumes and vessels not in use. Furthermore, our EBITDA growth and free cash flow remain strongly positive."

Inmarsat Global results

Our Inmarsat Global[2] business delivered growth in MSS revenue of 9.2% for the half

[1] Second quarter results for Inmarsat refer to the consolidated results for Inmarsat Holdings Limited for the 3 months ended 30 June 2009, also announced today.
[2] Where we refer to Inmarsat Global, we include Inmarsat plc and all its subsidiaries excluding Stratos Global Corporation.

year ended 30 June 2009. Maritime growth, adjusted for the impact of volume discounts, was up 9.8% for the first half and was driven by high usage levels across our Fleet, FleetBroadband and Inmarsat B services.

The land mobile sector saw BGAN revenue growth of 32% in the first half and 4,261 subscribers were added. Our land mobile sector revenue growth overall was 0.6% for the first half and was impacted by a number of factors, including the implementation of new pricing incentives which are expected to encourage new demand in the future.

Our aeronautical and leasing sectors continued to see strong revenue growth, being up 25% and 30% respectively in the first half. Net operating costs for Inmarsat Global were down 1.3%, contributing to growth in EBITDA of 12.0%.

Growth in active terminals in the first half of 2009 was 7.3%. The rate at which Inmarsat Global added new active terminals in key services, such as BGAN, Fleet and FleetBroadband, remained consistent throughout the first half of 2009.

Stratos results

Our Stratos business delivered revenue growth of 2.5% for the half year ended 30 June 2009. Stratos' results saw first half MSS revenue growth of 6.2%, offset by lower Broadband revenues. While MSS revenue grew sequentially from the first to second quarter, second quarter[3] revenue was marginally weaker year over year, when compared to a particularly strong second quarter in 2008. Operating costs for the Stratos business were up 2.0% in the first half, contributing to growth in EBITDA of 5.5%.

Liquidity

Our liquidity position remains strong and we are well positioned to meet our funding needs. At 30 June 2009, the Group had net borrowings of $1,414.1m, made up of cash of $173.1m and total borrowings of $1,587.2m. Taking into consideration our cash resources and available but undrawn borrowing facilities of $185.0m, the group had total available liquidity of $358.1m at 30 June 2009. On 16 July we announced that Inmarsat Global had signed a new $500.0m forward starting senior credit facility. The new facility will mature in May 2012 and is available to replace Inmarsat's existing senior facility which matures in May 2010.

Outlook

We continue to see positive trading conditions in our key MSS markets. Importantly, our maritime sector results have maintained healthy growth despite the demand and capacity factors impacting the global shipping industry. A high proportion of our revenue comes from government customers and, in addition, our commercial users tend to have a high

[3] Second quarter results for Stratos refer to the consolidated results for Stratos Global Corporation, announced on 5 August 2009.

degree of day-to-day reliance on our services. As a result of these factors, we are on track for solid revenue growth and a positive overall performance for the Group in 2009.

Other Information

Inmarsat management will host a conference call on Thursday, 6 August at 2:00pm London time (United States 9:00am EST). To access the call, please dial +44 (0)20 7162 0025 and enter the access code 841882. A recording of the call will be available for one week after the event. To access the recording please dial +44 (0)20 7031 4064 and enter the access code 841882. The call will also be available by webcast accessible via the investor relations section of our website.

Our Financial Reports

Inmarsat Holdings Limited, Inmarsat Group Limited, and Stratos Global Corporation are required by the terms of their outstanding debt securities to report quarterly financial results. Inmarsat plc is the ultimate parent company of the Group.

A copy of the interim financial results for Inmarsat plc for the 6 months ended 30 June 2009 is incorporated into this press release and is also available from our website. Copies of the financial reports for Inmarsat Holdings Limited, Inmarsat Group Limited and Stratos Global Corporation for the three and six months ended 30 June 2009 can be accessed via the investor relations section of our website.

Forward-looking Statements

Certain statements in this announcement constitute “forward-looking statements” within the meaning of the U.S. 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 of 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.

Contact:
Inmarsat, London, UK

Investor Enquiries
Simon Ailes, +44 20 7728 1518
simon_ailes@inmarsat.com

Media Enquiries
Christopher McLaughlin, +44 20 7728 1015
christopher_mclaughlin@inmarsat.com

INMARSAT PLC

CONDENSED CONSOLIDATED INTERIM FINANCIAL RESULTS
For the half year ended 30 June 2009
(unaudited)

Forward-Looking Statements

This document contains forward-looking statements. These forward-looking statements include all matters that are not historical facts. Statements containing the words "believe", "expect", "intend", "may", "estimate" or, in each case, their negative and words of similar meaning are forward-looking.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that the Group's actual financial condition, results of operations and cash flows, and the development of the industry in which we operate, may differ materially from those made in or suggested by the forward-looking statements contained in this document. In addition, even if the Group's financial condition, results of operations and cash flows, and the development of the industry in which we operate are consistent with the forward-looking statements in this document, those results or developments may not be indicative of results or developments in subsequent periods. Important facts that could cause the Group's actual results of operations, financial condition or cash flows, or the development of the industry in which we operate, to differ from current expectations include those risk factors disclosed in the Group's Form 20-F Annual Report for Inmarsat Holdings Limited for the year ended 31 December 2008 as filed with the Securities and Exchange Commission ("SEC") on 29 April 2009 and in our subsidiary, Stratos Global Corporation's Management Discussion and Analysis of Financial Condition and Results of Operations for the year ended 31 December 2008, which can be located at www.stratosglobal.com.

As a consequence, the Group's future financial condition, results of operations and cash flows, as well as the development of the industry in which we operate, may differ from those expressed in any forward-looking statements made by us or on the Group's behalf.

Non-GAAP Measures

We use a number of non-GAAP measures in addition to GAAP measures in order to provide readers with a better understanding of the underlying performance of our business, and to improve comparability of our results for the periods concerned. Where such non-GAAP measures are given, this is clearly indicated and the comparable GAAP measure is also given.

<u>Net Borrowings</u>

Net Borrowings is defined as total borrowings less cash at bank and in hand less short-term deposits with an original maturity of less than three months. We use Net Borrowings as a part of our internal debt analysis. We believe that Net Borrowings is a useful measure as it indicates the level of borrowings after taking account of the financial assets within our business that could be utilised to pay down the outstanding borrowings. In addition the Net Borrowings balance provides an indication of the Net Borrowings on which we are required to pay interest.

<u>Free cash flow</u>

We define free cash flow ("FCF") as net cash generated from operating activities less capital expenditure, capitalised operating costs, net interest and cash tax payments. Other companies may define FCF differently and, as a result, our measure of FCF may not be directly comparable to the FCF of other companies.

FCF is a supplemental measure of our performance and liquidity under International Financial Reporting Standards ("IFRS") that is not required by, or presented in accordance with IFRS. Furthermore, FCF is not a measurement of our performance or liquidity under IFRS and should not be considered as an alternative to net income and operating income as a measure of our performance and net cash generated from operating activities as a measure of our liquidity, or any other performance measures derived in accordance with IFRS.

We believe FCF is an important financial measure for use in evaluating our financial performance and liquidity, which measures our ability to generate additional cash from our *business operations. We believe it is important to view FCF as a measure that provides supplemental information to our entire statement of cash flows.*

EBITDA

We define EBITDA as profit before interest, taxation, depreciation and amortisation, share of results of associates and the goodwill adjustment. Other companies may define EBITDA differently and, as a result, our measure of EBITDA may not be directly comparable to the EBITDA of other companies.

EBITDA and the related ratios are supplemental measures of our performance and liquidity under IFRS that are not required by, or presented in accordance with IFRS. Furthermore, EBITDA is not a measurement of our financial performance under IFRS and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with IFRS.

We believe EBITDA among other measures facilitates operating performance comparisons from period to period and management decision making. It also facilitates operating performance comparisons from company to company. EBITDA eliminates potential differences caused by variations in capital structures (affecting interest expense), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses) and the age and book depreciation and amortisation of tangible and intangible assets (affecting relative depreciation and amortisation expense). We also present EBITDA because we believe it is frequently used by securities analysts, investors and other interested parties in evaluating similar issuers, the vast majority of which present EBITDA when reporting their results.

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Responsibility Statement

The Directors confirm to the best of their knowledge that:

(a) The condensed set of unaudited financial statements has been prepared in accordance with IAS 34, 'Interim Financial Reporting';

(b) The interim management report includes a fair review of the information required by Disclosure and Transparency Rule ("DTR") 4.2.7R, being an indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year; and

(c) The interim management report includes a fair review of the information required by DTR 4.2.8R, being the disclosure of related parties' transactions and changes therein.

The Directors of Inmarsat plc are listed on our website at www.inmarsat.com.

By order of the Board,

Andrew Sukawaty
Chairman and Chief Executive Officer
6 August 2009

Rick Medlock
Chief Financial Officer
6 August 2009

Interim Management Report

The following is a discussion of the unaudited consolidated results of operations and financial condition of Inmarsat plc ("the Company" or together with its subsidiaries, "the Group") for the half year ended 30 June 2009. You should read the following discussion together with the whole of this document including the historical consolidated financial results and the notes. The consolidated financial results were prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and IFRS as issued by the International Accounting Standards Board.

Overview

Inmarsat is the leading provider of global mobile satellite communications services ("MSS"), providing data and voice connectivity to end-users worldwide. Inmarsat has 30 years of experience in designing, launching and operating its satellite-based network. With a fleet of eleven owned and operated geostationary satellites, the Group provides a comprehensive portfolio of global mobile satellite communications services for use on land, at sea and in the air. These include voice and broadband data services, which support safety communications, as well as standard office applications such as email, internet, secure VPN access and videoconferencing. Our wholly-owned subsidiary, Stratos Global Corporation ("Stratos"), offers a broad portfolio of remote telecommunications solutions to end-user customers, offering services over the mobile and fixed satellite systems of a number of the leading global and regional satellite system operators, predominantly Inmarsat, and through their owned and operated microwave and satellite telecommunications facilities. Stratos also provides customised turnkey remote telecommunications solutions, value-added services, equipment and engineering services.

The Group's revenues for the half year ended 30 June 2009 were US$508.7m (2008: US$485.0m), operating profit was US$165.2m (2008: US$156.3m) and EBITDA was US$289.9m (2008: US$263.6m).

The results of the Group's operations are reported in US Dollars as the majority of our revenues and borrowings are denominated in US Dollars.

Acquisition of Stratos

On 15 April 2009, Inmarsat plc announced that a direct wholly-owned subsidiary, Inmarsat Finance III Limited ("Finance III"), had completed the indirect acquisition of Stratos by exercising its option to acquire the entire share capital of CIP UK Holdings Limited ("CIP UK"). The acquisition was previously funded in December 2007 and no additional financing was required to complete the transaction in April 2009.

As a result, Stratos became an indirect wholly-owned subsidiary of Inmarsat plc. Stratos' operations will continue to be managed by the existing Stratos management team, reporting directly to Inmarsat plc at a corporate level. Inmarsat has implemented a channel management policy with the intent of promoting fair competition between its direct and indirect distribution channel. Inmarsat remains committed to a primarily indirect distribution model through our existing channels to market.

Although we completed the acquisition of CIP UK and therefore Stratos on 15 April 2009, we have been consolidating the results of CIP UK from 11 December 2007, the date on which we acquired the option over the entire share capital of CIP UK. While we did not hold an equity interest in, nor have any control over the financial and operating policies of, nor any entitlement to receive dividends from CIP UK, under IFRS (more specifically Standing Interpretations Committee ('SIC') 12 Consolidation – Special Purpose Entities ('SPE')) the Group was required to consolidate the financial results of CIP UK, as it met the SIC12/IAS 27 definition of a SPE given that the Group was deemed to bear the risks and economic benefits of CIP UK.

New US$500.0m Senior Credit Facility

On 16 July 2009, we signed a new US$500.0m forward starting senior credit facility. The new facility will mature in May 2012 and will replace Inmarsat's existing senior credit facility which matures in May 2010. The company may elect to draw the new facility at any time up to May 2010 and the existing senior credit facility will be repaid and cancelled at that time. The new facility was provided to Inmarsat by a group of 12 banks and comprises a US$200.0m term loan and US$300.0m revolving credit facility.

New distribution agreements

On 15 April 2009, we commenced trading under our new distribution agreements which we have entered into with all of our distribution partners. These agreements cover our existing services distributed through our network of Land Earth Station Operators, our broadband and Satellite Phone Service ("SPS") family of services as well as future services that Inmarsat may elect to offer via its network to distribution partners.

While there are similarities between the new distribution agreements and the old distribution agreements, there are also substantial differences including among others:

- greater flexibility for Inmarsat to amend wholesale pricing and other contractual terms after an appropriate notice period;
- reduced volume discounts over time;
- fewer restrictions on our ability to appoint new distribution partners;
- the ability for Inmarsat to own and operate Land Earth Stations for our existing and evolved services;
- the ability for Inmarsat to contract directly with end-users; and
- shorter payment terms over time.

SkyWave Mobile Communications

On 1 July 2009, Inmarsat plc completed its previously announced strategic investment, long-term global distribution agreement and new product development agreement with SkyWave Mobile Communications ("SkyWave"). Inmarsat has acquired a stake of 19% in the privately held SkyWave for a cash consideration of US$10.0m and a deferred consideration of US$11.5m consisting of deferred airtime credits.

Concurrent with this investment, SkyWave has acquired assets relating to the GlobalWave satellite low data rate ("SLDR") products and services business from its parent company, TransCore, a US-based logistics operator for the transportation industry. SkyWave has entered into a sales distribution relationship with TransCore focusing on the North American trucking and rail segments of the SLDR market.

In addition, Inmarsat Global Limited, a subsidiary of the Company, and SkyWave have entered into a distribution agreement for the global supply of satellite capacity to SkyWave. The agreements also provide for a fully funded development programme by SkyWave for new products and services designed to work over the Inmarsat system.

Inmarsat satellite constellation

On 7 January 2009, the third Inmarsat-4 satellite began commercial service with the transfer of all BGAN, FleetBroadband and SwiftBroadband traffic from another Inmarsat-4 satellite. In addition, the repositioning of our satellites was completed in February 2009, giving us full global coverage for our broadband services – BGAN, FleetBroadband and SwiftBroadband – at the same time as optimising data connectivity across our worldwide network.

On 20 May 2009, we announced that we had signed a contract with Arianespace for the launch of the Alphasat I-XL satellite. The satellite is currently under construction by Astrium and is planned for launch in 2012 using an Ariane 5 ECA launch vehicle.

S-band spectrum award

On 14 May 2009, we confirmed that we had been selected by the European Commission ("EC") to operate a MSS system in Europe under the co-ordinated European S-Band Application Process. As a result of the process, we received an award for operations using 30MHz (2x15MHz) of S-band radio spectrum.

Inmarsat's S-band satellite programme, known as EuropaSat, aims to deliver next-generation telecommunications services across all 27 member states of the European Union. These new services are expected to include mobile multimedia broadcast, mobile broadband and next-generation MSS services for consumers, enterprise and institutional users throughout Europe, including those in remote and rural areas.

Inmarsat services

In January 2009, Inmarsat and EMS Technologies Canada Limited mutually agreed to terminate a development contract for our Global Satellite Phone Service ("GSPS"). Inmarsat remains fully committed to launching a global handheld satellite phone service and has appointed Sasken Communications Technologies Limited to lead the programme, as well as making a number of decisions to increase the development effort and ensure that a compelling service offering is available at the earliest opportunity. As a result of this re-organisation of the development effort, Inmarsat believes the introduction of the GSPS will be in the second quarter of 2010. It is not expected that this change will lead to any material increase in the overall cost of the programme.

On 16 June 2009, we launched BGAN X-Stream in the Asia Pacific region, completing the global coverage for the new service, which provides enhanced data streaming capability for BGAN users. This new BGAN service offers customers at least a 50% increase on the previous highest bit-rate streaming capabilities. BGAN X-Stream guarantees streaming data rates at a minimum of 384kbps, and can deliver up to 450kbps in certain circumstances. BGAN X-Stream is designed to meet the requirements of a wide base of customers and is expected to appeal particularly to media and government users.

On 1 July 2009, we confirmed that our new FleetBroadband 150 ("FB150") service was live and passing commercial voice and data traffic on our network. The FB150 service was introduced to target and expand the addressable market of small vessels, offering voice connection of landline quality, accessible simultaneously with an internet connection (IP) of up to 150kbps and simple-to-use SMS. The first manufacturers of FB150 terminals are Thrane & Thrane and AddValue. Global roll-out of the FB150 service by our FleetBroadband distribution partners is under way and the service has received very positive market feedback.

New Director appointed

On 5 May 2009, we appointed Janice Obuchowski as an additional Non-Executive Director to our Board and as a member of the Audit Committee. Mrs Obuchowski has held several senior positions, both in the US government and in the private sector. She served as Head of Delegation and as the US Ambassador to the World Radiocommunications Conference 2003 and was Assistant Secretary for Communications and Information at the Department of Commerce leading the National Telecommunications and Information Administration under President George H W Bush. Earlier in her career she held several positions at the Federal Communications Commission, including Senior Advisor to the Chairman. She is President and founder of Freedom Technologies, Inc. and is currently on the public company boards of Orbital Sciences Corporation and CSG Systems, Inc where she has responsibility for chairing committees for both those companies. She has had other public company experience with Qualcomm and Stratos.

Dividends

A final dividend of 18.20 cents (US Dollars) per ordinary share (total dividend US$83.4m) for the 2008 financial year as recommended by the Directors was approved at the Annual General Meeting and paid to shareholders on 29 May 2009.

The Board intends to declare and pay an interim dividend for the 2009 financial year of 12.73 cents (US Dollars) per ordinary share on 30 October 2009 to ordinary shareholders on the Register at the close of business on 2 October 2009. Dividend payments will be made in Pounds Sterling based on the exchange rate prevailing in the London market four business days prior to payment. This dividend has not been recognised as a liability for the half year ended 30 June 2009.

Total Group Results

The results reported reflect the consolidated results of operations and financial condition of Inmarsat plc for the half year ended 30 June 2009. Where we refer to Inmarsat Global we include Inmarsat plc and all of its subsidiaries excluding Stratos.

The Group's revenues for the half year ended 30 June 2009 were US$508.7m (2008: US$485.0m), operating profit was US$165.2m (2008: US$156.3m) and EBITDA was US$289.9m (2008: US$263.6m). The table below sets out the results of the Group for the periods indicated:

(US$ in millions)	2009 Half year (unaudited)	2008 Half year (unaudited)	Increase/ (decrease)
Revenue	**508.7**	**485.0**	4.9%
Employee benefit costs	(94.3)	(95.6)	(1.4%)
Network and satellite operations costs	(96.4)	(92.5)	4.2%
Other operating costs	(39.2)	(44.5)	(11.9%)
Work performed by the Group and capitalised	11.1	11.2	(0.9%)
EBITDA	**289.9**	**263.6**	**10.0%**
Depreciation and amortisation	(116.5)	(107.8)	8.1%
Gain on disposal of assets	1.5	–	–
Share of results of associates	0.4	0.5	(20.0%)
Goodwill adjustment	(10.1)	–	–
Operating profit	**165.2**	**156.3**	**5.7%**
Interest receivable and similar income	0.8	1.5	(46.7%)
Interest payable and similar charges	(69.0)	(70.0)	(1.4%)
Net interest payable	(68.2)	(68.5)	(0.4%)
Profit before income tax	**97.0**	**87.8**	**10.5%**
Income tax expense	(23.1)	(28.9)	(20.1%)
Profit for the period	**73.9**	**58.9**	**25.5%**

Revenues

Total Group revenues for the half year ended 30 June 2009 were US$508.7m, an increase of US$23.7m, or 4.9%, compared with the half year ended 30 June 2008. The table below sets out the components of the Group's total revenue for each of the periods indicated:

(US$ in millions)	2009 Half year (unaudited)	2008 Half year (unaudited)	Increase/ (decrease)
Inmarsat Global	336.6	311.6	8.0%
Stratos	317.2	309.5	2.5%
	653.8	621.1	5.3%
Intercompany eliminations and adjustments	(145.1)	(136.1)	
Total revenue	**508.7**	**485.0**	**4.9%**

For the half year ended 30 June 2009, Stratos' share of Inmarsat Global's MSS revenues was 40.5%, compared to 41.8% for the half year ended 30 June 2008.

Net operating costs

Total Group net operating costs in the half year ended 30 June 2009 were US$218.8m, a decrease of US$2.6m, or 1.2%, compared with the half year ended 30 June 2008. The table below sets out the components of the Group's net operating costs for each of the periods indicated:

(US$ in millions)	**2009 Half year (unaudited)**	**2008 Half year (unaudited)**	**Increase/ (decrease)**
Inmarsat Global	92.7	93.9	(1.3%)
Stratos	269.0	263.8	2.0%
	361.7	357.7	1.1%
Intercompany eliminations and adjustments	(142.9)	(136.3)	
Total net operating costs	**218.8**	**221.4**	**(1.2%)**

EBITDA

Group EBITDA for the half year ended 30 June 2009 was US$289.9m, an increase of US$26.3m, or 10.0%, compared with the half year ended 30 June 2008. EBITDA margin has increased to 57% for the half year ended 30 June 2009 compared with 54% for the half year ended 30 June 2008, primarily as a result of increased revenues.

Set forth below is a reconciliation of profit for the period to EBITDA for each of the periods indicated:

(US$ in millions)	**2009 Half year (unaudited)**	**2008 Half year (unaudited)**	**Increase/ (decrease)**
Profit for the period	73.9	58.9	25.5%
Add back:			
Income tax expense	23.1	28.9	(20.1%)
Net interest payable	68.2	68.5	(0.4%)
Depreciation and amortisation	116.5	107.8	8.1%
Share of results of associates	(0.4)	(0.5)	(20.0%)
Gain on disposal of fixed assets	(1.5)	–	–
Goodwill adjustment	10.1	–	–
EBITDA	**289.9**	**263.6**	**10.0%**
EBITDA margin %	***57.0%***	***54.4%***	

Depreciation and amortisation

During the half year ended 30 June 2009, depreciation and amortisation was US$116.5m, an increase of US$8.7m, or 8.1%, compared with the half year ended 30 June 2008. The increase is predominantly due to depreciation on the third Inmarsat-4 satellite and Inmarsat's third Satellite Access Station ("SAS") in Hawaii, following the commencement of commercial service in January 2009 and additional depreciation on additions to tangible fixed assets in Stratos.

Gain on disposal of assets

During the half year ended 30 June 2009, we recorded a US$1.5m gain on the disposal of certain Stratos assets, compared to US$nil in the half year ended 30 June 2008. The gain arose primarily from the transfer of certain of Stratos' internally generated intangible assets to an associate, during the period.

Share of results of associates

During the half year ended 30 June 2009, we recorded US$0.4m share of results of associates, compared to US$0.5m in the half year ended 30 June 2008. The share of results of associates arose from equity accounted investments held by Stratos.

Goodwill adjustment

During the half year ended 30 June 2009, we recorded a US$10.1m adjustment to the carrying amount of goodwill following the recognition of a deferred tax asset relating to unutilised capital allowances arising in Stratos' UK entities. Whilst these unutilised capital allowances were acquired as part of the acquisition of Stratos, in line with IFRS 3 'Business Combinations (2004)', they were not recognised as an identifiable asset in determining goodwill that resulted from the purchase of Stratos. We now believe that the Group will be able to utilise these capital allowances in offsetting future taxable profits of the Groups' UK entities and have therefore accounted for the benefit as an adjustment to goodwill in line with IAS 12, 'Income Taxes'.

Operating profit

As a result of the factors discussed above, operating profit during the half year ended 30 June 2009 was US$165.2m, an increase of US$8.9m, or 5.7%, compared with the half year ended 30 June 2008.

Interest

Net interest payable for the half year ended 30 June 2009 was US$68.2m, a decrease of US$0.3m compared with the half year ended 30 June 2008.

Interest payable for the half year ended 30 June 2009 was US$69.0m, a decrease of US$1.0m compared with the half year ended 30 June 2008. The decrease can be attributed to lower interest payable following the purchase of US$55.1m of Inmarsat Global's Senior Notes in March 2008, the purchase of US$60.7m of Stratos' Senior Unsecured Notes since February 2008 (US$10.5m in the half year ended 30 June 2008, US$47.2m in the half year ended 31 December 2008 and US$3.0m in the half year ended 30 June 2009) and lower interest payable on the floating portion of both Inmarsat Global's and Stratos' Senior Credit Facilities as a result of the reduction of LIBOR and a margin rate reduction for Stratos' Senior Credit Facility. The margin rate reduction resulted from Stratos' improved leverage ratio and was effective from 30 June 2008.

Furthermore, interest payable in the half year ended 30 June 2009 reflects a credit of US$1.6m, following the application of IAS 23 (as revised), 'Borrowing Costs' from 1 January 2008. Borrowing costs attributable to the construction of assets which take a substantial period of time to get ready for intended use ("qualifying assets") will be capitalised and added to the cost of those assets. Although we applied IAS 23 (as revised) from 1 January 2008, we did not capitalise any interest in the half year ended 30 June 2008.

Partially offsetting the above decreases has been an increase in interest charged on Inmarsat Global's Senior Discount Notes, following the Senior Discount Notes reaching their fully accreted amount in November 2008 and an increase in interest incurred on interest rate swaps in place during the half year ended 30 June 2009. In addition, we recorded an unrealised foreign exchange loss on Inmarsat Global's pension and post-retirement scheme liabilities in the half year ended 30 June 2009.

Interest receivable for the half year ended 30 June 2009 was US$0.8m, a decrease of US$0.7m, or 47%, compared with the half year ended 30 June 2008. The decrease primarily relates to lower interest receivable on surplus cash following the reduction in interest rates.

Profit before tax

For the half year ended 30 June 2009, profit before tax was US$97.0m, an increase of US$9.2m, or 10.5% compared with the half year ended 30 June 2008. The increase is due to increased revenue, decreased operating costs and is partially offset by an increase in depreciation and amortisation, interest payable and an adjustment to goodwill.

Income tax expense

The tax charge for the half year ended 30 June 2009 was US$23.1m, compared with US$28.9m for the half year ended 30 June 2008. The decrease in the tax charge is largely driven by a tax credit of US$10.1m arising from the recognition of a deferred tax asset relating to unutilised capital allowances in Stratos' UK entities. As discussed, these unutilised allowances were not recognised as separate identifiable assets as part of the accounting for the purchase of Stratos. We believe that the Group will be able to utilise these capital allowances in offsetting future taxable profits of the Groups' UK entities. Furthermore, the decrease in the tax charge can be attributed to a reduction in permanently disallowable expenditure, the reversal of a previously held deferred tax liability and the reduction in the projected UK Corporation Tax rate from 28.5% to 28%. This decrease was partially offset by the increase in taxable profits for the half year ended 30 June 2009. As a result the effective tax rate decreased from 32.9% for the half year ended 30 June 2008 to 23.8% for the half year ended 30 June 2009.

Profit for the period

As a result of the factors discussed above, profit for the half year ended 30 June 2009 was US$73.9m, an increase of US$15.0m, or 25%, compared with the half year ended 30 June 2008.

Earnings per share

For the half year ended 30 June 2009, basic and diluted earnings per share for profit attributable to the equity holders of the Company were 16 cents (US$) and 17 cents (US$) respectively, compared with 13 cents (US$) and 14 cents (US$) respectively for the half year ended 30 June 2008.

Inmarsat Global Results

Revenue

During the half year ended 30 June 2009, revenues from Inmarsat Global were US$336.6m, an increase of US$25.0m, or 8.0%, compared with the half year ended 30 June 2008. Growth has been driven by services such as BGAN, Swift 64, Fleet and FleetBroadband, as well as from new leasing business.

The table below sets out the components of Inmarsat Global's revenue for each of the periods indicated:

(US$ in millions)	2009 Half year (unaudited)	2008 Half year (unaudited)	Increase/ (decrease)
Revenues			
Maritime sector:			
Voice services	53.1	52.7	0.8%
Data services	123.6	115.3	7.2%
Total maritime sector	**176.7**	**168.0**	**5.2%**
Land mobile sector:			
Voice services	4.7	5.9	(20.3%)
Data services	65.3	63.7	2.5%
Total land mobile sector	**70.0**	**69.6**	**0.6%**
Aeronautical sector	35.5	28.3	25.4%
Leasing	49.4	37.9	30.3%
Total MSS revenue	**331.6**	**303.8**	**9.2%**
Other income	5.0	7.8	(35.9%)
Total revenue	**336.6**	**311.6**	**8.0%**

Total active terminal numbers as at 30 June 2009 were 252,700, an increase of 17,300, or 7.3%, compared with 30 June 2008. There was growth in both the maritime and aeronautical sectors, partially offset by a reduction in the land mobile sector. Maritime active terminals were up 12.5% period over period, which included 29% growth in our base of active Fleet and FleetBroadband terminals. The increase in the number of maritime active terminals is also driven by sales of Inmarsat-C terminals, which are often installed for regulatory compliance reasons, but generate low levels of traffic and revenue. In the land mobile sector, the number of active terminals reflects increased numbers of BGAN subscribers, partially offset by reductions in older services, including GAN and Mini M, plus the discontinuation of the R-BGAN service as at 31 December 2008 (there were 6,000 active R-BGAN terminals at 30 June 2008 and nil at 30 June 2009). In the aeronautical sector, we have seen continued growth in Swift 64 (high-speed data) and 'Classic' aero (low-speed data) with increased active terminal numbers.

The table below sets out the active terminals by sector for each of the periods indicated:

(000's)	As at 30 June 2009	2008	Increase/ (decrease) %
Active terminals[1]			
Maritime	166.7	148.2	12.5%
Land mobile	75.5	77.6	(2.7%)
Aeronautical	10.5	9.6	9.4%
Total active terminals	**252.7**	**235.4**	**7.3%**

(1) Active terminals are the number of subscribers or terminals that have been used to access commercial services (except ACeS handheld terminals) at any time during the preceding twelve-month period and registered at 30 June. Active ACeS handheld terminals are the average number of terminals active on a daily basis during the period.

Total active terminals, excluding the discontinued R-BGAN service, as at 30 June 2008 were 229,400. Total active terminals as at 30 June 2009 were 252,700, an increase of 23,300 or 10.2%, compared with 30 June 2008 (excluding R-BGAN terminals).

Seasonality – Impact of volume discounts. The terms of the Volume Discount Scheme ("VDS") have changed following the signing of the new distribution agreements by Inmarsat Global's distribution partners. With effect from 1 May 2009, the VDS was changed, resulting in the implementation of a more even phasing of discounts during the year. Historically, volume discounts under the old VDS progressively increased over the course of the year, with lower discount levels in early quarters and higher discount levels in later quarters, as Inmarsat Global's distribution partners met specific thresholds. Volume discounts for the period 1 January 2009 to 30 April 2009 were based on the old VDS, condensed from a twelve-month period into a four-month period. Volume discounts for the period 1 May 2009 to 31 December 2009 are based on the new structure where discounts remain constant through the period.

During the half year ended 30 June 2009, volume discounts were US$29.6m, an increase of US$7.9m, or 36%, compared with the half year ended 30 June 2008. The shortened nature of the VDS in relation to the old distribution agreements resulted in higher discounts being recorded in the half year ended 30 June 2009 compared to the half year ended 30 June 2008. Furthermore, volume discounts have been impacted by growth in underlying revenue. However, for 2009 as a whole, Inmarsat Global expects total volume discounts to be lower than the total recorded for 2008.

Maritime Sector. During the half year ended 30 June 2009, revenues from the maritime sector were US$176.7m, an increase of US$8.7m, or 5.2%, compared with the half year ended 30 June 2008. Adjusted for the impact of volume discounts, the underlying growth in the maritime sector during the half year ended 30 June 2009 compared to the half year ended 30 June 2008 was 9.8%.

Revenues from data services in the maritime sector during the half year ended 30 June 2009 were US$123.6m, an increase of US$8.3m, or 7.2%, compared with the half year ended 30 June 2008. The increase in revenues from data services reflects greater demand, primarily as a result of the continued take-up and strong usage of our Fleet and FleetBroadband services, plus increased usage of our mature Inmarsat-B service due to increased government usage in the Indian Ocean region. Active Inmarsat-B terminal numbers continue to decline due to old ships being decommissioned and new ships being fitted with Fleet and FleetBroadband terminals. There was a decrease in revenues from Inmarsat-C, where the increase in terminal numbers for regulatory compliance is not translated into revenue growth, and Mini M, where there is a long term decline in demand for fax services.

Revenues from voice services in the maritime sector during the half year ended 30 June 2009 were US$53.1m, an increase of US$0.4m, or 0.8% compared with the half year ended 30 June 2008. Growth in demand for voice services among users of our Fleet and FleetBroadband services was partially offset by a decline in our Mini M service due to competition, as well as a decline in our mature Inmarsat-B service.

Land Mobile Sector. During the half year ended 30 June 2009, revenues from the land mobile sector were US$70.0m, an increase of US$0.4m, or 0.6%, compared with the half year ended 30 June 2008. During the half year ended 30 June 2009, land revenues were impacted by short periods of reduced service due to the repositioning of a number of our satellites which was completed during the first quarter.

Revenues from data services in the land mobile sector during the half year ended 30 June 2009 were US$65.3m, an increase of US$1.6m, or 2.5%, compared with the half year ended 30 June 2008. Continued strong growth in BGAN revenue was offset by the discontinuation of R-BGAN, which had revenues of US$4.7m during the half year ended 30 June 2008, the decline in GAN high-speed data traffic following reduced traffic levels in the Middle East as a result of troop withdrawals from Iraq, competition from VSAT and a seasonal impact caused by the change to the new distribution agreements on 1 May 2009. The introduction of price decreases and performance incentives in BGAN and the phasing of the volume discount schemes due to the new distribution agreements, resulted in a US$1.9m negative net impact in the half year ended 30 June 2009, primarily affecting BGAN. However, for 2009 as a whole, Inmarsat Global expects the impact of the new distribution agreement to be neutral for BGAN and overall positive for land data.

Revenues from BGAN services for the half year ended 30 June 2009 were US$44.2m, an increase of US$10.8m, or 32%, compared with the half year ended 30 June 2008. These figures include voice, data and subscription revenues. As at 30 June 2009, active BGAN subscribers were 31,896 compared with 21,909 as at 30 June 2008, an increase of 9,987 or 46% period on period. BGAN growth has been driven largely by new subscribers, the use of new applications by existing customers and migration of customers from our GAN service.

Revenues from voice services in the land mobile sector during the half year ended 30 June 2009 were US$4.7m, a decrease of US$1.2m, or 20%, compared with the half year ended 30 June 2008. This continues the trend experienced over the last few years of declining traffic volumes resulting from competition, principally for our Mini M and large antenna Mini M services, from other MSS operators.

Aeronautical Sector. During the half year ended 30 June 2009, revenues from the aeronautical sector were US$35.5m, an increase of US$7.2m, or 25%, compared with the half year ended 30 June 2008. The increase is a result of continued demand for our Swift 64 high-speed data service which experienced a 22% increase in active terminals compared to the half year ended 30 June 2008. Our Swift 64 service targets the government aircraft and business jet markets as well as being used by commercial airlines. In addition revenues for low-speed data services benefited from increased industry demand.

Leasing. During the half year ended 30 June 2009, revenues from leasing were US$49.4m, an increase of US$11.5m, or 30%, compared with the half year ended 30 June 2008. The increase is a result of additional government contracts for maritime and land-based services and the expansion of a Swift 64 lease from an aeronautical customer.

***Other income*.** Other income for the half year ended 30 June 2009 was US$5.0m, a decrease of US$2.8m or 36%, compared with the half year ended 30 June 2008, reflecting a decrease in revenue from the sale of satellite phone services (“SPS”) end-user terminals. Other income consists primarily of income from the provision of conference facilities, renting surplus office space, fees for in-orbit support services and revenue from sales of SPS end-user terminals.

Net operating costs

Net operating costs in the half year ended 30 June 2009 were US$92.7m, a decrease of US$1.2m or 1.3%, compared with the half year ended 30 June 2008.

The table below sets out the components of Inmarsat Global's net operating costs for each of the periods indicated:

(US$ in millions)	**2009 Half year (unaudited)**	**2008 Half year (unaudited)**	**Increase/ (decrease)**
Employee benefit costs	52.7	52.8	(0.2%)
Network and satellite operations costs	19.6	18.8	4.3%
Other operating costs	30.2	33.5	(9.9%)
Work performed by the Group and capitalised	(9.8)	(11.2)	(12.5%)
Net operating costs	**92.7**	**93.9**	**(1.3%)**

Impact of hedged foreign exchange rate. The functional currency of the Group's principal subsidiaries is US Dollars. Approximately 60% of Inmarsat Global's costs are denominated in Pounds Sterling. Net operating costs in the first half of 2009 have been affected by a favourable movement in the segment's hedged rate of exchange from US$2.01/£1.00 in 2008 to US$1.92/£1.00 in 2009. The movement in the hedged rate of exchange in the half year has resulted in a decrease in comparative costs of US$2.5m.

Employee benefit costs. Employee benefit costs during the half year ended 30 June 2009 were US$52.7m, a decrease of US$0.1m, or 0.2% compared with the half year ended 30 June 2008. The decrease can primarily be attributed to a favorable movement in Inmarsat Global's hedged rate of exchange. Partially offsetting this decrease were additional staff costs due to an increase in total full-time equivalent headcount (482 at 30 June 2009 compared to 469 at 30 June 2008), pay rises in 2008, higher staff bonus costs and increased stock compensation costs due to new share awards.

Network and satellite operations costs. Network and satellite operations costs during the half year ended 30 June 2009 were US$19.6m, an increase of US$0.8m, or 4.3%, compared with the half year ended 30 June 2008. The increase is predominantly due to new service contract costs relating to Inmarsat Global's SAS in Hawaii and additional support and maintenance contracts in respect of network infrastructure.

Other operating costs. Other operating costs during the half year ended 30 June 2009 were US$30.2m, a decrease of US$3.3m, or 9.9%, compared with the half year ended 30 June 2008. The decrease relates to the movement in the segment's hedged rate of exchange, lower professional fees and a foreign exchange gain of US$1.8m recognised in the half year ended 30 June 2009 compared to a gain of US$0.7m recognised in the half year ended 30 June 2008. Partially offsetting the decrease was an adjustment to the carrying value of Inmarsat Global's SPS fleet phone inventory.

Work performed by the Group and capitalised. Own work capitalised during the half year ended 30 June 2009 was US$9.8m, a decrease of US$1.4m, or 12.5%, compared with the half year ended 30 June 2008. Own work capitalised reflects the shift of work from Inmarsat Global's BGAN and Inmarsat-4 programmes to the development of the global satellite phone services ("GSPS") network and terminals and the Alphasat satellite project.

Operating profit

Operating profit for the half year ended 30 June 2009 was US$152.9m, an increase of US$19.8m or 14.9%, compared with the half year ended 30 June 2008. The increase is a result of increased revenues, decreased net operating costs and increased depreciation and amortisation, which is due predominantly to depreciation on the third Inmarsat-4 satellite and Inmarsat Global's third SAS in Hawaii, following the commencement of commercial service in January 2009.

The table below sets out the components of Inmarsat Global's results (operating profit) for each of the periods indicated:

(US$ in millions)	**2009 Half year (unaudited)**	**2008 Half year (unaudited)**	**Increase/ (decrease)**
Total revenue	336.6	311.6	8.0%
Net operating costs	(92.7)	(93.9)	(1.3%)
EBITDA	**243.9**	**217.7**	**12.0%**
EBITDA margin %	*72.5%*	*69.9%*	
Depreciation and amortisation	(91.0)	(84.6)	7.6%
Operating profit	**152.9**	**133.1**	**14.9%**

Stratos Results

Stratos provides mobile telecommunications services, primarily over the Inmarsat satellite system. To provide existing and evolved Inmarsat services, Stratos operates a terrestrial-based network, including land earth stations, or LESs, located in Australia, Canada, the Netherlands and New Zealand.

In addition, Stratos' Broadband business provides VSAT services, with space segment sourced on a wholesale basis from a number of the leading fixed satellite system operators, with their VSAT hubs located in the United States, the United Kingdom, Canada and Russia.

Stratos' VSAT network enables integrated data and voice telecommunications between remote fixed sites and land-based offices. In addition, the Stratos Broadband business operates what we believe to be the most extensive digital microwave network in the US Gulf of Mexico, utilised primarily by oil and gas companies operating offshore rigs and platforms in the Gulf of Mexico. The Stratos Broadband business' revenue also includes the sale and rental of equipment and repairs and maintenance associated with microwave and VSAT technologies and the provision of turnkey engineering services for construction and internal and external communication requirements.

Revenue

During the half year ended 30 June 2009, revenues from Stratos were US$317.2m, an increase of US$7.7m, or 2.5%, compared with the half year ended 30 June 2008.

The table below sets out the components of Stratos' revenues for each of the periods indicated:

(US$ in millions)	**2009 Half year (unaudited)**	**2008 Half year (unaudited)**	**Increase/ (decrease)**
MSS revenue			
Inmarsat MSS	208.0	203.6	2.2%
Other MSS	62.3	50.9	22.4%
Total MSS revenue	**270.3**	**254.5**	**6.2%**
Broadband	46.9	55.0	(14.7%)
Total revenue	**317.2**	**309.5**	**2.5%**

Total MSS revenue. During the half year ended 30 June 2009, revenues from MSS were US$270.3m, an increase of US$15.8m, or 6.2%, compared with the half year ended 30 June 2008. Growth has been driven primarily by increased leasing revenue, sales of mobile terminals and equipment and land earth station services provided to certain distributors.

The revenue derived from services provided over the Inmarsat satellite system accounted for 77% of MSS revenue for the half year ended 30 June 2009 compared to 80% for the half year ended 30 June 2008. Other MSS services accounted for 23% of MSS revenue for the half year ended 30 June 2009 compared to 20% for the half year ended 30 June 2008.

Inmarsat MSS. During the half year ended 30 June 2009, revenues derived from Inmarsat MSS were US$208.0m, an increase of US$4.4m, or 2.2%, compared with the half year ended 30 June 2008. The increase is primarily due to leasing, offset in part by decreases in the land mobile and aeronautical sectors. Leasing revenue increased as a result of increased usage by government and military customers and the shift of certain on-demand GAN usage to leasing contracts. Decreases in the land mobile sector are primarily due to decline in GAN usage and the discontinuation of R-BGAN service at 31 December 2008. Stratos experiences volatility in usage patterns for GAN services used to a significant extent by their government and military customers operating in the land sector. Revenues from the aeronautical sector declined due mainly to decreases in revenues from the Swift 64 service as a result of the migration of customers to leasing contracts.

Other MSS. Other MSS services primarily consist of sales of mobile terminals and equipment, mobile telecommunications services sourced on a wholesale basis from other MSS providers, land earth station services provided to certain distributors and other ancillary services. Other MSS services, in general, have lower gross margins than Inmarsat services.

During the half year ended 30 June 2009, revenues from other MSS were US$62.3m, an increase of US$11.4m, or 22%, compared with the half year ended 30 June 2008. The increase is primarily due to increased sales of mobile terminals and equipment and land earth station services provided to certain distributors.

Broadband. During the half year ended 30 June 2009, revenues from Broadband services were US$46.9m, a decrease of US$8.1m, or 14.7%, compared with the half year ended 30 June 2008. The decrease is primarily due to decreased microwave revenue as a result of lower equipment sales, service and rental revenues, a decrease in VSAT revenue as a result of the expiry of certain contracts, increased competition from lower cost VSAT providers and decreased revenue from engineering projects.

Net operating costs

Net operating costs in the half year ended 30 June 2009 were US$269.0m, an increase of US$5.2m or 2.0%, compared with the half year ended 30 June 2008.

The table below sets out the components of Stratos' net operating costs and shows the allocation of costs to the Group's cost categories per the Income Statement for each of the periods indicated:

(US$ in millions)	**2009 Half year (unaudited)**	**2008 Half year (unaudited)**	**Increase/ (decrease)**
Cost of goods and services	234.6	227.9	2.9%
Operating expenses	33.7	35.3	(4.5%)
Other costs	0.7	0.6	16.7%
Total operating costs	**269.0**	**263.8**	**2.0%**
Allocated as follows:			
Employee benefit costs	41.6	42.8	(2.8%)
Network and satellite operations costs(1)	219.3	209.2	4.8%
Other operating costs	9.4	11.8	(20.3%)
Work performed by the Group and capitalised	(1.3)	–	–
Net operating costs	**269.0**	**263.8**	**2.0%**

(1) Includes cost of airtime from satellite operators, including Inmarsat.

Cost of goods and services. Cost of goods and services includes variable expenses such as the cost of airtime and space segment purchased from satellite owners (predominantly from Inmarsat), cost of equipment, materials and services Stratos re-sells, and variable labour costs related to Stratos' repair and service workforce. Cost of goods and services also includes costs such as network infrastructure operating costs, customer support centre costs, telecommunications services purchased from terrestrial providers, rents and salaries that do not vary significantly with changes in Stratos' volumes of goods and services sold.

Cost of goods and services during the half year ended 30 June 2009 were US$234.6m, an increase of US$6.7m, or 2.9% compared with the half year ended 30 June 2008. The increase is predominantly due to the increased cost of airtime upon the implementation of the new distribution agreements with Inmarsat which were effective 1 May 2009, partially offset by decreased other cost of goods and services resulting from a decline in the value of the Canadian Dollar and the Euro against the US Dollar. Further offsetting the increase in cost of goods and services was a decrease in costs relating to the Broadband business, predominantly due to the reduction of costs as a result of the sale of the hub in Hameln, Germany and other cost saving initiatives implemented in the prior year, as well as certain favourable commercial settlements with suppliers.

Operating expenses. Operating expenses during the half year ended 30 June 2009 were US$33.7m, a decrease of US$1.6m, or 4.5% compared with the half year ended 30 June 2008. The decrease is primarily due to the decline in value of the Canadian Dollar and the Euro against the US Dollar.

Operating profit

Stratos' operating profit (before goodwill adjustment, share of results of associates, gain on disposal of fixed assets and intercompany eliminations and adjustments) for the half year ended 30 June 2009 was US$29.7m, an increase of US$3.7m or 14.2%, compared with the half year ended 30 June 2008. The increase is a result of increased revenues and a decrease in depreciation and amortisation, offset in part by increased operating costs.

The table below sets out the components of Stratos' results (operating profit) for each of the periods indicated:

(US$ in millions)	**2009 Half year (unaudited)**	**2008 Half year (unaudited)**	**Increase/ (decrease)**
Total revenue	317.2	309.5	2.5%
Cost of goods and services	(234.6)	(227.9)	2.9%
Gross margin	**82.6**	**81.6**	**1.2%**
Gross margin %	*26.0%*	*26.4%*	
Operating expenses	(33.7)	(35.3)	(4.5%)
Other costs	(0.7)	(0.6)	16.7%
EBITDA	**48.2**	**45.7**	**5.5%**
EBITDA margin %	*15.2%*	*14.8%*	
Depreciation and amortisation	(18.5)	(19.7)	(6.1%)
Operating profit	**29.7**	**26.0**	**14.2%**

Gross margin for the half year ended 30 June 2009 was US$82.6m, an increase of US$1.0m or 1.2%, compared with the half year ended 30 June 2008. Gross margin consists of revenue less cost of goods and services. Gross margin for the half year ended 30 June 2009 increased as a result of the growth in revenue from certain products and services, particularly in the first quarter, and decreased other cost of goods and services as discussed above, partially offset by the increased cost of airtime upon the implementation of the new distribution agreements with Inmarsat effective May 2009.

As a percentage of revenue, gross margin was 26.0% for the half year ended 30 June 2009, compared to 26.4% for the half year ended 30 June 2008. The decrease was as a result of the increased cost of airtime effective 1 May 2009 as noted above and changes in product mix. This was partially offset by decreased other costs of goods and services and increased volume discounts from Inmarsat in the first quarter of 2009. As a result of the previous volume discount arrangement ending on 14 April 2009, the discount thresholds for the first quarter of 2009 were lower, which resulted in Stratos achieving higher discounts in the first quarter of 2009 compared to the previous year.

Group liquidity and capital resources

The Group maintains a prudent approach to its level of debt and is well positioned to access capital markets when needed to meet our financing needs. The Group has no debt maturities in 2009 and the majority of our debt does not fall due until 2012 and beyond. In July 2009, Inmarsat Investments Limited signed a new US$500.0m forward starting senior credit facility which will mature in May 2012 and will replace Inmarsat's existing senior credit facility which matures in May 2010.

The Group has significant headroom to all of the financial covenants in our existing debt and we expect to be able to operate comfortably within these covenants during the year. In addition our business remains highly cash-generative, meaning we can maintain strong liquidity and continue to fund dividends to shareholders. As at 30 June 2009, the Inmarsat Global business had an amount available but undrawn on its Revolving Credit Facility of US$160.0m. Stratos had an available but undrawn Revolving Operating Facility of US$25.0m. During the third quarter we expect Stratos to reduce the amount available under their facility to US$10.0m.

The Group had Net Borrowings at 30 June 2009 of US$1,414.1m primarily comprising Senior Credit Facility drawings of US$365.0m, Senior Notes of US$163.7m (net of US$146.7m Senior Notes held by the Group, being 47.3% of the aggregate principal amount outstanding), Senior Discount Notes of US$450.0m, Convertible Bond of US$257.8m (including US$2.3m of accreted principal), Stratos' Senior Credit Facility of US$209.3m, Stratos' Senior Unsecured Notes of US$89.3m (net of US$60.7m Senior Unsecured Notes held by the Group, being 40.5% of the aggregate principal amount outstanding) and deferred satellite payments of US$51.4m, net of cash and cash equivalents of US$173.1m.

The total borrowings figures disclosed in note 7 of the Condensed Consolidated Financial Statements can be reconciled to the Net Borrowings figure above as follows:

(US$ in millions)	As at 30 June 2009	As at 31 December 2008
Total borrowings	1,587.2	1,600.2
Cash and cash equivalents	(173.1)	(156.4)
Net Borrowings (gross of deferred finance costs)	**1,414.1**	**1,443.8**

The table below shows the condensed consolidated cash flow for the Group for the half year ended 30 June 2009:

(US$ in millions)	2009 Half year (unaudited)	2008 Half year (unaudited)
Net cash from operating activities	288.5	215.1
Net cash used in investing activities excluding capital expenditure	(24.4)	(18.9)
Capital expenditure	(73.9)	(93.4)
Dividends paid	(87.6)	(78.9)
Net cash used in financing activities excluding dividends paid	(84.6)	(23.7)
Foreign exchange adjustment	0.4	–
Net increase in cash and cash equivalents	**18.4**	**0.2**

Net cash generated from operating activities during the half year ended 30 June 2009 was US$288.5m compared to US$215.1m during the half year ended 30 June 2008. The increase primarily relates to increased EBITDA and movements in working capital.

Net cash used in investing activities, excluding capital expenditure, during the half year ended 30 June 2009 was US$24.4m compared with US$18.9m for the half year ended 30 June 2008. The increase primarily reflects the advanced cash consideration paid of US$11.4m, including transaction costs, for the investment in SkyWave and US$1.0m paid to Communication Investment Partners Limited on exercise of our option to acquire the entire issued share capital of CIP UK. Partially offsetting this increase was the decrease in fees associated with the CIP transaction from US$5.4m in the half year ended 30 June 2008 to

US$0.5m in the half year ended 30 June 2009. Furthermore, own work capitalised has decreased to US$10.3m in the half year ended 30 June 2009 from US$13.0m in the half year ended 30 June 2008 due to the shift in work from Inmarsat Global's BGAN and Inmarsat-4 programmes to the development of the GSPS network and terminals and the Alphasat satellite project.

Capital expenditure during the half year ended 30 June 2009 was US$73.9m compared with US$93.4m for the half year ended 30 June 2008. The decrease in capital expenditure is due to the inclusion in the half year ended 30 June 2008 of launch costs for the third Inmarsat-4 satellite. There has been a shift in capital expenditure from milestone payments in respect of the Inmarsat-4 satellite and the third SAS in Hawaii, to expenditure on the GSPS network and terminals and the Alphasat satellite project. Cash used in investing activities may fluctuate with the timing of specific milestone payments. Stratos' cash outflow in respect of capital expenditure for property, plant and equipment was US$9.0m for the half year ended 30 June 2009 (half year ended 30 June 2008: US$7.8m).

Net cash used in financing activities, excluding the payment of dividends, during the half year ended 30 June 2009 was US$84.6m compared to US$23.7m for the half year ended 30 June 2008. During the half year ended 30 June 2009, the Group repaid US$25.0m principal of Inmarsat Global's Senior Credit Facility and US$2.2m of Stratos' Senior Credit Facility, compared to the half year ended 30 June 2008 where the Group made a net draw down on Inmarsat Global's Revolving Credit Facility of US$90.0m and repaid US$11.3m of Stratos' Senior Credit Facility. Furthermore, during the half year ended 30 June 2009, the Group purchased US$3.0m principal amount of Stratos' Senior Unsecured Notes, compared to US$55.1m principal amount of Inmarsat Global's Senior Notes and US$10.5m principal amount of Stratos' Senior Unsecured Notes in the half year ended 30 June 2008. During the half year ended 30 June 2009, the Group paid cash interest of US$23.3m to holders of Inmarsat Global's Senior Discount Notes. This payment of interest during the period was the first payment in cash that we have made to holders of these notes. Prior to November 2008, the principal amount outstanding under the notes accreted in value each May and November, but holders of the notes did not receive any cash payments of interest. Since November 2008, interest payments accrue and are paid in cash each May and November, but the principal amount outstanding will remain fixed at US$450.0m for the remaining term of the notes.

The Group continually evaluates sources of capital and may repurchase, refinance, exchange or retire current or future borrowings and/or debt securities from time to time in private or open-market transactions, or by any other means permitted by the terms and conditions of borrowing facilities and debt securities.

Group free cash flow

The Group generated positive free cash flow of US$143.6m for the half year ended 30 June 2009, an increase of US$72.7m, compared with the half year ended 30 June 2008. The increase is attributable to increased EBITDA, movements in working capital and lower capital expenditure, partially offset by increased tax and interest payments during the half year ended 30 June 2009.

The table below shows the free cash flow for the Group for each of the periods indicated:

(US$ in millions)	**2009 Half year (unaudited)**	**2008 Half year (unaudited)**
Net cash from operating activities	288.5	215.1
Capital expenditure	(73.9)	(93.4)
Capitalised operating costs	(10.3)	(13.0)
Net cash interest paid	(54.0)	(34.8)
Cash tax paid	(6.7)	(3.0)
Free cash flow	**143.6**	**70.9**

Group balance sheet

The table below shows the consolidated Group balance sheet at 30 June 2009:

(US$ in millions)	**As at 30 June 2009**	**As at 31 December 2008**
Non-current assets	2,440.4	2,478.2
Current assets	451.5	428.6
Total assets	**2,891.9**	**2,906.8**
Current liabilities	(621.8)	(460.5)
Non-current liabilities	(1,323.5)	(1,512.6)
Total liabilities	**(1,945.3)**	**(1,973.1)**
Net assets	**946.6**	**933.7**

The Group's non-current assets totalled US$2,440.4m at 30 June 2009 compared with US$2,478.2m at 31 December 2008. The decrease of US$37.8m is due primarily to depreciation and amortisation of capital assets and the adjustment to goodwill, offset in part by additions during the half year ended 30 June 2009. Partially offsetting this decrease was the increase in our derivative financial instruments relating to our foreign exchange rate hedging from US$8.6m at 31 December 2008 to US$14.1m at 30 June 2009.

Current assets for the Group were US$451.5m at 30 June 2009 compared with US$428.6m at 31 December 2008. Cash and cash equivalents increased from US$156.4m at 31 December 2008 to US$173.1m at 30 June 2009, derivative financial instruments relating to foreign exchange rate hedging increased from US$1.1m at 31 December 2008 to US$8.6m at 30 June 2009 and trade and other receivables increased from US$251.3m at 31 December 2008 to US$258.4m at 30 June 2009 principally due to an increase in the trade receivables. Partially offsetting these increases is the decrease in inventory from US$19.8m at 31 December 2008 to US$11.4m at 30 June 2009, principally due to a reduction of Stratos' inventory on hand and an adjustment to the carrying value of Inmarsat Global's SPS fleet phone inventory.

Current liabilities for the Group at 30 June 2009 were US$621.8m compared with US$460.5m at 31 December 2008. The increase relates primarily to current borrowings where we reclassified US$199.4m of Inmarsat Global's Senior Credit Facility (including unamortised transaction costs) from non-current liabilities to current liabilities in the period as it falls due in May 2010. In addition, we repaid US$25.0m of Inmarsat Global's Senior Credit Facility in the half year ended 30 June 2009. In addition, current income tax liabilities have increased from US$27.8m at 31 December 2008 to US$70.5m at 30 June 2009 primarily due to increased taxable profits and disclaimed capital allowances. Partially offsetting these increases was the decrease in trade and other payables from US$195.8m at 31 December 2008 to US$165.0m at 30 June 2009 due largely to lower capital expenditure accruals at 30 June 2009. Furthermore, derivative financial instruments relating to Inmarsat Global's foreign exchange rate hedging have decreased from US$32.5m at 31 December 2008 to US$8.2m at 30 June 2009.

Non-current liabilities for the Group were US$1,323.5m at 30 June 2009 compared with US$1,512.6m at 31 December 2008. The decrease in non-current liabilities is due primarily to the movement in non-current borrowings, where we reclassified US$199.4m Inmarsat Global's Senior Credit Facility to current liabilities, as previously discussed, and purchased US$3.0m principal amount of Stratos' Senior Unsecured Notes. Partially offsetting the decrease in non-current borrowings was an increase in the principal amount of the Convertible Bond of US$9.1m due to semi-annual accretion of principal. In addition, deferred income tax liabilities decreased from US$52.5m at 31 December 2008 to US$31.8m at 30 June 2009 due largely due to the recognition of a deferred tax asset relating to unutilised capital allowances in Stratos' UK entities which we are able to utilise to offset taxable profit on a Group basis, the reduction in permanently disallowable expenditure and the reversal of a previously held deferred tax liability. Derivative financial instruments relating to our interest rate hedging decreased from US$37.5m at 31 December 2008 to US$26.1m at 30 June 2009. Provisions increased from US$35.8m at 31 December 2008 to US$54.2m at 30 June 2009 predominantly due to the increase in Inmarsat Global's pension and post-retirement scheme liabilities following the review of actuarial assumptions at 30 June 2009.

Risk factors

The Inmarsat Group faces a number of risks and uncertainties, not all of which are wholly within our control. Although many of the risk factors influencing our performance are macroeconomic and likely to affect the performance of businesses generally, others are particular to our operations in mobile satellite services. There are potential risk factors which could have a material impact on the Group's performance. These could cause actual results to differ materially from expected and historical results. Some risks may be unknown to us and other risks, currently regarded as immaterial, could turn out to be material. All of them have the potential to impact our business, revenue, profits, assets, liquidity and capital resources adversely.

The Directors have considered the principal risks and uncertainties affecting the Group and its performance in the second half and determined that those discussed on pages 21, 22, 59, 60, 61 and 62 of the Group's published accounts for the year ended 31 December 2008 (located at www.inmarsat.com) remain relevant. These risks include operational risk relating to our satellites, distribution, spectrum, regulation, competition and financial risks (including interest rate and foreign currency fluctuations). The risks, including operating and financial risks, faced by our subsidiary Stratos Global Corporation are contained in their Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended 31 December 2008, which can be located at www.stratosglobal.com. The risk factors should also be considered in connection with the forward-looking statements in this document and the cautionary statement regarding forward-looking statements.

Related Party Transactions

There have been no material changes in the related party transactions described in the 2008 Inmarsat plc Annual Report and Accounts on page 91.

Recent Events

Subsequent to 30 June 2009, other than the events discussed above, there have been no other material events which would affect the information reflected in the condensed consolidated interim financial results of the Group.

Outlook for the Group

We continue to see positive trading conditions in our key MSS markets. Importantly, our maritime sector results have maintained healthy growth despite the demand and capacity factors impacting the global shipping industry. A high proportion of our revenue comes from government customers and in addition our commercial users tend to have a high degree of day-to-day reliance on our services. As a result of these factors, we are on track for solid revenue growth and a positive overall performance for the Group in 2009.

Inmarsat plc
99 City Road
London EC1Y 1AX

By order of the Board,

Andrew Sukawaty
Chairman and Chief Executive Officer
6 August 2009

Rick Medlock
Chief Financial Officer
6 August 2009

INMARSAT PLC
CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
For the half year ended 30 June 2009

(US$ in millions)	2009 Half year (unaudited)	2008 Half year (unaudited)
Revenue	**508.7**	**485.0**
Employee benefit costs	(94.3)	(95.6)
Network and satellite operations costs	(96.4)	(92.5)
Other operating costs	(39.2)	(44.5)
Work performed by the Group and capitalised	11.1	11.2
EBITDA	**289.9**	**263.6**
Depreciation and amortisation	(116.5)	(107.8)
Share of results of associates	0.4	0.5
Gain on disposal of fixed assets	1.5	–
Goodwill adjustment	(10.1)	–
Operating profit	**165.2**	**156.3**
Interest receivable	0.8	1.5
Interest payable and similar charges	(69.0)	(70.0)
Net interest payable	(68.2)	(68.5)
Profit before income tax	**97.0**	**87.8**
Income tax expense	(23.1)	(28.9)
Profit for the period attributable to equity holders	**73.9**	**58.9**
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in US$ per share)		
— Basic	0.16	0.13
— Diluted	0.17	0.14

INMARSAT PLC
CONDENSED CONSOLIDATED INTERIM STATEMENT OF RECOGNISED INCOME AND EXPENSE
For the half year ended 30 June 2009

(US$ in millions)	2009 Half year (unaudited)	2008 Half year (unaudited)
Profit for the year	73.9	58.9
Actuarial losses from pension and post retirement healthcare benefits	(15.1)	(11.3)
Net gains on cash flow hedges	39.9	3.2
Tax (charged)/credited directly to equity	(6.1)	2.7
Total recognised income for the period attributable to equity holders	**92.6**	**53.5**

INMARSAT PLC
CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
At 30 June 2009

(US$ in millions)	As at 30 June 2009 (unaudited)	As at 31 December 2008 (audited)	As at 30 June 2008 (unaudited)
Assets			
Non-current assets			
Property, plant and equipment	1,402.9	1,433.3	1,395.6
Intangible assets	1,014.9	1,027.7	1,042.1
Investments	7.6	6.4	6.5
Other receivables	0.9	2.2	3.1
Derivative financial instruments	14.1	8.6	0.1
	2,440.4	**2,478.2**	**2,447.4**
Current assets			
Cash and cash equivalents	173.1	156.4	115.2
Trade and other receivables	258.4	251.3	270.6
Inventories	11.4	19.8	16.6
Derivative financial instruments	8.6	1.1	1.2
	451.5	**428.6**	**403.6**
Total assets	**2,891.9**	**2,906.8**	**2,851.0**
Liabilities			
Current liabilities			
Borrowings	377.4	204.4	174.6
Trade and other payables	165.0	195.8	159.8
Provisions	0.7	–	–
Current income tax liabilities	70.5	27.8	45.6
Derivative financial instruments	8.2	32.5	4.1
	621.8	**460.5**	**384.1**
Non-current liabilities			
Borrowings	1,187.4	1,370.2	1,443.9
Other payables	24.0	16.6	15.6
Provisions	54.2	35.8	52.6
Deferred income tax liabilities	31.8	52.5	236.7
Derivative financial instruments	26.1	37.5	6.8
	1,323.5	**1,512.6**	**1,755.6**
Total liabilities	**1,945.3**	**1,973.1**	**2,139.7**
Net assets	**946.6**	**933.7**	**711.3**
Shareholders' equity			
Ordinary shares	0.3	0.3	0.3
Share premium	679.7	679.6	677.1
Equity reserve	56.9	56.9	56.9
Other reserves	8.2	(25.2)	(1.6)
Retained earnings	201.0	220.6	(22.9)
Equity attributable to shareholders of the parent	**946.1**	**932.2**	**709.8**
Non-controlling interest	0.5	1.5	1.5
Total equity	**946.6**	**933.7**	**711.3**

INMARSAT PLC
CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT
For the half year ended 30 June 2009

(US$ in millions)	2009 Half year (unaudited)	2008 Half year (unaudited)
Cash flow from operating activities		
Cash generated from operations	294.8	216.5
Interest received	0.4	1.6
Income taxes paid	(6.7)	(3.0)
Net cash from operating activities	**288.5**	**215.1**
Cash flow from investing activities		
Purchase of property, plant and equipment	(73.9)	(93.4)
Proceeds on disposal of property, plant and equipment	–	0.8
CIP transaction fees	(0.5)	(5.4)
Purchase of CIP option	(1.0)	–
Work performed by the Group and capitalised	(10.3)	(13.0)
Investment in SkyWave and associated transaction fees	(11.4)	–
Consideration under ACeS collaboration arrangement	(1.2)	(1.3)
Net cash used in investing activities	**(98.3)**	**(112.3)**
Cash flow from financing activities		
Dividends paid to shareholders	(87.6)	(78.9)
Purchase of own debt securities	(2.8)	(65.6)
Interest paid on borrowings	(54.4)	(36.4)
Net (repayment)/drawdown of credit facilities	(27.2)	78.7
Other financing activities	(0.2)	(0.4)
Net cash used in financing activities	**(172.2)**	**(102.6)**
Foreign exchange adjustment	0.4	–
Net increase in cash and cash equivalents	**18.4**	**0.2**
Movement in cash and cash equivalents		
At beginning of year	154.6	115.0
Net increase in cash and cash equivalents	18.4	0.2
As reported on balance sheet (net of bank overdrafts)	**173.0**	**115.2**
At end of year, comprising		
Cash and cash equivalents per the balance sheet	173.1	115.2
Bank overdrafts	(0.1)	–
	173.0	**115.2**

INMARSAT PLC
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
For the half year ended 30 June 2009

(US$ in millions)	Ordinary share capital	Share premium account	Equity reserve	Other reserves	(Accumulated losses)/ retained earnings	Non-controlling interest	Total
Balance at 1 January 2008 (audited)	**0.3**	**677.1**	**56.9**	**(7.4)**	**5.1**	**1.4**	**733.4**
Net fair value gains - cash flow hedges	–	–	–	3.2	–	–	3.2
Share options charge	–	–	–	3.5	–	–	3.5
Profit for the period	–	–	–	–	58.8	0.1	58.9
Dividends payable	–	–	–	–	(79.1)	–	(79.1)
Actuarial losses from pension and post-retirement healthcare benefits	–	–	–	–	(11.3)	–	(11.3)
Tax (charged)/credited directly to equity	–	–	–	(0.9)	3.6	–	2.7
Balance at 30 June 2008 (unaudited)	**0.3**	**677.1**	**56.9**	**(1.6)**	**(22.9)**	**1.5**	**711.3**
Net fair value losses - cash flow hedges	–	–	–	(39.0)	–	–	(39.0)
Issue of share capital	–	2.5	–	–	–	–	2.5
Share options charge	–	–	–	4.6	–	–	4.6
Profit for the period	–	–	–	–	296.5	–	296.5
Dividends payable	–	–	–	–	(55.5)	–	(55.5)
Actuarial gains from pension and post-retirement healthcare benefits	–	–	–	–	2.6	–	2.6
Tax credited/(charged) directly to equity	–	–	–	10.8	(0.1)	–	10.7
Balance at 31 December 2008 (audited)	**0.3**	**679.6**	**56.9**	**(25.2)**	**220.6**	**1.5**	**933.7**
Net fair value gains - cash flow hedges	–	–	–	39.9	–	–	39.9
Issue of share capital	–	0.1	–	–	–	–	0.1
Share options charge	–	–	–	4.6	–	–	4.6
Profit for the period	–	–	–	–	73.9	–	73.9
Dividends payable	–	–	–	–	(83.4)	–	(83.4)
Actuarial losses from pension and post-retirement healthcare benefits	–	–	–	–	(15.1)	–	(15.1)
Tax (charged)/credited directly to equity	–	–	–	(11.1)	5.0	–	(6.1)
Purchase of non-controlling interest	–	–	–	–	–	(1.0)	(1.0)
Balance at 30 June 2009 (unaudited)	**0.3**	**679.7**	**56.9**	**8.2**	**201.0**	**0.5**	**946.6**

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (continued)

1. General Information

These unaudited condensed consolidated interim financial results were approved for issue by the Board of Directors on 6 August 2009.

The financial information for the year ended 31 December 2008 does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. A copy of the statutory accounts for the year has been delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified and did not contain statements under Section 237(2) or 237(4) of the Companies Act 1985.

2. Principal accounting policies

Basis of preparation

The unaudited condensed consolidated interim financial information for the half year ended 30 June 2009 has been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as endorsed by the European Union and in accordance with International Accounting Standards ("IAS") 34, 'Interim Financial Reporting'.

Except as described below, the same accounting policies, presentation and methods of computation are followed in these condensed consolidated interim financial statements as were applied in the preparation of the Group's annual financial statements for the year ended 31 December 2008, as available on our website at www.inmarsat.com.

- Taxes are accrued based on management's estimated annual effective income tax rate applied to the Group's interim pre-tax income.
- The condensed consolidated financial information presented does not comply with the full disclosure requirements of all applicable IFRSs.
- The Group has adopted IFRS 8, 'Operating segments'. Please refer to note 4 for an explanation of the impact of adopting IFRS 8 on these unaudited condensed consolidated financial statements,
- In addition, the following standards and interpretations, issued by the IASB and the International Financial Reporting Interpretations Committee ("IFRIC"), are effective for the first time in the current financial year and have been adopted by the Group with no significant impact on its consolidated results or financial position:
  - IFRS 1 (as amended)/IAS 27 (as amended) – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (effective for financial years beginning on or after 1 January 2009).
  - IFRS 2 (as amended) – Share-based Payment: Vesting Conditions and Cancellations (effective for financial years beginning on or after 1 January 2009).
  - IAS 1 (as amended) – Presentation of Financial Statements – Capital Disclosures (effective for financial years beginning on or after 1 January 2009).
  - IAS 32 (as amended)/IAS 1 (as amended) – Puttable Financial Instruments and Obligations Arising on Liquidation (effective for financial years beginning on or after 1 January 2009).
  - IFRIC 15 – Agreements for the Construction of Real Estate (effective for financial years beginning on or after 1 January 2009).

The preparation of the condensed consolidated interim financial statements in conformity with IFRS requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet dates and the reported amounts of revenue and expenses during the reported period. Although these estimates are based on management's best knowledge of the amount, events or actions, the actual results ultimately may differ from those estimates.

The Group has a robust and resilient business model, strong free cash flow generation and is compliant with all covenants. As a consequence and despite the current uncertain economic outlook, the Directors believe that the Group is well placed to manage its business risks successfully. After considering current financial projections and facilities available and after making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, Inmarsat plc continues to adopt the going concern basis in preparing the consolidated financial statements.

The functional currency of the Company and all of the Group's subsidiaries and the presentation currency is the US Dollar, as the majority of operational transactions and borrowings are denominated in US Dollars.

Comparatives

The Condensed Consolidated Interim Balance Sheet for the half year ended 30 June 2008 has been restated in accordance with IFRS 3, 'Business Combinations', to reflect the final fair value allocation of the assets and liabilities recognised as a result of the acquisition of CIP. Additionally the Group previously classified US$1.0m of Stratos' pension liabilities as current trade and other payables. To conform to the treatment of pension liabilities by the Group, US$1.0m has been reclassified from current trade and other payables to non-current pension provisions in the half year ended 30 June 2008. Furthermore, the Group reclassified US$0.5m from revenue to share of results of associates for the half year ended 30 June 2008.

As a result of the above, total assets as at 30 June 2008 have increased by US$1.8m to US$2,851.0m and total liabilities have increased by US$1.8m to US$2,139.7m.

3. Consolidation of Stratos Global Corporation ("Stratos")

As in the previous year, the condensed consolidated interim results for the half year ended 30 June 2009 include the financial results of Stratos. Although we completed the acquisition of CIP UK Holdings Limited ("CIP UK") and therefore indirectly Stratos on 15 April 2009, we have been consolidating the results of CIP UK from 11 December 2007, the date on which we acquired an option over the entire share capital of CIP UK. While we did not hold an equity interest in, nor have any control over the financial and operating policies of, nor any entitlement to receive dividends from CIP UK, under IFRS (more specifically Standing Interpretations Committee ("SIC") 12 Consolidation – Special Purpose Entities ("SPE")) the Group was required to consolidate the financial results of CIP UK, as it meets the SIC12/IAS 27 definition of a SPE given that the Group was deemed to bear the risks and economic benefits of CIP UK. We accounted for the combination using the purchase method of accounting in accordance with IFRS 3, 'Business Combinations'. The final fair value allocation of assets and liabilities was completed for the year ended 31 December 2008.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

4. Segment information

The Group has adopted IFRS 8, 'Operating Segments'. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Group's Executive Management Board ("EMB") to allocate resources and assess performance.

In prior years, segment information reported externally was analysed on the basis of business activities undertaken by the Group. However, information reported to the EMB for the purposes of resource allocation and assessment of segment performance is more specifically focused on the individual performance of each of the divisions within the Group, namely Inmarsat Global and Stratos, and their specific business activities. As a result, comparative amounts have been re-presented.

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (continued)

4. Segment information (continued)

The Group's reportable segments are therefore as follows:

- Inmarsat Global MSS – the supply of internally generated airtime, equipment and services to distribution partners and end-users of mobile satellite communications by the Inmarsat business.
- Stratos MSS – the supply of externally acquired airtime (from Inmarsat and other independent mobile satellite operations) and equipment to end-users of mobile satellite communications by the Stratos business.
- Stratos Broadband – the supply of airtime, equipment and services for Stratos' microwave and VSAT operations.
- 'Other' – principally comprises income from technical support to other operators, the provision of conference facilities, leasing surplus office space to external organisations and Stratos' unallocated corporate costs including general and administrative costs associated with corporate management, billing, credit, accounting and information technology, corporate governance, and related legal, audit and other professional fees. 'Other' also includes Group borrowings and the related interest expense.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2. Segment profit represents the profit earned by each segment without allocation of investment revenue, finance costs, income tax expense and in certain segments, corporate costs.

Segment information:

(US$ in millions)	Inmarsat MSS	Stratos MSS	2009 Half year (unaudited) Broadband	Other	Eliminations	Total
Revenue[a]						
External sales	189.7	268.1	46.9	4.0	–	508.7
Inter-segment	142.9	2.2	–	–	(145.1)	–
Total revenue	**332.6**	**270.3**	**46.9**	**4.0**	**(145.1)**	**508.7**
Segment result (operating profit) excluding goodwill adjustment	153.0	38.9	5.5	(20.0)	(2.1)	175.3
Goodwill adjustment	–	(1.3)	(8.8)	–	–	(10.1)
Net interest charged to the Income Statement	–	–	–	(68.2)	–	(68.2)
Profit before income tax						97.0
Income tax expense						(23.1)
Profit for the year						73.9
Segment assets	2,051.4	678.1	107.7	173.1	(118.4)	2,891.9
Segment liabilities	(216.5)	(153.4)	(12.1)	(1,667.0)	103.7	(1,945.3)
Capital expenditure[b]	(74.8)	(7.4)	(1.8)	–	0.3	(83.7)
Depreciation	(80.8)	(8.7)	(4.2)	–	–	(93.7)
Amortisation of intangible assets	(10.2)	(11.8)	(0.8)	–	–	(22.8)

(a) Revenue from the sale of user terminals is classified as either MSS or Broadband revenue for the purpose of segment reporting, depending on the nature of the terminal.

(b) Capital expenditure stated using accruals basis.

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (continued)

4. Segment information (continued)

(US$ in millions)	Inmarsat MSS	Stratos MSS	Broadband	Other	Eliminations	Total
			2008 Half year (re-presented)			
Revenue[a]						
External sales	174.3	251.7	55.0	4.0	–	485.0
Inter-segment	133.3	2.8	–	–	(136.1)	–
Total revenue	**307.6**	**254.5**	**55.0**	**4.0**	**(136.1)**	**485.0**
Segment result (operating profit)	133.1	35.4	5.6	(17.7)	(0.1)	156.3
Net interest charged to the Income Statement	–	–	–	(68.5)	–	(68.5)
Profit before income tax						87.8
Income tax expense						(28.9)
Profit for the year						58.9
Segment assets[b]	2,015.8	703.5	126.0	115.2	(109.5)	2,851.0
Segment liabilities	(170.8)	(144.3)	(19.2)	(1,900.8)	95.4	(2,139.7)
Capital expenditure[c]	(87.1)	(5.6)	(2.1)	–	–	(94.8)
Depreciation	(73.6)	(7.4)	(3.4)	–	–	(84.4)
Amortisation of intangible assets	(11.0)	(11.7)	(0.7)	–	–	(23.4)

(a) Revenue from the sale of user terminals is classified as either MSS or Broadband revenue for the purpose of segment reporting, depending on the nature of the terminal.
(b) Following finalisation of the fair value review, the goodwill arising on the CIP transaction has been allocated to the Stratos MSS and Broadband segments as US$241.5m and US$29.8m, respectively. The remainder of the goodwill, being US$406.2m, relates to Inmarsat MSS.
(c) Capital expenditure stated using accruals basis.

5. Net interest payable

(US$ in millions)	2009 Half year (unaudited)	2008 Half year (unaudited)
Interest on Senior Notes and Senior Credit Facility	(11.5)	(15.5)
Interest on Senior Discount Notes	(23.3)	(21.4)
Interest on Convertible Bond	(11.9)	(11.0)
Pension and post-retirement liability finance costs	(4.5)	(0.4)
Unwinding of discount on deferred satellite liabilities	(1.5)	(1.4)
Amortisation of debt issue costs	(2.5)	(2.3)
Interest on Stratos borrowings	(9.8)	(16.6)
Other interest	(5.6)	(1.4)
Interest payable and similar charges	**(70.6)**	**(70.0)**
Less: Amounts included in the cost of qualifying assets	1.6	–
Total interest payable and similar charges	**(69.0)**	**(70.0)**
Bank interest receivable and other interest	0.8	1.5
Total interest receivable and similar income	**0.8**	**1.5**
Net interest payable	**(68.2)**	**(68.5)**

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (continued)

6. Income tax expense

(US$ in millions)	2009 Half year (unaudited)	2008 Half year (unaudited)
Current tax:		
Current year	(48.5)	(21.6)
Adjustments in respect of prior periods	(1.5)	–
Total current tax expense	**(50.0)**	**(21.6)**
Deferred tax:		
Origination and reversal of temporary differences	26.9	(7.3)
Total deferred tax credit/(expense)	**26.9**	**(7.3)**
Total income tax expense	**(23.1)**	**(28.9)**

7. Net Borrowings

These balances are shown net of unamortised deferred finance costs, which have been allocated as follows:

	As at 30 June 2009 (unaudited)			As at 31 December 2008 (audited)		
(US$ in millions)	Amount	Deferred finance cost	Net balance	Amount	Deferred finance cost	Net balance
Current:						
Bank overdrafts	0.1	–	0.1	1.8	–	1.8
Deferred satellite payments	10.4	–	10.4	10.2	–	10.2
Senior Credit Facility	365.0	(0.4)	364.6	190.0	–	190.0
Stratos Senior Credit Facility	2.3	–	2.3	2.3	–	2.3
Stratos mortgage obligation	–	–	–	0.1	–	0.1
Total current borrowings	**377.8**	**(0.4)**	**377.4**	**204.4**	**–**	**204.4**
Non-current:						
Senior Credit Facility	–	–	–	200.0	(0.6)	199.4
Senior Discount Notes	450.0	(5.6)	444.4	450.0	(6.2)	443.8
Senior Notes	163.7	(4.6)	159.1	163.7	(5.5)	158.2
Premium on Senior Notes	0.6	–	0.6	0.7	–	0.7
Deferred satellite payments	41.0	–	41.0	31.2	–	31.2
Convertible Bond	255.5	(4.0)	251.5	246.4	(4.4)	242.0
—Accretion of principal	2.3	–	2.3	2.1	–	2.1
Stratos Senior Credit Facility	207.0	(2.8)	204.2	209.2	(3.4)	205.8
Stratos mortgage obligation	–	–	–	0.2	–	0.2
Stratos Senior Unsecured Notes	89.3	(5.0)	84.3	92.3	(5.5)	86.8
Total non-current borrowings	**1,209.4**	**(22.0)**	**1,187.4**	**1,395.8**	**(25.6)**	**1,370.2**
Total Borrowings	**1,587.2**	**(22.4)**	**1,564.8**	**1,600.2**	**(25.6)**	**1,574.6**
Cash and cash equivalents	(173.1)	–	(173.1)	(156.4)	–	(156.4)
Net Borrowings	**1,414.1**	**(22.4)**	**1,391.7**	**1,443.8**	**(25.6)**	**1,418.2**

7. Net Borrowings (continued)

(US$ in millions)	As at 30 June 2008 (unaudited) Amount	Deferred finance cost	Net balance
Current:			
Deferred satellite payments	12.2	–	12.2
Senior Credit Facility	160.0	–	160.0
Stratos Senior Credit Facility	2.3	–	2.3
Stratos mortgage obligation	0.1	–	0.1
Total current borrowings	**174.6**	**–**	**174.6**
Non-current:			
Senior Credit Facility	250.0	(0.9)	249.1
Senior Discount Notes	427.8	(6.8)	421.0
—Accretion of principal	5.6	–	5.6
Senior Notes	163.7	(6.3)	157.4
Premium on Senior Notes	0.8	–	0.8
Deferred satellite payments	35.6	–	35.6
Convertible Bond	237.9	(4.8)	233.1
—Accretion of principal	2.1	–	2.1
Stratos Senior Credit Facility	209.2	(3.8)	205.4
Stratos mortgage obligation	0.3	–	0.3
Stratos Senior Unsecured Notes	139.5	(6.0)	133.5
Total non-current borrowings	**1,472.5**	**(28.6)**	**1,443.9**
Total Borrowings	**1,647.1**	**(28.6)**	**1,618.5**
Cash and cash equivalents	(115.2)	–	(115.2)
Net Borrowings	**1,531.9**	**(28.6)**	**1,503.3**

8. Dividends

(US$ in millions)	2009 Half year (unaudited)	2008 Half year (unaudited)
Final dividend for the year ended 31 December 2008 of 18.20 cents (US$) (2007: 17.33 cents (US$)) per share	83.4	79.1

In May 2009, a final dividend of 18.20 cents (US$) for the 2008 financial year (2008: 17.33 cents (US$) for the 2007 financial year) per share was paid to shareholders. The Board intends to declare and pay an interim dividend of 12.73 cents (US dollars) per ordinary share on 30 October 2009 to ordinary shareholders on the Register at the close of business on 2 October 2009. Dividend payments will be made in Pounds Sterling based on the exchange rate prevailing in the London market four business days prior to payment. In accordance with IAS 10, this dividend has not been recognised as a liability for the half year ended 30 June 2009.

NOTES TO THE CONSOLIDATED FINANCIAL RESULTS (continued)

9. Earnings per share

Basic and diluted earnings per share is based on a weighted average number of ordinary shares in issue of 458,883,554 and potentially in issue of 485,421,834, respectively (2008: 457,066,617 and 484,412,397). At 30 June 2009, there were a total of 459,542,759 ordinary shares in issue.

10. Contingent liabilities / Contingent assets

During 2007, an assessment was made against us for VAT payable in relation to the sale of our head office which took place in 2004. The total amount of the assessment, including penalties is estimated to be in the region of £10.0m – £12.0m (US$16.5m – US$19.8m, based on the 30 June 2009 exchange rate between the US Dollar and Pounds Sterling). We have sought external advice and are appealing the assessment as well as considering other strategies to mitigate the position. We do not believe that a material loss is probable, and therefore no provision has been made in these financial statements. We cannot currently estimate the amount of time that will be required to settle this matter.

Other than the issue discussed above, there were no material contingent assets or liabilities at 30 June 2009.

11. Events after the balance sheet date

On 1 July 2009, Inmarsat acquired a stake of 19% in the privately held SkyWave Mobile Communications ("SkyWave") for a cash consideration of US$10.0m and a deferred consideration of US$11.5m consisting of deferred airtime credits. The investment in SkyWave will be held indirectly by Inmarsat plc, through its wholly-owned subsidiary, Inmarsat Finance III Limited. In addition, Inmarsat Global Limited, a subsidiary of the Company, and SkyWave have entered into a distribution agreement for the global supply of satellite capacity to SkyWave. The agreements also provide for a fully funded development programme by SkyWave for new products and services designed to work over the Inmarsat system.

On 16 July 2009, Inmarsat Investments Limited, a subsidiary of the Company, signed a new US$500.0m forward starting senior credit facility. The new facility will mature in May 2012 and will replace Inmarsat's existing senior credit facility which matures in May 2010.

INDEPENDENT REVIEW REPORT TO INMARSAT PLC

We have been engaged by Inmarsat plc ("the Company") to review the condensed set of financial statements in the half-yearly financial report for the half year ended 30 June 2009 which comprises the condensed consolidated interim income statement, the condensed consolidated interim statement of recognised income and expense, the condensed consolidated interim balance sheet, the condensed consolidated interim cash flow statement, the condensed consolidated interim statement of changes in equity and related notes 1 to 11. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in Note 2, the annual financial statements of the Company are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK and Ireland), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the half year ended 30 June 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte LLP
Chartered Accountants and Statutory Auditor
London

6 August 2009