



Inmarsat announces \$1.2bn investment

Targeting a \$1.4bn incremental market opportunity, Significant capacity pre-commitment from Boeing, Global services to iPad-sized antennas

August 9, 2010 Inmarsat (LSE: ISAT), the leading provider of global mobile satellite communications services, today announced that it has agreed a contract with The Boeing Company (Boeing) (NYSE: BA) for the delivery of three state-of-the-art 702HP Ka-band satellites. The Inmarsat-5 constellation will enable Inmarsat to provide a unique global high speed mobile broadband service offering. With operations expected to start in 2014, Inmarsat-5 will support a next generation global service, Global Xpress, which will target a \$1.4bn incremental market opportunity in VSAT services. Global Xpress will address the established, growing markets for VSAT services in the Maritime, Energy and Government sectors, with further growth potential in developing markets such as the Aeronautical sector. Global Xpress will deliver seamless global coverage and unprecedented mobile broadband with speeds up to 50MB/s, to customer terminals from 20-60cm in size.

Inmarsat will target \$500m of annual Ka-band revenues 5 years after global service launch. Under a separate arrangement, Boeing has agreed to become a distribution partner for both Inmarsats Ka- and L-band services and has pre-committed to capacity purchases representing more than 10% of Inmarsats target Ka-band revenues in the first five years after global service launch.

Inmarsat estimates that the total cost of Inmarsat-5 and Global Xpress will be \$1.2bn over 4.5 years, incorporating the fixed cost of the satellites, as well as the cost of additional ground network infrastructure, product development, launch services and insurance.

Andrew Sukawaty, Chairman and CEO of Inmarsat, said: This is a new investment for new growth. With the Global Xpress network, we will be the first operator to offer global mobile broadband coverage, offering unparalleled speeds and bandwidth to customers in remote locations around the world. Global Xpress will be faster and less expensive than current Ku-band market offerings, delivered to smaller and cheaper terminals and be the first offered on a seamless, global, end to end basis with high quality of service. Picture 50MB/s services to a ship or aircraft and 10MB/s to an antenna the size of an iPad (20cm).

Inmarsat-5 will also complement our existing global L-band services, allowing us to offer unique hybrid packages using both networks, giving users unprecedented levels of resilience and reliability in remote and harsh environments.

Rick Medlock, Inmarsats Chief Financial Officer commented: We expect the Inmarsat-5 programme to be largely funded from our internally generated cash flows and, with significant available liquidity today, we see no immediate financing needs. In connection with the Boeing contract, we are seeking Export Credit Agency financing support from the US Ex-Im Bank, which could provide an attractive source of long-term debt. Given the multi-year build phase and the strong free cash flow from our existing business, we believe the peak impact on our ratio of net debt to EBITDA will be less than 0.5.

Furthermore, as a result of our investment in Inmarsat-5, we will move to a more gradual replacement of our L-band network, resulting in a deferment of more than \$500m of our previously planned replacement expenditure over the next 11 years.

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About Inmarsat

Inmarsat plc (LSE: ISAT) is the leading provider of global mobile satellite communications services. Since 1979, Inmarsat has been providing reliable voice and high-speed data communications to governments, enterprises and other organizations, with a range of services that can be used on land, at sea or in the air. The company's services are delivered through a global network of more than 400 distribution partners and service providers operating in 100 countries. For the year ended 31 December 2009, Inmarsat plc had total revenue of US\$1,038.1m (2008: US\$996.7m) with an EBITDA of

US\$594.2m (2008: US\$531.2m). For more information, please visit www.inmarsat.com.

About Boeing Defense, Space & Security

A unit of The Boeing Company, Boeing Defense, Space & Security is one of the world's largest defense, space and security businesses specializing in innovative and capabilities-driven customer solutions, and the world's largest and most versatile manufacturer of military aircraft. Headquartered in St. Louis, Boeing Defense, Space & Security is a \$34bn business with 68,000 employees worldwide.