



Preliminary Results 2014

5th March 2015



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Forward looking Statements

This announcement contains “forward-looking statements” within the meaning of the US Private Securities Litigation Reform Act of 1995. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results, to be materially different from those projected in the forward-looking statements. These factors include: general economic and business conditions; changes in technology; timing or delay in signing, commencement, implementation and performance or programmes, or the delivery of products or services under them; structural change in the satellite industry; relationships with customers; competition; and ability to attract personnel. You are cautioned not to rely on these forward-looking statements, which speak only as of the date of this announcement. We undertake no obligation to update or revise any forward-looking statement to reflect any change in our expectations or any change in events, conditions or circumstances.



Introduction

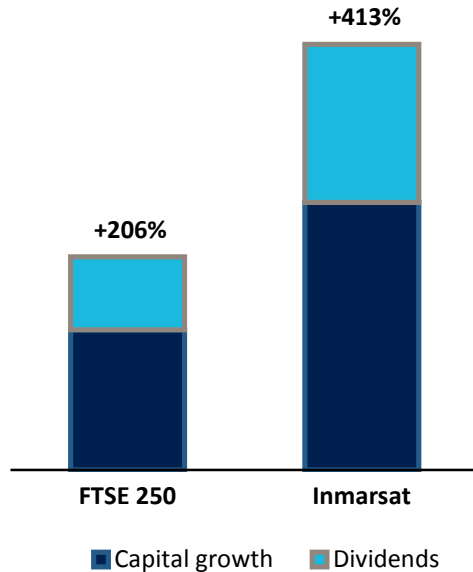
Andrew Sukawaty
Chairman

Confidence in our ongoing ability to deliver

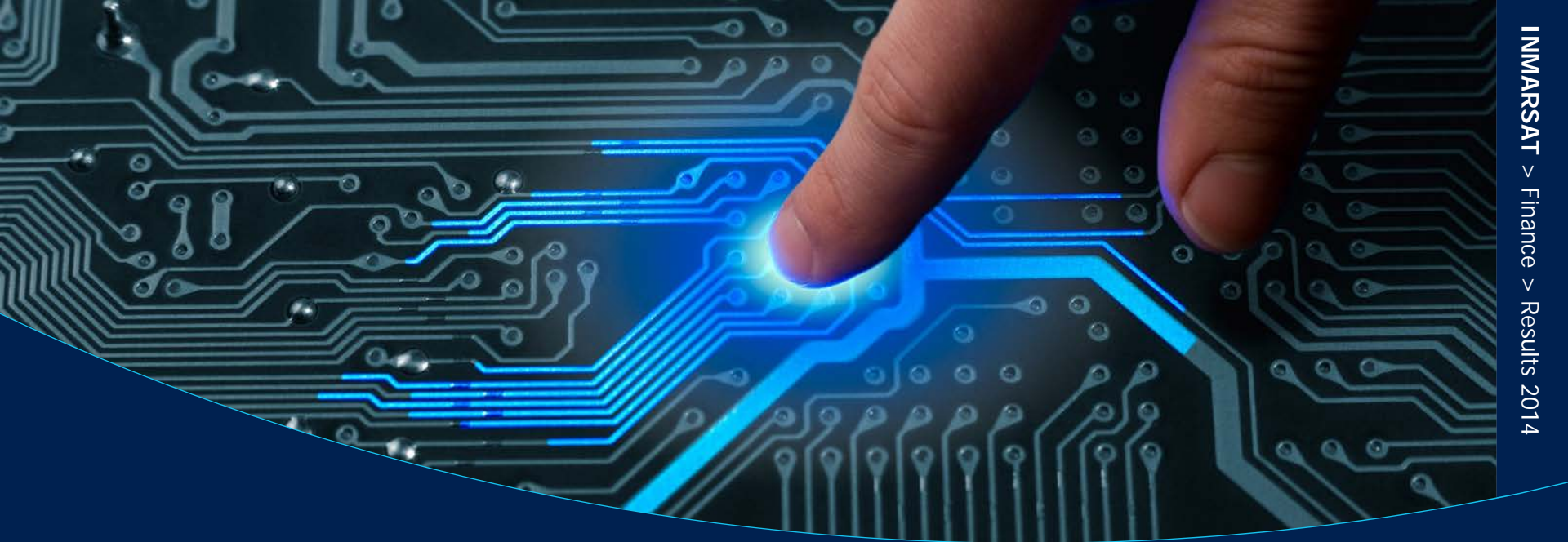
Building on our track record – major steps forward in 2014

Total Shareholder Return vs. FTSE 250

June 2005 IPO to end Feb. 2015



- > Continuing leadership in global Mobile Satellite Services
- > Global Xpress will accelerate our growth
- > Aviation market presents further transformational opportunity
- > LightSquared payments continue
- > Fully funded investment programme – financial discipline
- > Experienced Board and management
- > Clear strategy building on our core strengths
- > Growing shareholder returns – 5% increase in Final Dividend

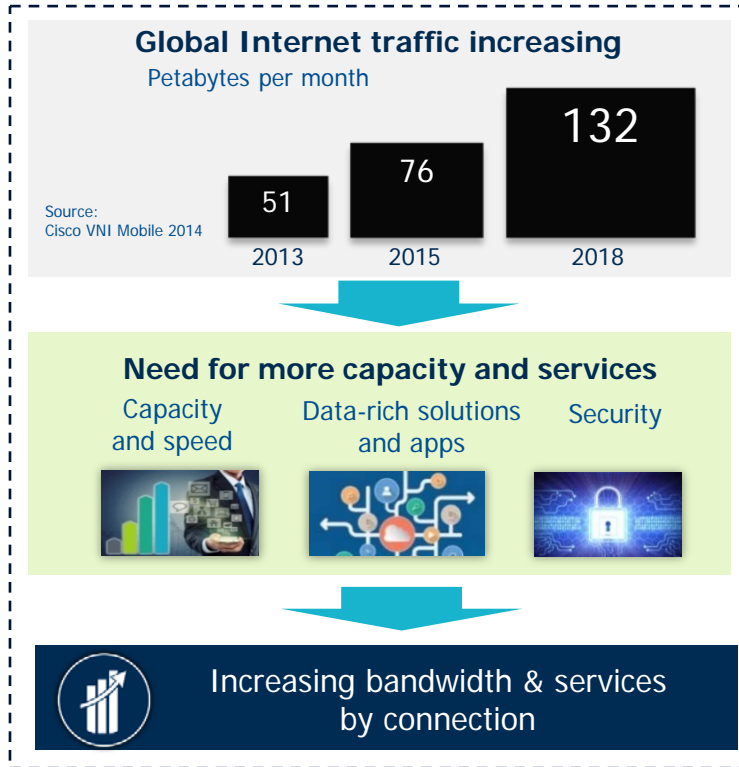


Business Review 2014

Rupert Pearce
Chief Executive Officer

Our market

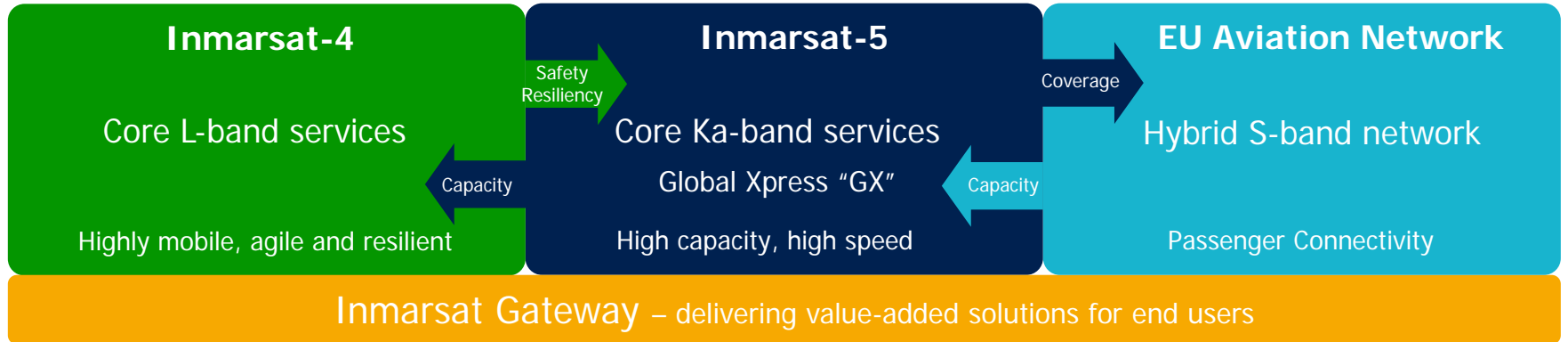
Explosive growth in global mobile broadband – including satellite communications



Our strategy

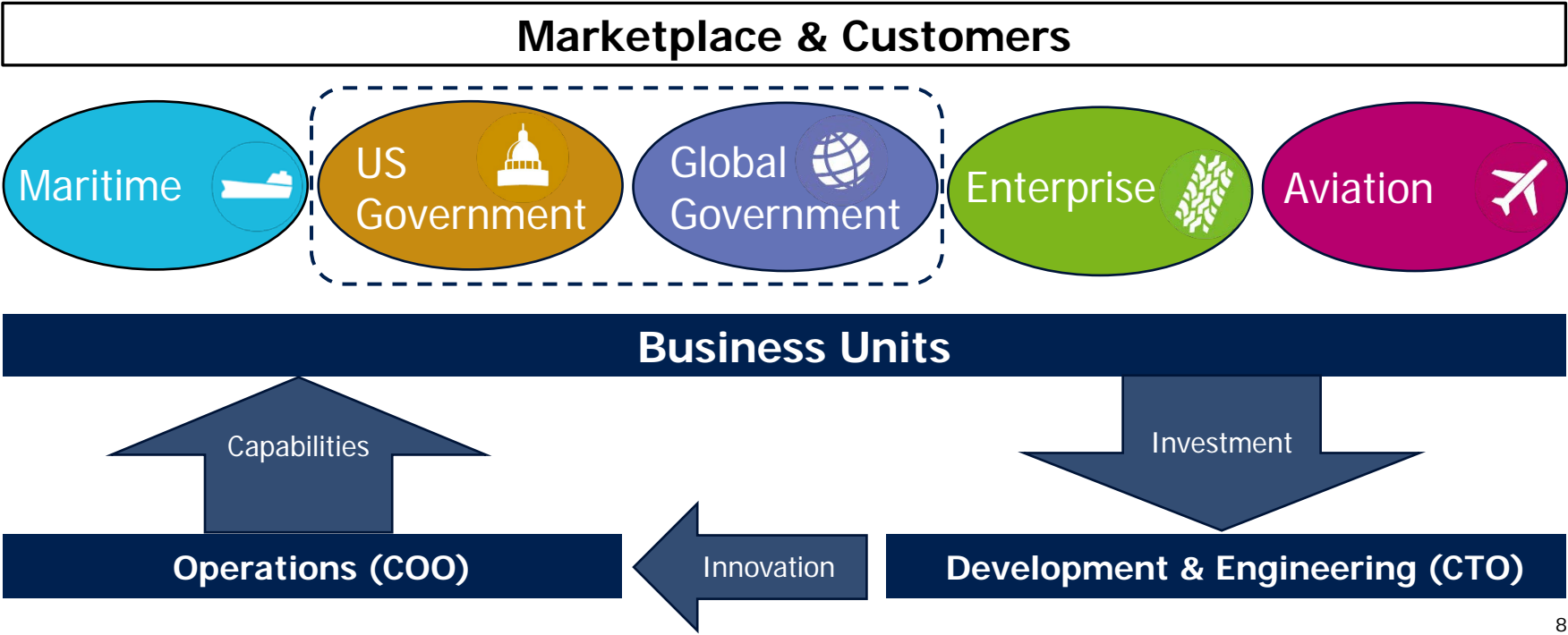
Clear roadmap to sustained profitable growth

- > Continued L-band growth
 - > Grow value of core markets
 - > Innovate to expand beyond core markets
 - > Extend geographic footprint
- > Create solutions eco-system
 - > New value drivers & differentiators
 - > New revenue streams & models
 - > New channels to market
- > New growth via GX & S-band
 - > New super-fast broadband MSS services
 - > New user/terminal markets
 - > Aviation connectivity in Europe



Our structure

Focused on customers



Business highlights

Major advances in delivery of GX opportunity

- > Commercial services started on F1 on 1 July 2014
 - > Highly successful US Government trial
 - > Initial customer experience ahead of expectations
- > F2 launched successfully on 1 Feb. 2015
- > All Satellite Access Stations completed in Nov. 2014
- > F3 on schedule for launch in Q2 2015
- > Strong group of Value Added Resellers in place
 - > Across all Business Units & target markets
 - > Alongside Maritime & Govt direct sales channels

- 
- > On track to launch global commercial services in early H2 2015
 - > Targeting \$500m of incremental annual revenue by fifth anniversary of global launch

Business highlights

Solid delivery in L-band and good progress in developing S-band

L-band:

- > Continuing underlying growth except Govt. in US
- > Wholesale MSS revenue growth of 3.8%
- > Continued delivery on innovation & growth plans



On track for 2014-16 wholesale
MSS revenue CAGR of 8-12%

S-band:

- > Satellite under construction and on schedule for SpaceX launch late 2016
- > Alcatel appointed as a partner for initial ground network technology development
- > Good progress in license application process
 - > MSS licenses received in 25 Member States
 - > Ground licenses authorised or in-principle approved in 11 Member States
- > Advanced discussions with several major airlines and partners

Business highlights

Corporate developments in 2014

Acquisition of Globe Wireless

- > Expands our installation capabilities – enables faster roll-out of GX & transition of XL
- > Leverages key on-board server technology for GX/FB and Fleet Media initiatives

Disposal of retail energy related assets to RigNet

- > Wider strategic transaction – RigNet appointed GX VAR and L-band energy partner

Sale of 19% stake in SkyWave to ORBCOMM

- > Part of suite of agreements to develop and commercialise IsatData Pro (M2M) technology
- > Next step in Orbcomm strategic partnership & opportunity to leverage core M2M technology platform

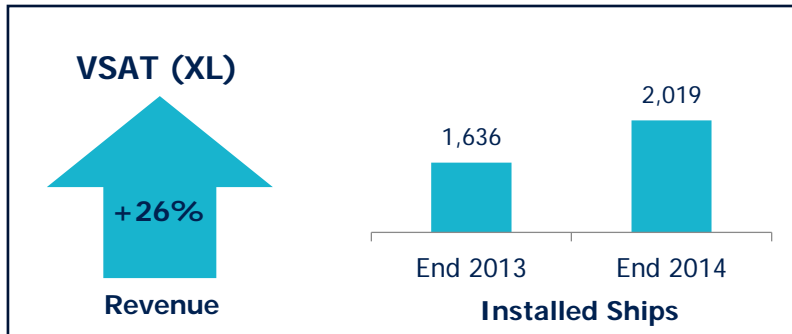
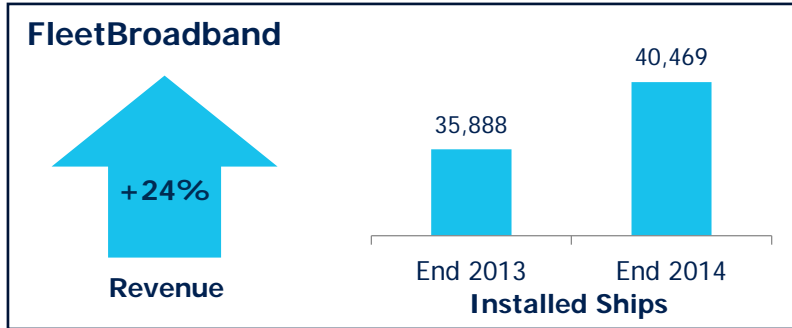
LightSquared Cooperation Agreement

- > Phase 2 of Agreement re-started : \$31.6m cash received in 2014, further \$17.5m received Feb. 2015

Maritime



Growth in data usage driving customer upgrades



- > Customer migration driving revenue growth
 - > From legacy Fleet service onto FB
 - > Within FB, onto higher rate plans
 - > Early incursion into Maritime VSAT with XL
- > Legacy Fleet service revenue declined 19%
- > VSAT installations running at 40 ships per month
- > New products & services launched
 - > Fleet One – targeted at smaller/leisure vessels
 - > Fleet Media – adding content to connectivity
 - > FB Xtra & Fleet Xpress – maritime GX-to-be

Government



Continued weakness in traditional markets; growth in new areas

- > Lower traditional revenues
- > US and other governments
- > Disproportionate budget pressures
- > Reduced operational requirements
- > Contracts not renewed or reduced
- > Competition – pricing pressure
- > Responded with cost efficiencies

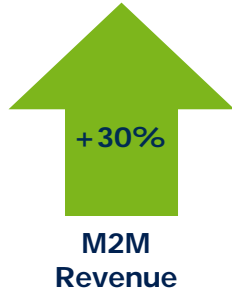
vs.

- > Revenue outside US grew c. 1%
- > New countries served (+24 in 3 yrs)
- > LatAm, Asia, smaller Eur. countries
- > Expanded presence in China
- > New customers beyond defence users
- > New product and service areas
- > Investing to expand capabilities

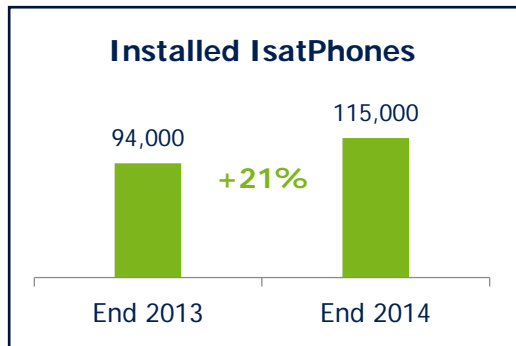
Enterprise



Range of sectors and services driving good underlying growth



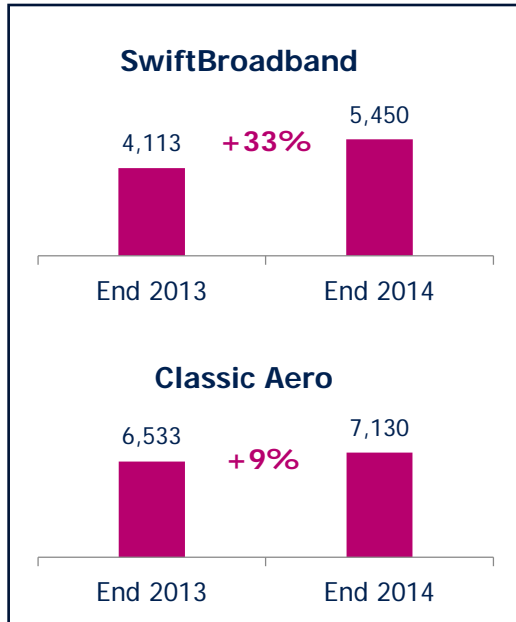
- > Strong M2M performance
 - > 292,000 devices across all M2M product lines at year-end
- > Expanded ORBCOMM relationship – drives IsatData Pro
- > Good wholesale revenue growth in energy sector
 - > Enabled by expanded relationship with RigNet
- > BGAN revenue declined 9%
 - > Growth of higher ARPU High Data Rate and Link services
- > IsatPhone 2 launched – generating strong growth
- > IsatHub launched – new Wi-Fi hub for connectivity
- > First Media use of GX for live streaming of HD video



Aviation

Strong growth from cockpit and cabin connectivity

Active SIMS



- > Overall Aviation ARPU grew 23% to >\$1,000
- > Growing industry focus on safety/operations connectivity
 - > First SB safety/ACARS installation - Hawaiian Airlines
 - > Strongly supporting industry initiatives on tracking
- > Take-or-pay contracts generated substantial growth
 - > Focused on SB sales into Business and General aviation
 - > Price incentives in return for 2014 & 2015 commitments
- > Investing to capture cabin connectivity opportunity
- > Advanced discussions with airlines – direct & via partners

Looking ahead

From transition to transformation

2014

- > A solid financial performance despite some temporary headwinds – shows strength in our model
- > A year of transition as we bring GX to market & continue the L-band re-invention
- > European aviation passenger connectivity initiative adds another major growth opportunity

2015

- > Complete the GX global roll-out and fast start to revenue ramp: positioned for 'break out' in 2016
- > Materially de-risk the European aviation passenger connectivity initiative
- > Continue the re-invention of our L-band business (innovation, internationalisation, diversification)
- > Start to deliver on the promise of Inmarsat Gateway with Certified Application Partners

Financial Review 2014

Tony Bates
Chief Financial Officer

Group Income statement

\$m	2014	2013	Change	Q4 2014	Q4 2013	Change
Revenue	1,285.9	1,261.9	1.9%	333.0	314.8	5.8%
Operating costs	(584.9)	(613.1)	28.2	(167.7)	(163.9)	(3.8)
EBITDA	701.0	648.8	52.2	165.3	150.9	14.4
Depreciation & amortisation etc	(290.4)	(225.2)	(65.2)	(79.7)	(61.8)	(17.9)
Impairment	(1.3)	(185.2)	183.9	(0.7)	(98.8)	98.1
Operating profit	409.3	238.4	170.9	84.9	(9.7)	94.6
Interest payable	(67.0)	(49.3)	(17.7)	(15.0)	(10.2)	(4.8)
Profit before tax	342.3	189.1	153.2	69.9	(19.9)	89.8
Tax	(1.2)	(86.5)	85.3	55.7	(12.4)	68.1
Profit for the period	341.1	102.6	238.5	125.6	(32.3)	157.9
Free cash flow	150.1	(84.4)	234.5	(0.6)	(97.2)	96.6
Basic EPS (cents)	76	23	53			
DPS (cents)	48.94	46.61	5%			

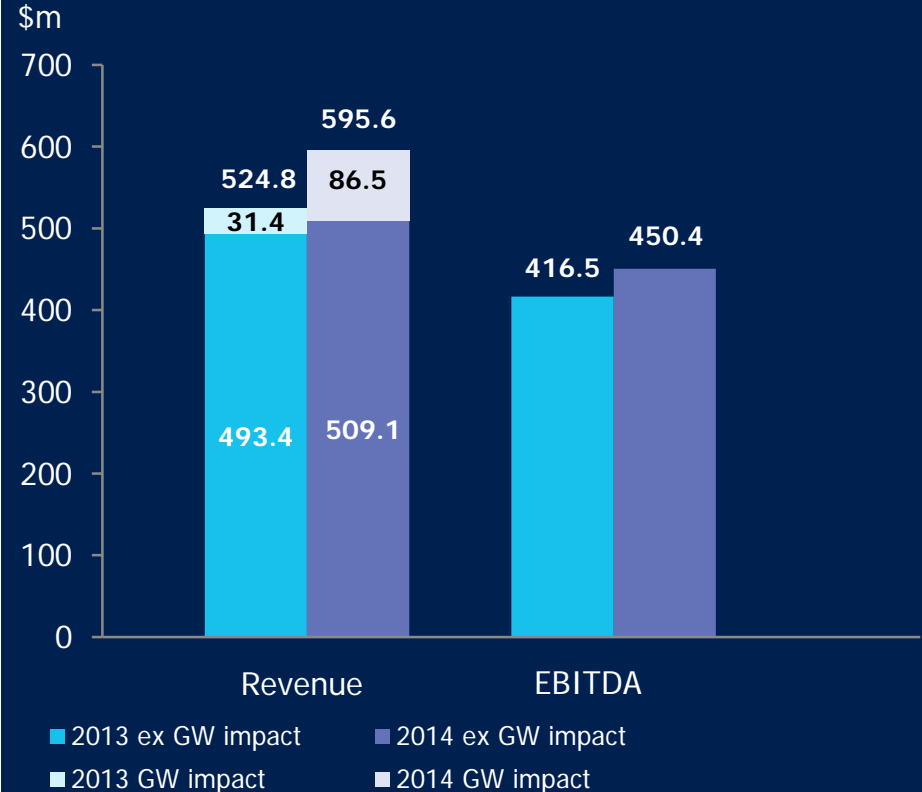
Revenue & EBITDA

\$m	2014	2013	Change	Q4 2014	Q4 2013	Change
Wholesale MSS revenue	791.4	762.4	3.8%	211.8	194.4	9.0%
Other MSS & terminals	419.1	487.3	(14.0%)	102.7	118.0	(13.0%)
LightSquared	75.4	12.3	513%	18.5	2.4	670%
Total revenue	1,285.9	1,262.0	1.9%	333.0	314.8	5.8%
Energy assets to RigNet	21.4	84.9	(63.5)	3.5	21.2	(17.7)
Globe Wireless	86.5	31.4	55.1	21.3	7.8	13.5
	107.9	116.3	(8.4)	24.8	29.0	(4.2)
EBITDA ex L2	625.7	639.5	(13.8)	146.8	148.6	(1.8)
L2 EBITDA	75.3	9.3	66.0	18.5	2.3	16.2
Total EBITDA	701.0	648.8	52.2	165.3	150.9	14.4
<i>Total EBITDA margin</i>	<i>54.5%</i>	<i>51.4%</i>	<i>3.1ppt</i>	<i>49.6%</i>	<i>47.9%</i>	<i>1.7ppt</i>

Maritime

Business Unit Results

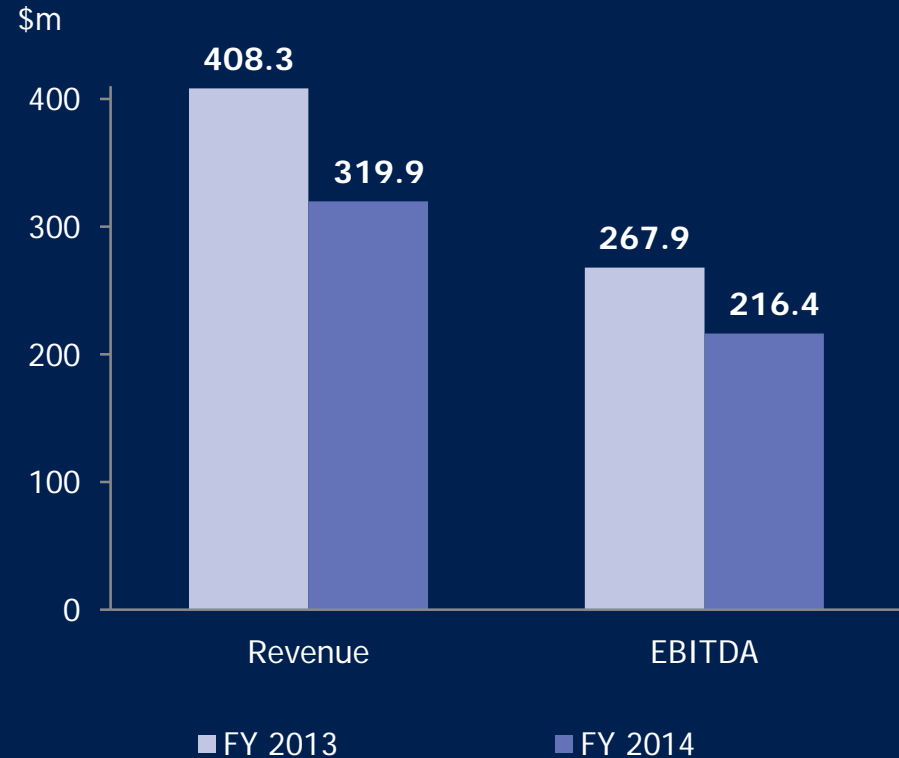
- > Globe acquisition
- > FleetBroadband +24%
- > XpressLink +26%
- > Fleet -19%
- > EBITDA margin:
 - 2014: 75.6%
 - 2013: 79.4%



Government

Business Unit Results

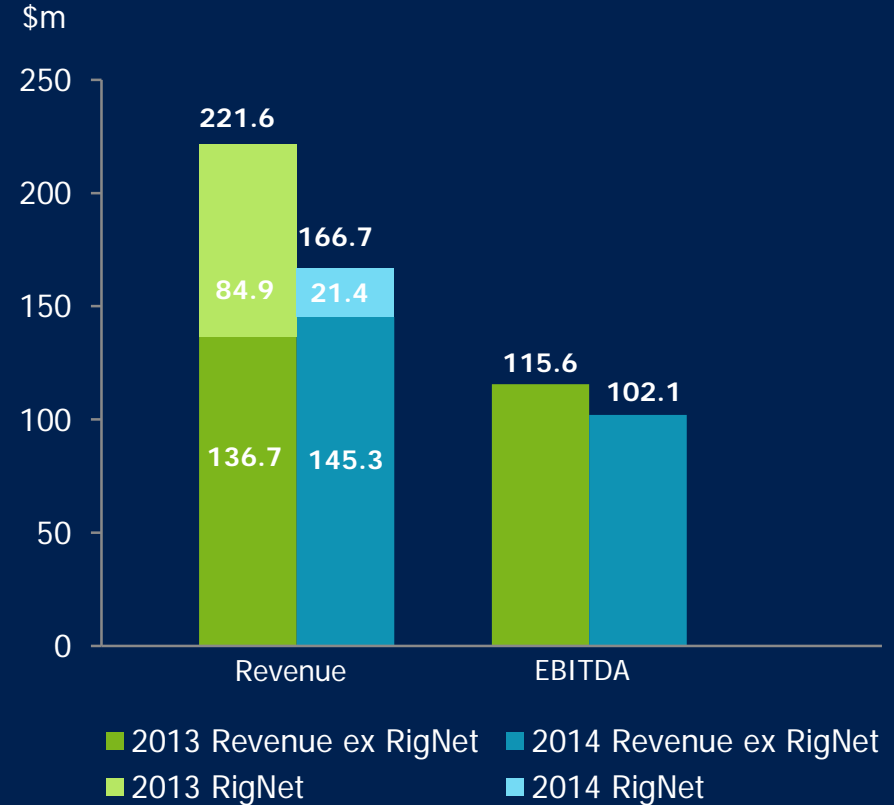
- > Continuing market pressure
- > New market entry
- > EBITDA margin:
 - 2014: 67.6%
 - 2013: 65.6%



Enterprise

Business Unit Results

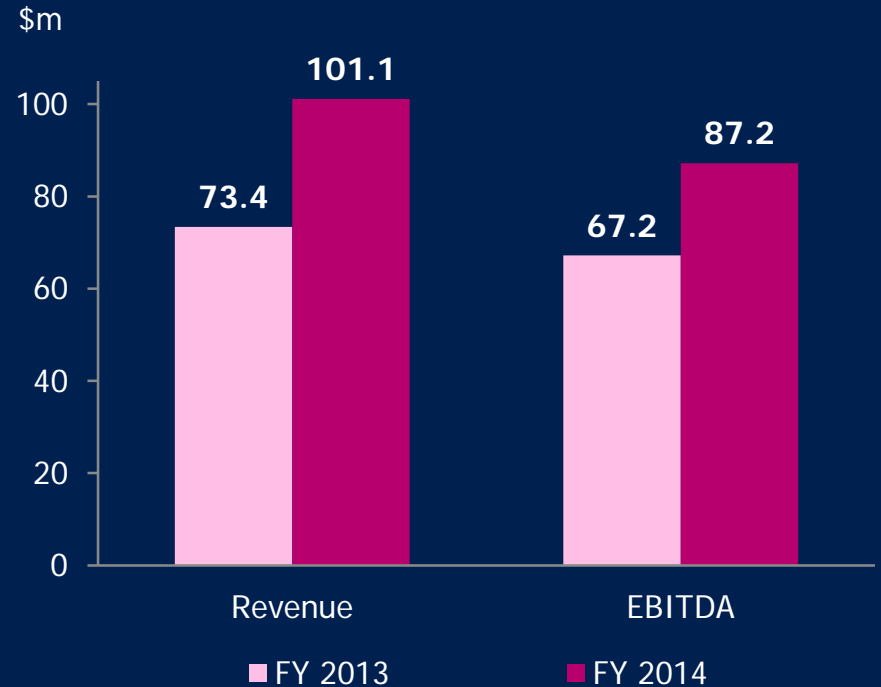
- > Energy assets to RigNet
- > M2M, GSPS, FB
- > BGAN
- > EBITDA margin:
 - 2014: 61.2%
 - 2013: 52.2%



Aviation

Business Unit Results

- > SwiftBroadband +67%
- > Take or Pay Q4
- > Investment in capability
- > EBITDA margin:
 - 2014: 81.1%
 - 2013: 89.7%

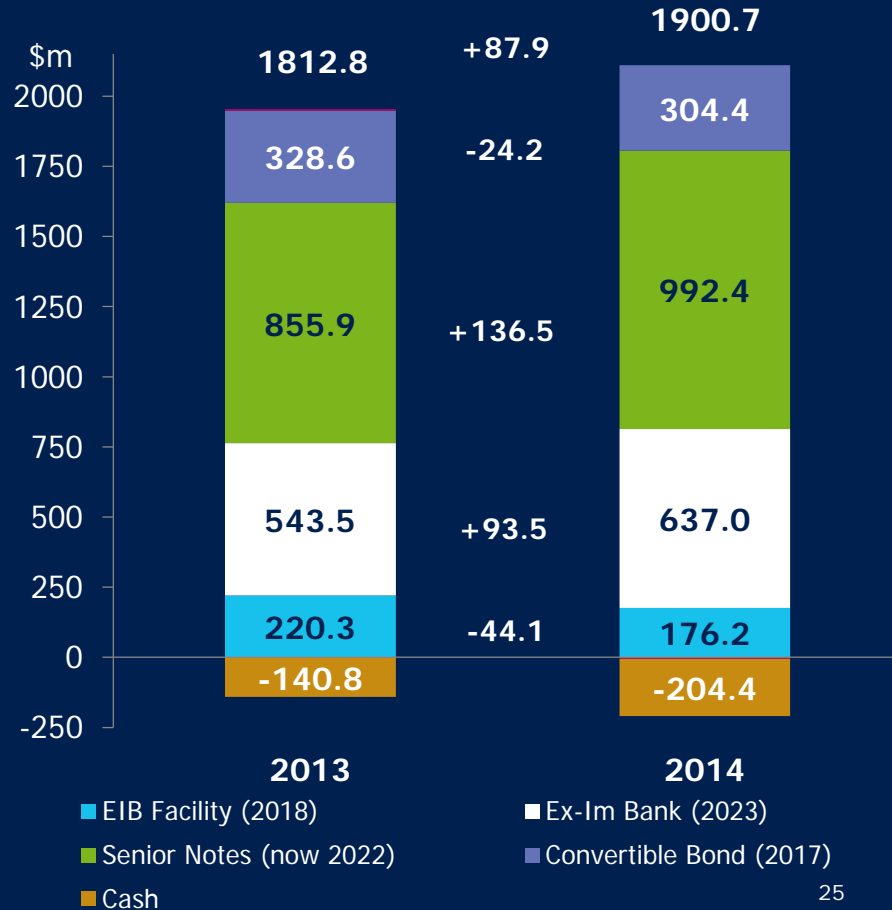


Group Cash Flow

US\$m	2014	2013	Change	Q4 2014	Q4 2013	Change
EBITDA	701.0	648.8	52.2	165.3	150.9	14.4
Working capital/non-cash items	(47.6)	(34.0)	(13.6)	(16.1)	(25.0)	8.9
Operating cash flow	653.4	614.8	38.6	149.2	125.9	23.3
Capital expenditure	(405.7)	(580.9)	175.2	(115.7)	(181.4)	65.7
Interest paid	(88.1)	(98.0)	9.9	(27.5)	(37.1)	9.6
Tax paid	(9.5)	(20.3)	10.8	(6.6)	(4.6)	(2.0)
Free cash flow	150.1	(84.4)	234.5	(0.6)	(97.2)	96.6
Acquisitions and investments	(46.2)	(3.3)	(42.9)	(0.7)	(0.1)	(0.6)
Disposals	27.5	0.5	27.0	0.5	0.5	-
Dividends	(212.9)	(200.5)	(12.4)	(84.0)	(78.6)	(5.4)
Other movements	1.0	(0.5)	1.5	(0.2)	(0.1)	(0.1)
Net cash flow	(80.5)	(288.2)	207.7	(85.0)	(175.5)	90.5
Opening net debt	1,812.8	1,489.3	323.5	1,811.2	1,627.3	183.9
Net cash flow	80.5	288.2	(207.7)	85.0	175.5	(90.5)
Other	7.4	35.3	(27.9)	4.5	10.0	(5.5)
Closing net debt	1,900.7	1,812.8	87.9	1,900.7	1,812.8	87.9

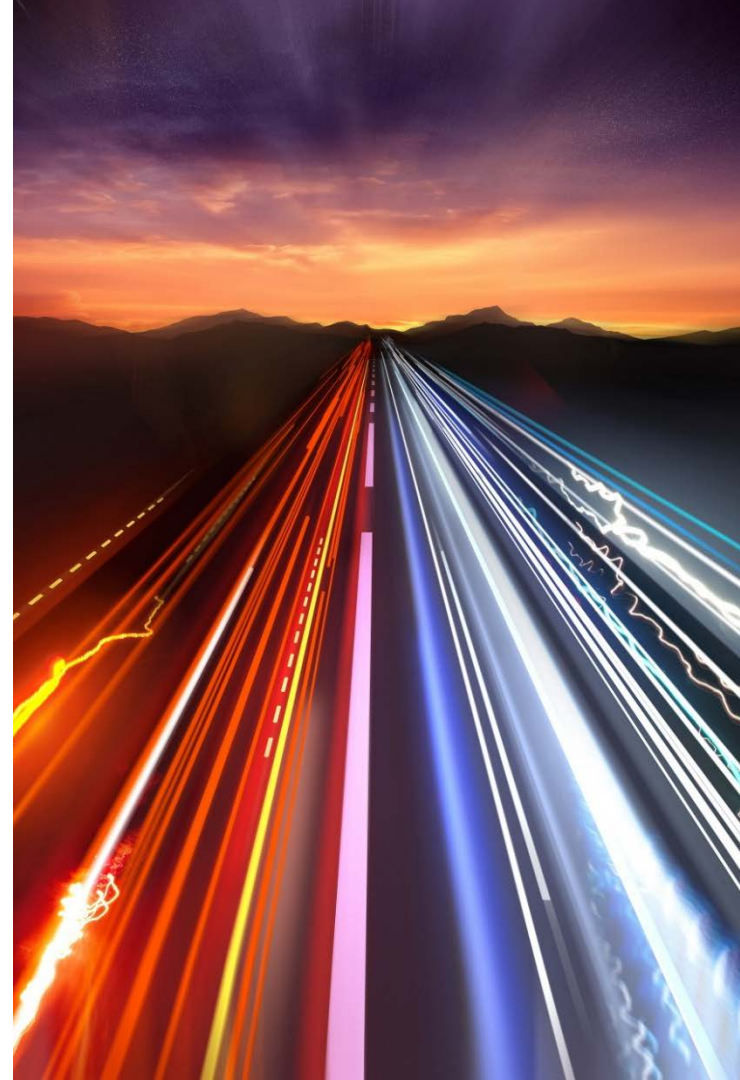
Net debt

- > Convertible interest adjustment
- > New Senior Notes
- > New Ex-Im facility
- > Lower average interest rate
- > Leverage 2.7x (2013: 2.8x)
- > \$1.2bn liquidity at 31 December 2014:
 - Credit Facility \$750m
 - Undrawn Ex-Im Facilities \$240m
 - Cash \$204m



Outlook/Guidance

- > Wholesale MSS revenue CAGR of 8%-12% for 2014 – 16
- > Annual GX revenues of \$500m by the fifth anniversary of Global Commercial Service Introduction
- > 2015 trading environment expected to be broadly similar to 2014
- > Capex \$450m-500m for 2015, below \$400m for 2016 and 2017





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