



Preliminary Results 2015

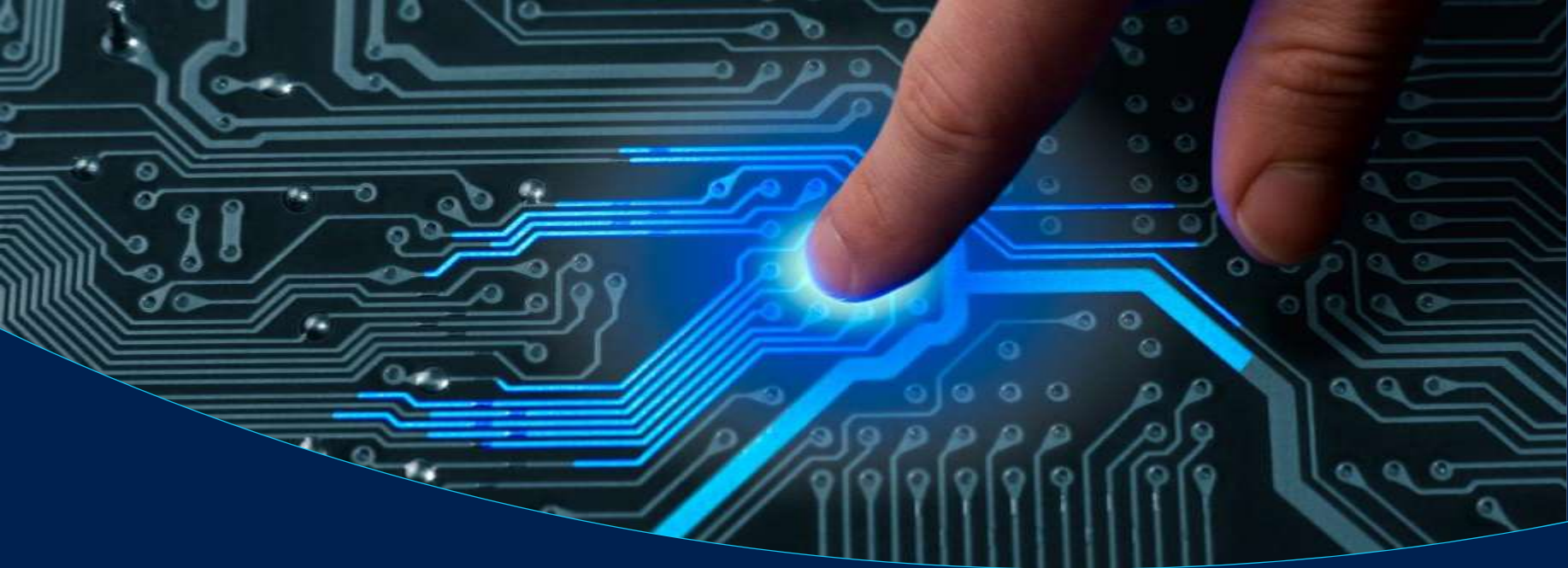
3 March 2016

Preliminary Results 2015

3 March 2016

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

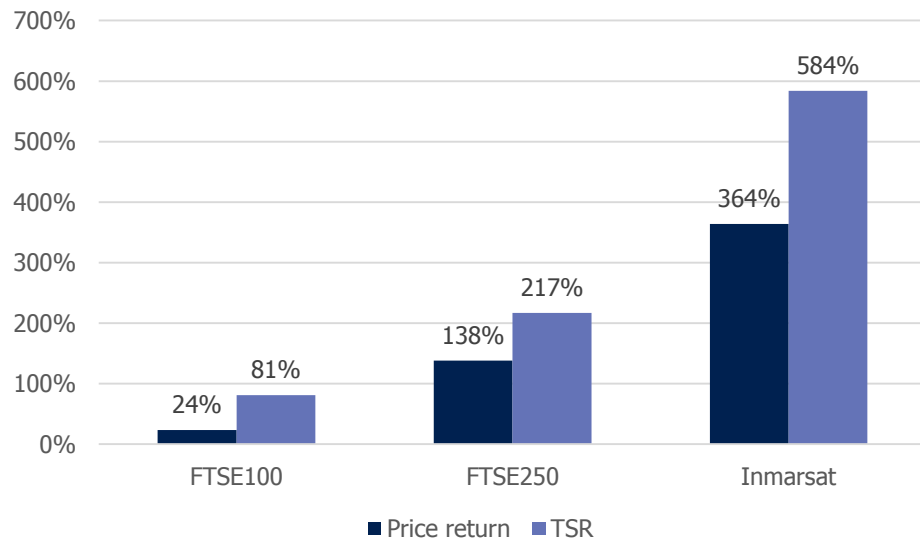
The Inmarsat Investor Proposition

Global mobile connectivity on land, at sea and in the air

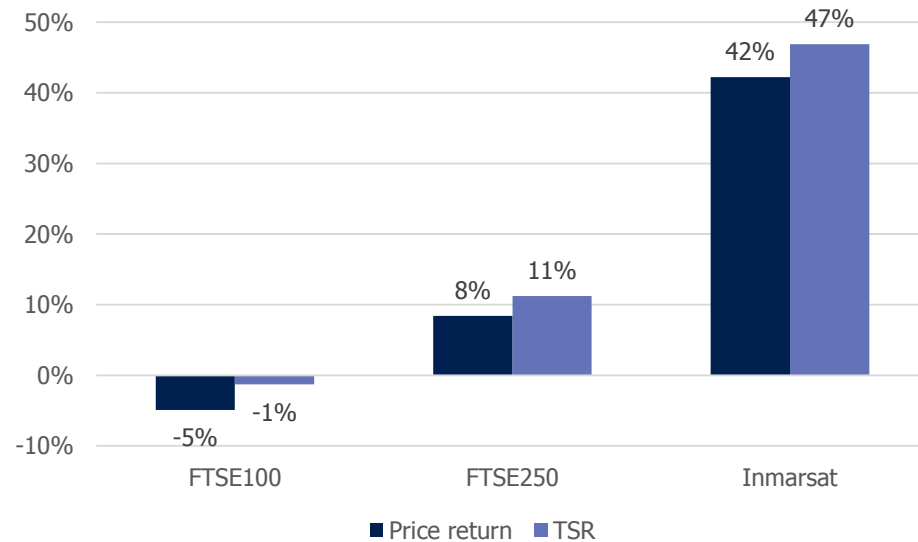
- > Meeting the remote and mobile connectivity needs of our customers
 - > Serving 4 key markets: Maritime, Aviation, Government and Enterprise
 - > Exploding growth in global mobile data traffic, applications, solutions and devices
- > Leveraging key differentiators for competitive advantage
 - > Global coverage
 - > Mobility
 - > High-speed, reliable, secure services
- > Across four complementary platforms
 - > L-band / Ka-band (Global Xpress) / S-band (European Aviation Network)
 - > Inmarsat Gateway
- > Consistently delivering value for our shareholders
 - > Dividend increased in each of the last ten years
 - > Above market growth in TSR

Value for shareholders

Share price and total shareholder return from Inmarsat IPO (June 2005) to 31 December 2015



Share price and total shareholder return in 2015





Business Review 2015

Rupert Pearce
Chief Executive Officer

Building for the long term

Long term Opportunities

- > Participating in the mobile broadband revolution – devices, apps & data
 - > Maritime: from safety to smart shipping
 - > Aviation: from safety to passenger connectivity
 - > Government: from AISR to e-borders
 - > Enterprise: 'smart' everything (energy, transport, agriculture, cities...)
- > New markets (e.g. China, India, Russia...)
- > New networks (GX, EAN & Inmarsat-6)
- > Solutions enablement (Inmarsat Gateway)

Immediate Challenges

- > Macro-economic pressures
 - > Global trade slowdown
 - > Government budgets & currency turmoil
 - > Industry headwinds (Maritime, Oil & Gas...)
- > Meeting competitive pressures
 - > Growth opportunity generates competition
 - > New entrants (GEO and NGE0) & new capacity
 - > Pricing pressure
- > Customer expectations
 - > Exploding data usage vs price/MB
 - > Need for new service/business models

Material long term growth opportunities

2015 Business highlights

Delivering the foundations for long-term growth

- > Launch of I-5 F2 and I-5 F3 and global GX CSI = key inflection point
- > Significant progress on aviation passenger connectivity
 - > Partnership with DT for EAN ground component
 - > Further EAN licence approvals
 - > Two major airline contracts signed for GX aviation (Deutsche Lufthansa & Singapore)
- > Inmarsat-6 programme kicked off
 - > Protects existing \$1b+ L-band revenue stream & offers future capability step-up
 - > Material new GX capacity at very low cost, to add local 'depth' to our global coverage
- > Product & service innovation continues
 - > Fleet One, Fleet Media, LAISR, LACE, L-TAC, BBiC, BRM
 - > CAP programme and Gateway platform
- > Developments at LightSquared augur positively

Q4: Maritime



Weaker quarter: growth in new broadband services vs ongoing legacy decline & rising headwinds

FleetBroadband (FB)

Revenue

Number of installed vessels

+12%

+4%

VSAT (mainly XpressLink)

Revenue

Number of installed vessels

+18%

+23%

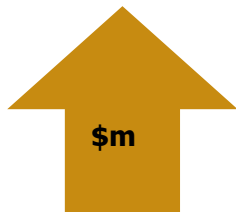
- > Strong growth for new broadband services
 - > FleetBroadband up 12%
 - > VSAT/XpressLink up 18%, backlog still rising nicely
- > Continued predictable decline in legacy products, with Fleet down 52%
- > Difficult days for the merchant maritime industry
 - > Global trade, capacity, costs, cargo rates all headwinds
 - > Lay-ups & scrappage increasing
- > Remain very confident in our market position
 - > FleetBroadband & Fleet Xpress very strong propositions
 - > Smart shipping era is dawning – connectivity is an enabler
- > Future growth shoots being created
 - > Fleet One & FleetPhone for smaller vessels & leisure
 - > CAP programme (Fleet Media...)

Q4: Government

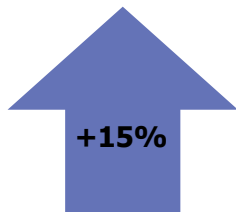


Challenging markets, but Inmarsat strategy is working

Improving pipeline



Sequential revenue growth
in Global Government

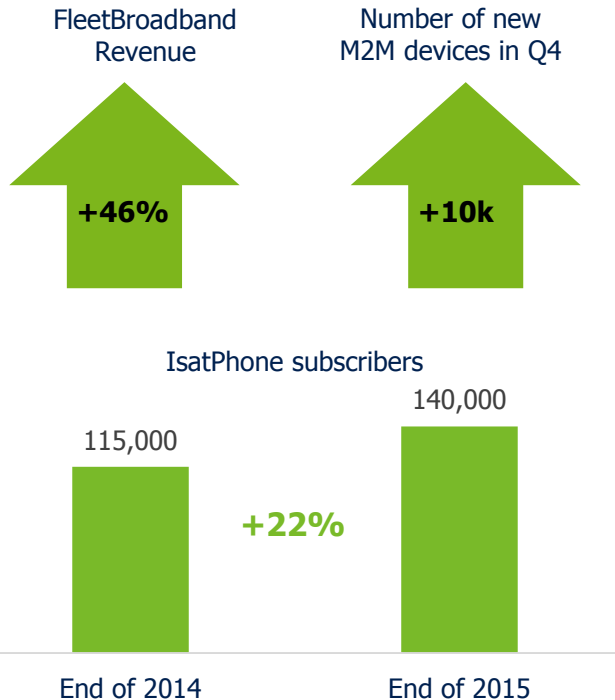


- > Marketplace remains attritional
 - > Historically low optempo levels...but set to increase?
 - > Ongoing budget pressures for legacy government customers
- > Growth strategy focuses on innovation & diversification
 - > GX changes everything – global Ka-band services augmentation
 - > Diversifying into new, government-tailored products & services
 - > Diversifying into new government customer segments
 - > Diversifying into new geographies
- > Decline slowing – we're outperforming
- > Positioned well for return to growth

Q4: Enterprise



Building the foundations for growth acceleration



- > Old & new services offsetting each other
 - > M2M business delivering good growth
 - > FleetBroadband continued strong growth
 - > Isatphone 2 well-positioned as market leader
 - > Legacy MSS and other revenues in decline
- > Isatphone 2 one-off hardware sales hit
 - > Problem resolved within one quarter in Q3
 - > Channel re-stocking in Q4 - back to normal Q1'16
- > Plenty of exciting areas for longer term growth
 - > 'Smart' energy, transport, cities, agriculture etc
 - > Internet of Things/Everywhere

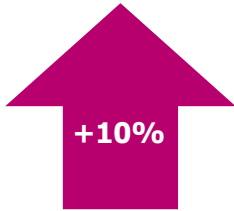
Q4: Aviation



Continued strong growth and exciting passenger connectivity opportunity

SwiftBroadband

Revenue

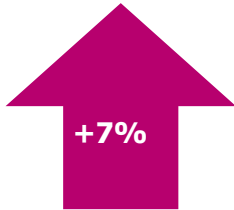


Active Terminals



Classic Aero

Revenue



Active Terminals



- > Strong growth in Business & General Aviation and Safety & Ops services
 - > SwiftBroadband – active base up to around 7,200
 - > Classic Aero still delivering good growth in SOS
 - > SB Safety to launch in H1 2016
- > GX aviation passenger connectivity
 - > Contract wins with Deutsche Lufthansa & Singapore Airlines
 - > Advanced stage of negotiation with several large airline groups
- > European Aviation Network
 - > Complementary ground network deal with Deutsche Telekom
 - > Other technology programmes well on track
 - > EAN regulatory process progressing to expectations
 - > Strong airline interest to translate into commitments
 - > Launching mid-2017

Q4 Summary

Continuing to build strong growth foundations through a period of transition

- > Decent financial performance in relatively challenging market conditions
- > Global Xpress finally becomes global!
- > Encouraging progress in Aviation – DT partnership & major GX airline wins
- > Airbus Inmarsat-6 contract for L-band renewal & Ka-band augmentation in 2020s
- > LightSquared revenue stream visibility continuing to improve
- > Confidence in medium-term revenue & profit growth trajectory
- > Dividend to shareholders raised 5% to 51.39 cents per ordinary share

Balancing growth and yield

Financial Review 2015

Tony Bates
Chief Financial Officer

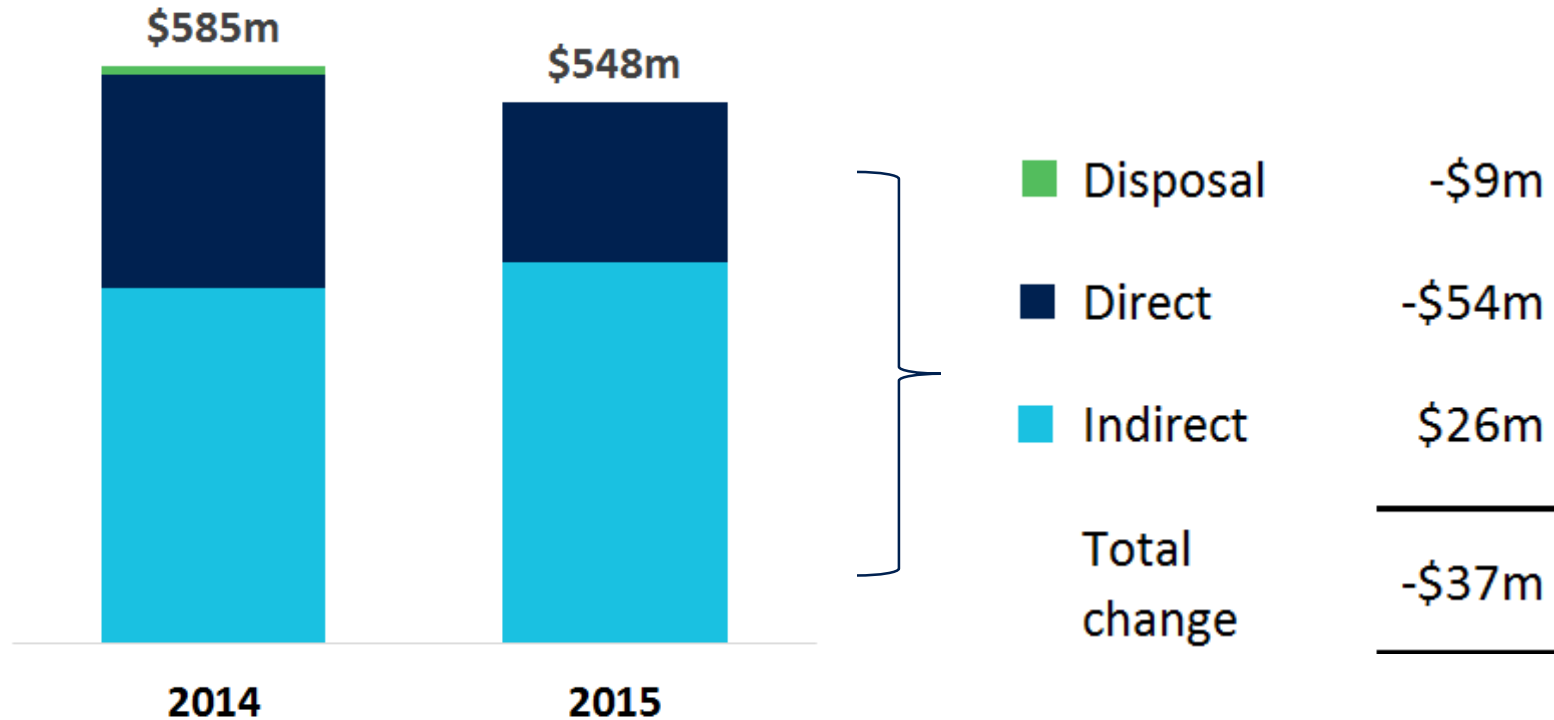
Group Income statement

\$m	2015	2014	Change	Q4 2015	Q4 2014	Change
Revenue	1,274.1	1,285.9	(0.9%)	334.8	333.0	0.5%
Operating costs	(548.1)	(584.9)	36.8	(131.7)	(167.7)	36.0
EBITDA	726.0	701.0	25.0	203.1	165.3	37.8
Depreciation & amortisation etc	(311.4)	(293.1)	(18.3)	(85.2)	(79.9)	(5.3)
Other	11.8	1.4	10.4	0.7	(0.5)	1.2
Operating profit	426.4	409.3	17.1	118.6	84.9	33.7
Interest payable	(88.4)	(67.0)	(21.4)	(30.7)	(15.0)	(15.7)
Profit before tax	338.0	342.3	(4.3)	87.9	69.9	18.0
Tax	(56.0)	(1.2)	(54.8)	0.3	55.7	(55.4)
Profit for the period	282.0	341.1	(59.1)	88.2	125.6	(37.4)
Free cash flow	132.4	150.1	(17.7)	(77.2)	(0.6)	(76.6)
Basic EPS (cents)	62.64	75.99	(17.6%)			
DPS (cents)	51.39	48.94	5.0%			

Revenue & EBITDA

\$m	2015	2014	Change	Q4 2015	Q4 2014	Change
Wholesale MSS revenue	832.8	791.4	5.2%	215.3	211.8	1.7%
Other revenue & terminals	352.7	408.3	(13.6%)	83.8	102.7	(18.4%)
LightSquared	88.6	75.4	17.5%	35.7	18.5	93.0%
Energy asset disposal	-	10.8	(100.0%)	-	-	-
Total Revenue	1,274.1	1,285.9	(0.9%)	334.8	333.0	0.5%
Underlying costs	(548.1)	(575.7)	27.6	(131.7)	(167.7)	36.0
Energy asset disposal	-	(9.2)	9.2	-	-	-
Total operating costs	(548.1)	(584.9)	36.8	(131.7)	(167.7)	36.0
Underlying EBITDA	637.4	624.0	13.4	167.4	146.8	20.6
Energy asset disposal	-	1.6	(1.6)	-	-	-
LightSquared	88.6	75.4	13.2	35.7	18.5	17.2
Total EBITDA	726.0	701.0	25.0	203.1	165.3	37.8
<i>EBITDA margin</i>	<i>57.0%</i>	<i>54.5%</i>	<i>2.5ppt</i>	<i>60.7%</i>	<i>49.6%</i>	<i>11.1ppt</i>

Operating costs

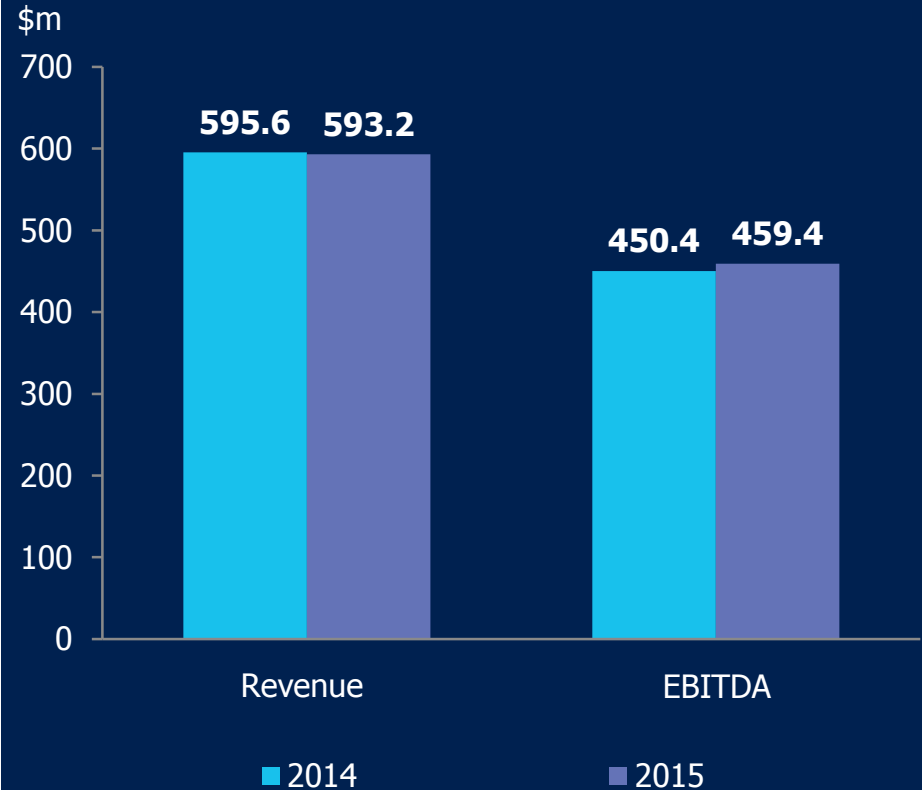


Maritime



Business Unit Results

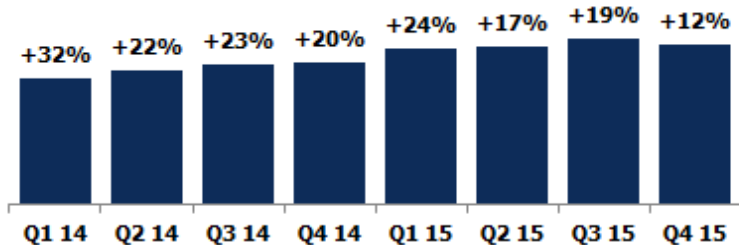
- > FleetBroadband +18%
- > VSAT/XpressLink +13%
- > Fleet -53%
- > Other -21%
- > EBITDA margin:
 - > 2015: 77.4%
 - > 2014: 75.6%



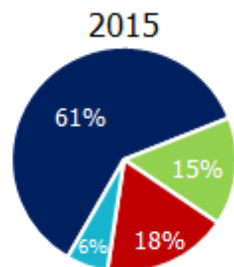
Maritime

Quarterly Product Revenue (year-on-year change)

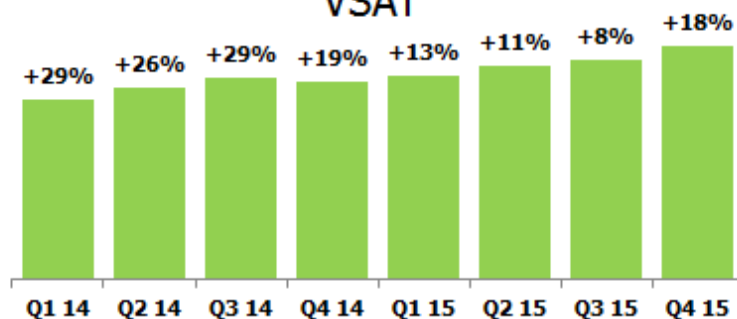
FleetBroadband



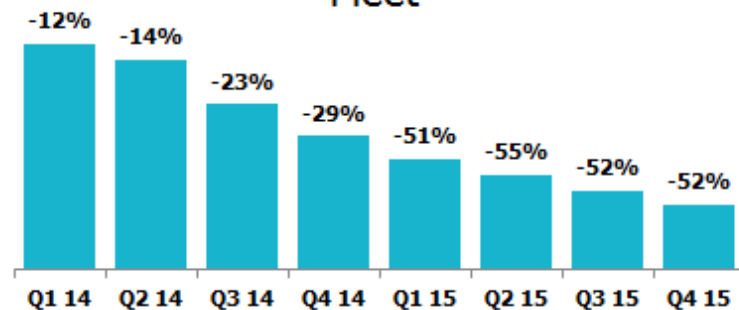
Proportion of Maritime Revenue



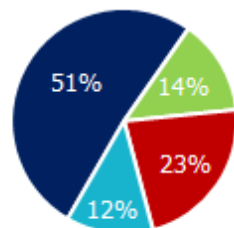
VSAT



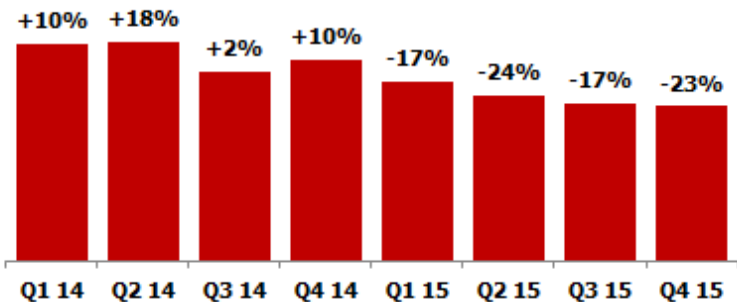
Fleet



2014



Other

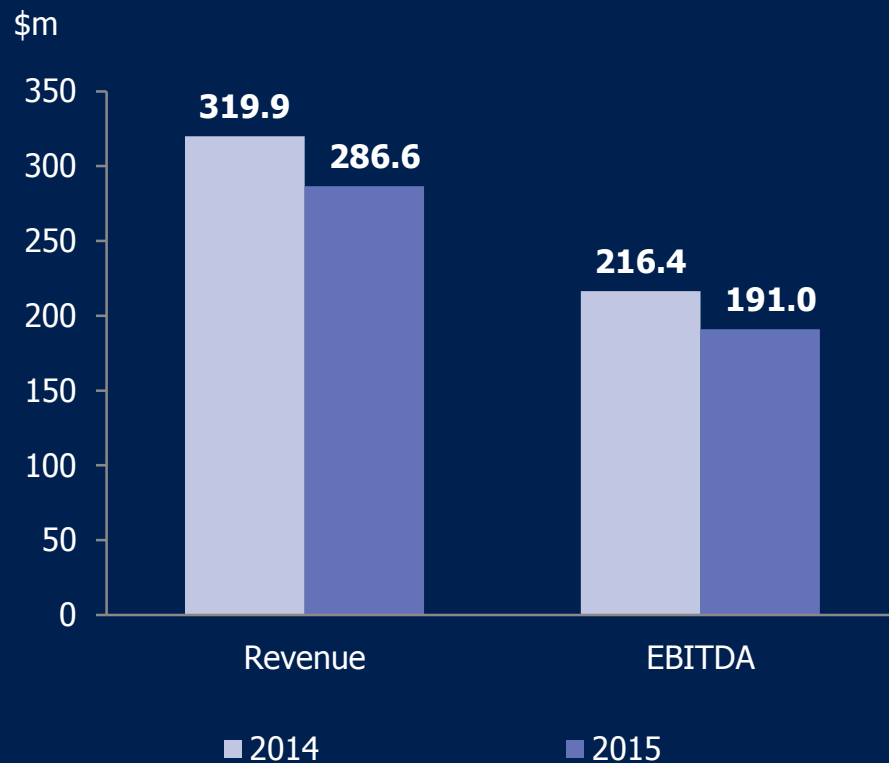


Government



Business Unit Results

- > Budget and op tempo pressure continues
- > Slower decline in the US
 - > Revenue down 13% (32% 2014)
 - > Contract flow
 - > GX uptake
- > Other markets mixed
 - > Major contract renewal
 - > 8 new territories opened
- > EBITDA margin:
 - > Marginally down at 66.6% (67.6%)

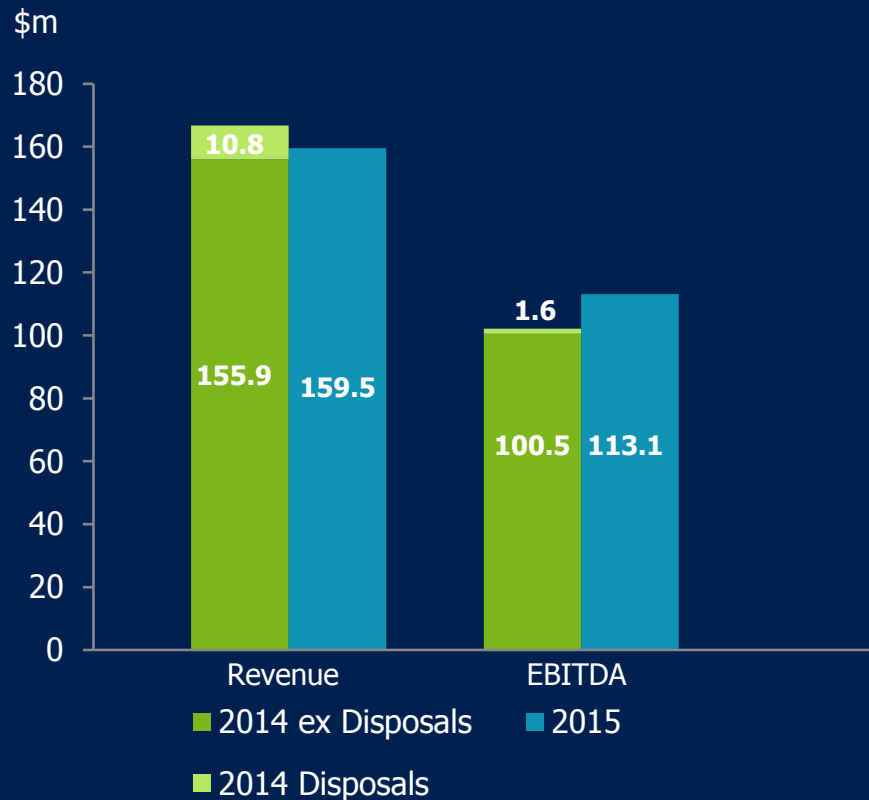


Enterprise



Business Unit Results

- > 2014 energy asset disposals
- > FleetBroadband +49%
- > M2M +14%
- > GSPS -12%
 - > Airtime flat
 - > Q3 terminal issue
- > BGAN -6%
- > EBITDA margin:
 - > 2015: 70.9%
 - > 2014: 61.2%

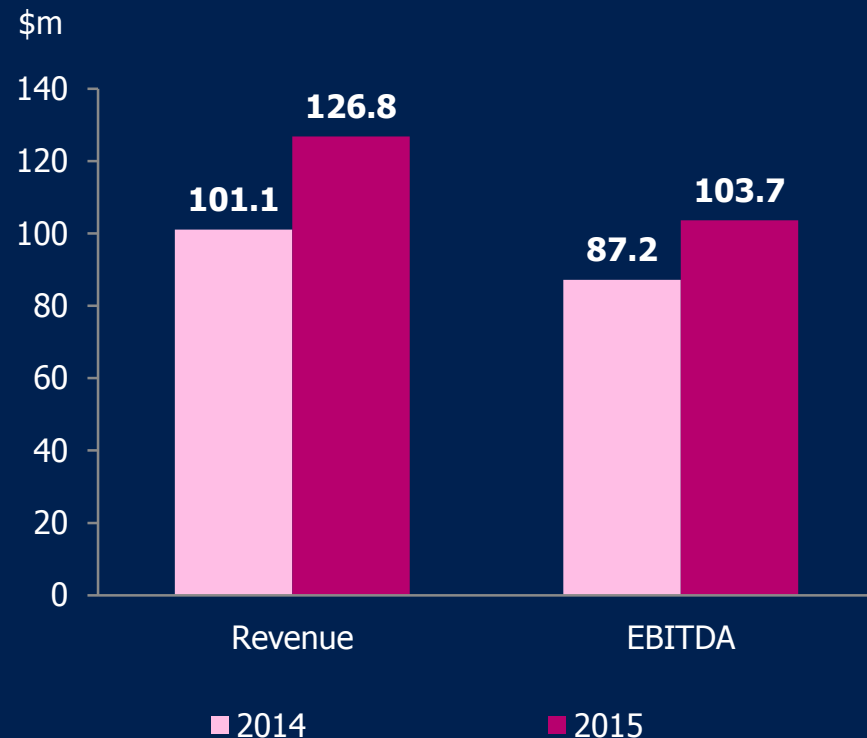


Aviation



Business Unit Results

- > SwiftBroadband revenue +44%
- > Take or Pay
- > Investment in capability
- > EBITDA margin:
 - > 2015: 81.8%
 - > 2014: 85.8%



Group Cash Flow

US\$m	2015	2014	Change	Q4 2015	Q4 2014	Change
EBITDA	726.0	701.0	25.0	203.1	165.3	37.8
Working capital/non-cash items	(9.0)	(47.6)	38.6	(56.4)	(16.1)	(40.3)
Operating cash flow	717.0	653.4	63.6	146.7	149.2	(2.5)
Capital expenditure	(493.6)	(405.7)	(87.9)	(177.8)	(115.7)	(62.1)
Interest paid	(78.1)	(88.1)	10.0	(28.4)	(27.5)	(0.9)
Tax paid	(12.9)	(9.5)	(3.4)	(17.7)	(6.6)	(11.1)
Free cash flow	132.4	150.1	(17.7)	(77.2)	(0.6)	(76.6)
Acquisitions and investments	-	(46.2)	46.2	-	(0.7)	0.7
Disposals	32.9	27.5	5.4	-	0.5	(0.5)
Dividends	(223.7)	(212.6)	(11.1)	(87.8)	(83.7)	(4.1)
Other movements	2.4	0.1	2.3	0.6	(1.1)	1.7
Net cash flow	(56.0)	(81.1)	25.1	(164.4)	(85.6)	(78.8)
Opening net debt	1,900.7	1,812.8	(87.9)	1,815.8	1,811.2	(4.6)
Net cash flow	56.0	81.1	25.1	164.4	85.6	(78.8)
Other	29.1	6.8	(22.3)	5.6	4.5	(1.1)
Closing net debt	1,985.8	1,900.7	(85.1)	1,985.8	1,900.7	(85.1)

Capital Expenditure

US\$m	2015	2014	Change	Q4 2015	Q4 2014	Change
Major infrastructure projects	354.1	256.9	97.2	128.9	117.2	11.7
Success-based capex	29.1	25.8	3.3	11.3	10.3	1.0
Other	78.6	100.1	(21.5)	23.5	29.1	(5.6)
Cash flow timing	31.8	22.9	8.9	14.1	(40.9)	55.0
Total cash capital expenditure	493.6	405.7	87.9	177.8	115.7	62.1

Definitions

Major infrastructure projects:

Satellite design and build, launch costs and ground infrastructure.

Success-based capex:

Equipment installed on customer premises (e.g. ships and aircraft). Ties closely to near term new revenues.

Other:

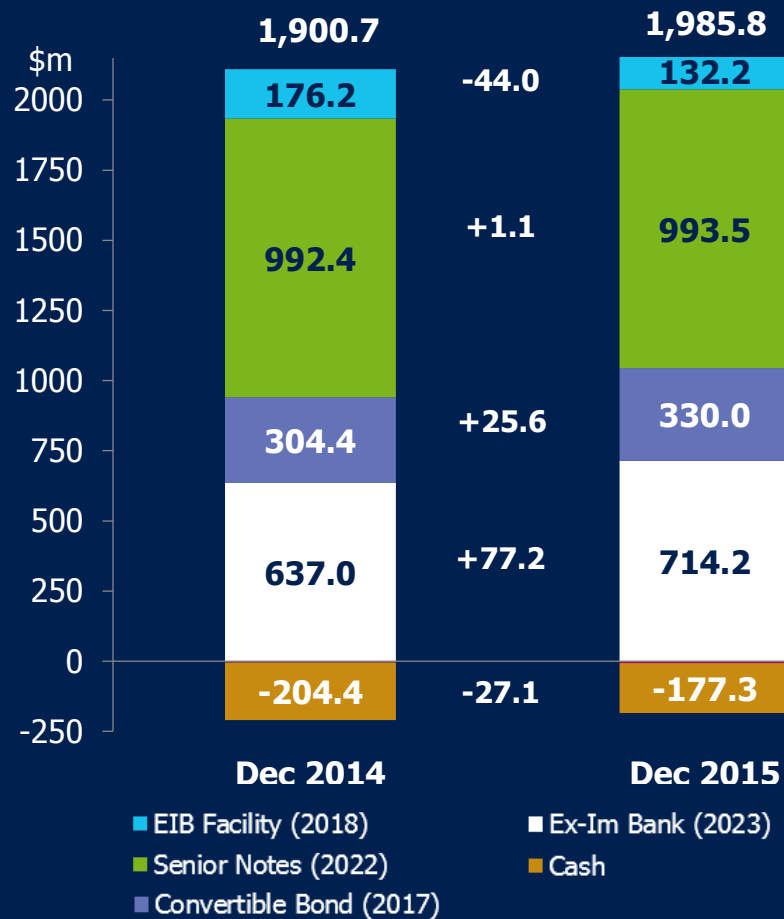
Primarily maintenance, IT and capitalised R&D costs.

This analysis of capital expenditure is :

- A) Available online by quarter for 2015 at www.inmarsat.com/about-us/investor-relations
- B) On an accruals basis, with the timing adjustment to cash capex being shown separately.
- C) Exclusive of capitalised interest.

Net debt

- > Overall profile little changed
- > New revolving credit facility in May
 - > \$500m, five years, lower cost
 - > Stronger bank group
- > Average interest rate now 3.98%
- > Maturities run from 2017 to 2022
- > Leverage 2.7x (Dec 2014: 2.7x)
 - > Normally maintain below 3.5x
- > \$755m liquidity at 31 Dec 2015:
 - > Credit Facility \$500m
 - > Undrawn Ex-Im Facilities \$78m
 - > Cash \$177m
- > Convertible bond matures Nov 2017
 - > Converts at GBP equivalent of \$16.53
 - > Final value of \$387m



Outlook/Guidance

- > Revenues (ex L2)
 - > 2016 - \$1,225m-\$1,300m
 - > 2018 - \$1,450m-\$1,600m
- > LightSquared income
 - > Uncertain
- > Annual target GX revenues of \$500m by the fifth anniversary of Global Commercial Service Introduction remains unchanged
 - > F4 addition to follow
- > Capex \$500m-\$600m in 2016, 2017 and 2018
- > Maintain Net Debt <3.5x EBITDA





Q & A

Results 2015