



Press Release

Inmarsat plc Interim Management Statement

London, UK: 9 May 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 31 March 2011.

Inmarsat plc Highlights

- Total revenue \$323.9m up 15% (2010: \$281.5m)
- Phase 2 of LightSquared Cooperation Agreement implemented
- Acquisition of Ship Equip announced and completed

Inmarsat Group Limited – Q1 Highlights

- Inmarsat Global revenue \$222.8m up 21% (2010: \$183.6m)
- Total EBITDA \$204.1m up 23% (2010: \$165.7m)
- Profit before tax \$124.8m up 51% (2010: \$82.6m)
- Free Cash Flow \$186.6m up 71% (2010: \$109.1m)

Andrew Sukawaty, Inmarsat’s Chairman and Chief Executive Officer, said, “During the quarter we saw strong overall revenue growth resulting from our Cooperation Agreement with LightSquared including the first revenues from Phase 2 of the agreement. The revenue performance of our core MSS business was in line with management expectations. New product sales continue to be very strong, but some usage trends and other factors continue to constrain our MSS growth. We continue to expect growth in our core MSS revenue for 2011 to be within our 2% to 4% range.”

Inmarsat plc Revenue

(US\$ in millions)	Three months ended 31 March		Increase/ (decrease)
	2011	2010	
Inmarsat Global	222.8	183.6	21.4%
Inmarsat Solutions	176.1	176.9	(0.5%)
	398.9	360.5	10.7%
Intercompany eliminations and adjustments	(75.0)	(79.0)	
Total revenue	323.9	281.5	15.1%

Inmarsat Global

(US\$ in millions)	Three months ended 31 March		Increase/ (decrease)
	2011	2010	
Revenues			
Maritime sector:			
Voice services	24.0	24.2	(0.8%)
Data services	65.0	62.0	4.8%
Total maritime sector	89.0	86.2	3.2%
Land mobile sector:			
Voice services	1.5	2.2	(31.8%)
Data services	38.9	43.0	(9.5%)
Total land mobile sector	40.4	45.2	(10.6%)
Aeronautical sector	23.8	22.8	4.4%
Leasing	27.4	27.0	1.5%
Total MSS revenue	180.6	181.2	(0.3%)
Other income	42.2	2.4	
Total revenue	222.8	183.6	21.4%

Activations of new FleetBroadband terminals have remained extremely strong and a record number of 2,880 terminals were added during the quarter. However, as FleetBroadband pricing is typically lower than older services being replaced, the pace of migration continues to impact overall maritime revenue growth.

Our analysis of the usage trends among FleetBroadband customers shows that the trend of average daily data usage is increasing. If usage continues to track this trend, usage growth will offset the pricing impact of migration in time. In addition, we believe the recent acquisition of Ship Equip and the introduction of FleetBroadband Plus, by Stratos, will allow us to retain customers who might have otherwise moved to competing VSAT services. In voice services, we have lowered certain prices to respond to competition and retain business.

The reduction in land mobile revenue reflects lower usage levels in the Middle East, mainly Afghanistan, which, as previously disclosed, started to contract in the middle of 2010 and which have remained at lower levels generally since this time. Our land mobile sector revenue saw a contribution in the quarter from global events in North Africa and Japan. These events resulted in increased usage primarily of our BGAN service by government users, media organisations and aid agencies.

We are pleased with the take up and positive customer reaction to our IsatPhone Pro service. During the first quarter we saw strong activations and IsatPhone Pro was the primary driver of a 22% growth in active land mobile terminals. Although the revenue contribution in the first quarter was still modest, we are now seeing growth and our market share and revenue targets remain unchanged.

Although Swift 64 usage levels from key government aeronautical customers in Afghanistan remain well below the levels seen in 2010, this was more than offset by growth in SwiftBroadband and other aeronautical services. During the quarter we saw a record number of SwiftBroadband terminals activated and ARPU was also strong. However, we are not seeing a recovery in Swift

64 usage and remain cautious on overall aeronautical revenue growth for the full year.

During the quarter we added new leasing business which resulted in a sequential improvement in our leasing revenue.

The substantial growth in Other Income was primarily driven by revenue from our Cooperation Agreement with LightSquared. During the quarter we recorded \$16.4m and \$20.1m in relation to Phase 1 and 2, respectively.

Inmarsat Solutions

(US\$ in millions)	Three months ended 31 March		Increase/ (decrease)
	2011	2010	
Inmarsat MSS	108.3	108.8	(0.5%)
Broadband and Other MSS	67.8	68.1	(0.4%)
Total revenue	176.1	176.9	(0.5%)

During the three months ended 31 March 2011 we adopted for segment reporting purposes the name Inmarsat Solutions, where we previously used the name Stratos, and we reorganised its operations to include its former Broadband business into the same structure as its MSS operations. As a result, the former Broadband revenue has been combined in the category 'Broadband and Other MSS' revenues.

Liquidity

At 31 March 2011, the Inmarsat plc group had net borrowings of \$975.3m, made up of cash and cash equivalents of \$511.4m and total borrowings of \$1,486.7m. Taking into consideration our cash on hand and available but undrawn borrowing facilities of \$300.0m, the group had total available liquidity at 31 March 2011 of \$811.4m.

Our Financial Reports

Inmarsat Group Limited, our wholly-owned subsidiary, today reported unaudited consolidated financial results for the three months ended 31 March 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

Other than disclosed in this Interim Management Statement and the above mentioned report of Inmarsat Group Limited, there have been no material events or transactions that have taken place in the reporting period that would affect the results. This Interim Management Statement is required by the UK Listing Authority's Disclosure and Transparency Rules.

Inmarsat management will discuss the first quarter results and other financial and business information in a conference call on Monday, 9 May at 2:00pm London time, (United States, 9:00am EST). To access the call please dial +44 (0)20 7162 0025. The conference id for the call is 893535. The call will be recorded and available for one week after the event. To access the recording please dial +44 (0)20 7031 4064 and enter the access number

893535. The call will also be available via a webcast, to access the webcast please go to <http://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 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.

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