



Press release

Inmarsat plc Interim Management Statement

London, UK: 2 November 2011. Inmarsat plc (LSE: ISAT.L), the leading provider of global mobile satellite communications services, today provided the following information for the three months ended 30 September 2011.

Inmarsat plc Highlights

- Total revenue \$364.1m up 17.9% (2010: \$308.8m)
- Total active customer terminals up 12.5%
- XpressLink – unique hybrid maritime service launched
- IsatData Pro launched for M2M market
- Global Xpress programme on track and budget

Inmarsat Group Limited Third Quarter Highlights

- Total Inmarsat Global revenue \$245.2m up 21.9% (2010: \$201.2m)
- Total Inmarsat Global MSS revenue \$180.7m (2010: \$185.1m)
- Total Inmarsat Solutions revenue \$197.4m (2010: \$186.0m)
- Total Group EBITDA \$224.4m up 18.4% (2010: \$189.5m)

Andrew Sukawaty, Inmarsat’s Chairman and Chief Executive Officer, said, “Revenue from our Cooperation Agreement with LightSquared continues to drive strong headline growth and offset a slowdown in our MSS revenues. While third quarter MSS results were in line with our expectations, as previously stated, we are unlikely to see consistent evidence of a return to MSS revenue growth until next year. However, in the meantime we are making progress with key new product developments and with our Global Xpress programme and these are important building blocks to future value and new growth.”

Inmarsat plc

(US\$ in millions)	Three months ended 30 September		
	2011	2010	Increase
Inmarsat Global	245.2	201.2	21.9%
Inmarsat Solutions	197.4	186.0	6.1%
	442.6	387.2	
Intercompany eliminations and adjustments	(78.5)	(78.4)	
Total revenue	364.1	308.8	17.9%

Inmarsat Global

(US\$ in millions)	Three months ended 30 September		Increase/ (decrease)
	2011	2010	
Maritime voice services	21.6	24.5	(11.8%)
Maritime data services	68.0	67.1	1.3%
Total maritime sector	89.6	91.6	(2.2%)
Land mobile voice services	2.2	1.4	57.1%
Land mobile data services	34.8	34.6	0.6%
Total land mobile sector	37.0	36.0	2.8%
Aeronautical sector	26.6	27.2	(2.2%)
Leasing	27.5	30.3	(9.2%)
Total mobile satellite services	180.7	185.1	(2.4%)
Other income	64.5	16.1	
Total revenue	245.2	201.2	21.9%

Growth in Other income, primarily resulting from our Cooperation Agreement with LightSquared, was responsible for our Inmarsat Global overall revenue growth during the third quarter. During the quarter we recognised \$56.4m of revenue with respect to the Cooperation Agreement and \$3.5m of operating costs.

In the maritime sector, our results continue to be adversely impacted by customer migration to our FleetBroadband service where pricing is typically lower than the older services being replaced. In addition, voice to email substitution, lower voice pricing and competition from alternative providers, have contributed to lower maritime revenues year over year.

During the third quarter the number of active FleetBroadband terminals increased by 1,935, making a total of 7,542 in the year to 30 September. Growth in the average revenue per FleetBroadband terminal remains encouraging and indicates that FleetBroadband will contribute to more positive maritime revenue growth as the impact of customer transition eases in due course.

In July, we announced the availability of Inmarsat XpressLink, a hybrid service combining FleetBroadband with Ku-band connectivity. Embedded within the XpressLink offering is an upgrade path to our Global Xpress maritime Ka-band service. XpressLink provides a compelling alternative to current Ku-band offerings and will build an advance customer base for Global Xpress services. Together with the pricing plans for FleetBroadband that we introduced previously, we believe we have significantly improved our competitive positioning relative to established VSAT services and expect this to have a positive impact on our revenue overall in future periods.

In our land mobile sector, a decline in revenue from government and military users in Afghanistan continues to impact the sequential quarterly performance of this sector. In addition, increased usage of our services due to events in North Africa is unlikely to be a continuing factor following recent developments. Although revenue from our handheld IsatPhone Pro service is growing and we continue to see strong terminal activations, the total contribution from this service remains at an early stage. As a result, land mobile sector revenues may remain under pressure for some time, particularly in comparison to prior reporting periods.

Aeronautical revenues for the third quarter benefited from higher usage levels on our Swift 64 service and strong new terminal activations for SwiftBroadband. Higher usage of Swift 64 was predominately driven by government users and such usage can be temporary in nature and therefore may not be sustained through the fourth quarter. Third quarter leasing revenue was in line with management expectations.

Inmarsat Solutions

(US\$ in millions)	Three months ended 30 September		Increase/ (decrease)
	2011	2010	
Inmarsat MSS	107.4	112.7	(4.7%)
Broadband and other MSS	90.0	73.3	22.8%
Total revenue	197.4	186.0	6.1%

Growth in our Inmarsat Solutions division was primarily driven by recognition of new revenues following the acquisition of Ship Equip earlier in the year and by growth in our Segovia business.

Liquidity

At 30 September 2011, the Inmarsat plc group had net borrowings of \$1,162.5m, made up of cash and cash equivalents of \$310.8m and total borrowings of \$1,473.3m. Including cash and available but undrawn borrowing facilities, the group had total available liquidity of \$1,585.1m. Following the completion of significant new financing in the first half of 2011, the group remains fully-funded as to all its capital needs for the foreseeable future. In connection with our on-going share repurchase programme, during the third quarter we repurchased 13.2m ordinary shares at a total cost of \$93.6m.

Our Financial Reports

Inmarsat Group Limited, our wholly-owned subsidiary, today reported unaudited consolidated financial results for the three months ended 30 September 2011. A copy of the full financial report for Inmarsat Group Limited can be accessed via the investor relations section of our website.

Other Information

Inmarsat management will discuss the results announced today and other financial and business information in a conference call on Wednesday, 2 November at 14:00pm London time, (United States 10:00am DST). To access the call please dial +44 (0) 1452 555 566. The conference id for the call is 18369196. The call will be recorded and available for one week after the event. To access the recording please dial +44 (0) 1452 550 000 and enter the access number 18369196. The call will also be available via a webcast, to access the webcast please go to www.inmarsat.com/webcast.

Forward-looking Statements

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

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