INMARSAT GROUP LIMITED

CONDENSED CONSOLIDATED FINANCIAL RESULTS
For the three months ended 31 March 2014
(unaudited)

Forward-Looking Statements

This document contains forward-looking statements. These forward-looking statements include matters that are not historical facts. Statements containing the words "believe", "expect", "intend", "may", "estimate" or, in each case, their negatives, and words of similar meaning are forward-looking.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that the Group's actual financial condition, results of operations and cash flows, and the development of the industry in which we operate, may differ materially from those made in or suggested by the forward-looking statements contained in this document. In addition, even if the Group's financial condition, results of operations and cash flows, and the development of the industry in which we operate are consistent with the forward-looking statements in this document, those results or developments may not be indicative of results or developments in subsequent periods. Important facts that could cause the Group's actual results of operations, financial condition or cash flows, or the development of the industry in which we operate, to differ from current expectations include those risk factors disclosed in the Group's Annual Report for the year ended 31 December 2013, which can be accessed via our website at www.inmarsat.com.

As a consequence, the Group's future financial condition, results of operations and cash flows, as well as the development of the industry in which we operate, may differ from those expressed in any forward-looking statements made by us or on the Group's behalf.

Non-IFRS Measures

In addition to International Financial Reporting Standards ("IFRS") measures, we use a number of non-IFRS measures in order to provide readers with a better understanding of the underlying performance of our business, and to improve comparability of our results for the periods concerned. Where such non-IFRS measures are given, this is clearly indicated and the comparable IFRS measure is also given.

Net Borrowings

Net Borrowings is defined as total borrowings less cash at bank and in hand less short-term deposits with an original maturity of less than three months. We use Net Borrowings as a part of our internal debt analysis. We believe that Net Borrowings is a useful measure as it indicates the level of borrowings after taking account of the financial assets within our business that could be utilised to pay down the outstanding borrowings. In addition the Net Borrowings balance provides an indication of the Net Borrowings on which we are required to pay interest.

Free Cash Flow

We define free cash flow ("FCF") as cash generated from operations less capital expenditure (including own work capitalised), net interest and cash tax payments. Other companies may define FCF differently and, as a result, our measure of FCF may not be directly comparable to the FCF of other companies.

FCF is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, IFRS. Furthermore, FCF is not a measurement of our performance or liquidity under IFRS and should not be considered as an alternative to profit for the period and operating profit as a measure of our performance and net cash generated from operating activities as a measure of our liquidity, or any other performance measures derived in accordance with IFRS.

We believe FCF is an important financial measure for use in evaluating our financial performance and liquidity, and that it provides supplemental information to our statement of cash flows.

EBITDA

We define EBITDA as profit before interest, taxation, depreciation and amortisation, impairment losses and share of profit of associates. Other companies may define EBITDA differently and, as a result, our measure of EBITDA may not be directly comparable to the EBITDA of other companies.

EBITDA and the related ratios are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, IFRS. Furthermore, EBITDA is not a measurement of our financial performance under IFRS and should not be considered as an alternative to profit for the period, operating profit or any other performance measures derived in accordance with IFRS.

We believe EBITDA, among other measures, facilitates operating performance comparisons from period to period and management decision-making. It also facilitates operating performance comparisons from company to company. EBITDA eliminates potential differences caused by variations in capital structures (affecting interest expense), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses) and the age and book depreciation and amortisation of tangible and intangible assets (affecting relative depreciation and amortisation expense). We also present EBITDA because we believe it is frequently used by securities analysts, investors and other interested parties in evaluating similar companies, the vast majority of which present EBITDA when reporting their results.

TABLE OF CONTENTS

Operating and Financial Review

The following is a discussion of the unaudited consolidated results of operations and financial condition of Inmarsat Group Limited (the "Company," or together with its subsidiaries, the "Group") for the three months ended 31 March 2014. Inmarsat Group Limited is a wholly-owned indirect subsidiary of Inmarsat plc, a company incorporated in the United Kingdom and listed on the London Stock Exchange. You should read the following discussion together with the whole of this document including the historical consolidated financial results and the notes. The consolidated financial results were prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

Overview

Inmarsat is the leading provider of global mobile satellite communications services ("MSS"), providing data and voice connectivity to end-users worldwide, with over 30 years of experience in designing, launching and operating satellite-based networks. We have an in-orbit fleet of 10 owned and operated L-band satellites in geostationary orbit and in December 2013 we successfully launched our first Inmarsat-5 Ka-band satellite. Our Inmarsat Global business provides a comprehensive portfolio of wholesale global mobile satellite communications services for use on land, at sea and in the air. These include voice and broadband data services, which support safety communications, as well as standard office applications such as email, internet, secure VPN access and video conferencing. Our Inmarsat Solutions business, comprising our direct and indirect distribution business, offers a broad portfolio of remote telecommunications solutions to end-user customers, offering services over the mobile and fixed satellite systems of a number of global and regional satellite system operators, predominantly the Inmarsat satellite system, and through owned and operated telecommunications facilities.

In addition to our established L-band satellite services business, we are implementing our Global Xpress ("GX") programme, a US$1.6 billion investment project. GX will offer seamless global coverage and deliver Ka-band satellite services with broadband speeds of up to 50 Mbps for users in the government, maritime, energy, enterprise and aviation sectors. GX services will be supported by an operational constellation of three Ka-band satellites (with a fourth satellite currently planned to be an operational spare), the Inmarsat-5 satellites, being built by Boeing Space and Intelligence Systems ("Boeing").

The Group's revenues for the three months ended 31 March 2014 were US$344.7m (2013: US$313.7m), EBITDA was US$209.9m (2013: US$155.1m) and operating profit was US$141.7m (2013: US$93.2m). The results of the Group's operations are reported in US Dollars as the majority of our revenues and borrowings are denominated in US Dollars.

Global Xpress Programme Update

Our GX programme remains on track and the delivery schedule for the Inmarsat-5 F2 and F3 satellites continues to provide for a launch programme that will complete global coverage by the end of 2014.

The first Inmarsat-5 satellite was successfully launched onboard a Proton Breeze-M rocket from the Baikonur Cosmodrome in Kazakhstan on 8 December 2013. The satellite has successfully completed in-orbit testing and commercial service introduction in the Indian Ocean region is on schedule for July 2014. The Inmarsat-5 F2 and F3 satellites have also been fully assembled and Inmarsat-5 F2 is in final preparations for shipment to the launch site. The Inmarsat-5 F2 and F3 satellites are committed to be launched later this year on a Proton launch vehicle, a Russian-built rocket, from the Baikonur Cosmodrome in Kazakhstan, a facility which is leased and operated by the Russian Federation. We continue to believe and be advised that current US and EU restrictions, arising from geo-political tension in the Ukraine do not affect our planned launches.

The ground network for GX services is being deployed around the world; the Inmarsat-5 F1 ground stations have been completed and are now in operation in Fucino (Italy) and Nemea (Greece). The ground stations for Inmarsat-5 F2 are also completed and undergoing final testing in North America (Lino Lakes in the US and Winnipeg in Canada), while the Inmarsat-5 F3 ground stations at the two New Zealand sites, Auckland and Warkworth, have undergone site acceptance testing.

Our Inmarsat-5 air interface and network management system technology partner iDirect has completed factory and site acceptance testing of the network management and radio access technology that will be the foundation of most GX connectivity services, and is in the middle of end-to-end tests of the radio access network. These tests will include rigorous testing of the services supported over iDirect's infrastructure, of the GX terminals being developed by our GX manufacturing partners and of the new service offerings being developed by Inmarsat's value-added reseller ("VAR") network.

In the period, we announced the signing of ESL Group, NSSL Global, Telespazio SpA, Airbus Defense and Space and Telemar SpA as GX VARs for the Government market. For the Enterprise market, we announced the signing of Globecomm, IEC Telecom Group, Telespazio SpA and Airbus Defense and Space as GX Enterprise VARs.

In addition, on 8 April 2014, we announced that Rockwell Collins had signed a Memorandum of Understanding that ARINC, its newly acquired subsidiary, is to become a GX VAR for commercial aviation services. Rockwell Collins is already a GX VAR in the business aviation market segment, and upon final agreement will be able to provide a full solution offering to airlines to support all of their satcom connectivity needs in the cockpit and the cabin. Similarly, on 9 April 2014, we announced an extended GX VAR agreement with Thales, following Thales' recent signing of the binding agreement with JetBlue for the acquisition of their fully owned subsidiary LiveTV. GX Aviation will enable Thales to offer airlines a full in-flight entertainment and connectivity service from hardware to connectivity.

On 12 March 2014, we also announced a new partnership with Gilat Satellite Networks Ltd, which will provide a suite of fixed GX land terminals and related network management resources, to address traditional VSAT market opportunities.

Strategic partnership with RigNet

On 1 August 2013, we announced a strategic partnership with RigNet, Inc. ("RigNet"), a global provider of managed remote telecommunications solutions to the oil and gas industry, to offer GX and L-band services to the energy sector. Under the terms of the agreement, RigNet became a GX distribution partner and entered into a five-year GX capacity pre-purchase agreement. In connection with the agreement, we agreed to sell the majority of our retail energy business to RigNet. On 3 February 2014, following regulatory and other approvals, we announced completion of the sale on 31 January 2014. The sale included our microwave and WiMAX networks in the US Gulf of Mexico, our VSAT interests in the UK, the US and Canada, our telecommunications systems integration business operating worldwide and our retail L-band energy satcoms business.

It is estimated that the retail energy business sold to RigNet contributed US$72.6m of revenue and US$3.8m of EBITDA to the Group during 2013.

Acquisition of Globe Wireless

On 17 December 2013, we announced the Group had agreed to acquire the mobile satellite communications business and substantially all of the related assets of Globe Wireless LLC ("Globe Wireless") for a total consideration of approximately US$45m. Globe Wireless is a leading provider of value-added maritime communications services to the shipping market. In the 12 months ended 30 June 2013, Globe Wireless reported revenues of US$91m and have an installed customer base of over 6,000 ships.

The transaction closed on 2 January 2014 (with the acquisition effective from 1 January 2014). The operations of Globe Wireless will be integrated within our Inmarsat Solutions business and will benefit Inmarsat's Commercial Maritime business unit, with operating synergies and revenue growth expected from the acquisition.

Inmarsat Global Services

During the period, we announced the following new services and developments aimed at broadening our customer base and increasing revenues from our existing users:

- On 18 February 2014, we announced the appointment of Addvalue Technologies and Cobham SATCOM as manufacturing partners for Fleet One, a new voice and data satellite service designed specifically for the maritime leisure and fishing community to be launched in May 2014;

- On 11 March 2014, we announced we had signed a contract with Hughes Network Systems, LLC, to manufacture a new Low Profile BGAN terminal, which will equip police forces and other government departments around the world with a discreet communications terminal. The Low Profile BGAN terminal combines Inmarsat's BGAN service with a lay-flat, rapidly deployable antenna;

- On 24 March 2014, we announced the launch of our next generation satellite phone, the IsatPhone 2. The IsatPhone 2 has the longest battery life and is the most rugged of any handheld satellite phones on the market and includes a range of updated emergency and tracking features; and

- On 9 April 2014, we announced that we had secured an exclusive 5-year, worldwide movie distribution agreement for commercial maritime customers. Inmarsat and NT Digital Partners will launch Fleet Media in mid-2014. The agreement covers the digital distribution of the latest Hollywood releases, as well as television programming, and sports and news content, and will be available to the world's commercial shipping fleet via any Inmarsat broadband package.

In addition, on 25 February 2014 and 4 March 2014, we announced the appointment of RacoWireless and Pivotel, respectively, as Inmarsat M2M distribution partners.

Inmarsat Solutions Services

On 8 April 2014, we announced that EMAS, a leading global contracting group providing offshore/subsea construction, marine, production and well intervention services, has equipped 35 of its vessels with Inmarsat's XpressLink service.

Chief Financial Officer

On 21 February 2014, we announced that Tony Bates will join the Company on 2 June 2014 as an Executive Director and Chief Financial Officer. Mr Bates is an experienced senior finance and business professional and has been the Group Chief Financial Officer of Hibu (previously Yell Group plc) since November 2010.

Non-Executive Directors

On 5 March 2014, we announced that Admiral James Ellis Jr (Rtd) had retired as a Non-Executive Director of the Inmarsat plc Board.

On 20 March 2014, we announced that on 6 May 2014 General C. Robert Kehler, United States Air Force (Retired) will join the Inmarsat plc Board as a Non-Executive Director.

LightSquared Cooperation Agreement

In April 2012, we agreed to amend our Cooperation Agreement with LightSquared and temporarily suspended all payments under the agreement. Under the terms of the amendment, Phase 1.5 ceased to be operative and Phase 2 was renegotiated and suspended until 31 March 2014. As a result of the amendment, LightSquared had no payment obligations under the Cooperation Agreement during the Phase 2 suspension period. During the period of suspension, we continued to recognise some limited revenue under the Cooperation Agreement as we incurred certain costs in maintaining our readiness to perform obligations under the agreement.

During the three months ended 31 March 2014, we recognised US$40.3m of previously deferred revenue in relation to the Cooperation Agreement. The deferred income recorded on our balance sheet relates to our estimate of future potential costs we would incur as a result of an implementation of ATC under the Cooperation Agreement. These anticipated costs were originally set out in 2010 and mostly relate to changes we may need to make to certain customer equipment to guard against potential inter-system interference. As the deployment of ATC has been prolonged due to regulatory and other challenges faced by LightSquared, some of the affected customer equipment has been naturally replaced by customer upgrades, competitive churn and the fact that many new terminals are sold with embedded resilience to inter-system interference. As a result of the downward revision in the anticipated costs and due to the satisfaction of a specific performance obligation under the Cooperation Agreement, an additional US$38.8m of previously deferred income has been recognised during the three months ended 31 March 2014. As at 31 March 2014, we had deferred income remaining in relation to the Cooperation Agreement of US$212.3m recorded on our balance sheet. We will continue to evaluate the future expected costs of fulfilling our obligations under Phase 1 of the Cooperation Agreement, which in turn will dictate the extent to which revenue and profits can be recognised going forwards under a percentage of completion method.

On 31 March 2014, in line with the terms of the Cooperation Agreement, LightSquared elected to restart Phase 2. In connection with this election notice, a payment of US$5.0m became due (and was recognised as revenue in the three months ended 31 March 2014), which was received on 3 April 2014.

The table below sets out the contribution of our Cooperation Agreement with LightSquared to our profit for the periods indicated:

	Three months ended 31 March	
(US$ in millions)	**2014**	**2013**
Revenue	45.3	2.9
Net operating costs	(0.1)	(2.0)
EBITDA	**45.2**	**0.9**
Income tax expense	(9.7)	(0.2)
Profit for the period	**35.5**	**0.7**

Phase 2 quarterly payments will become due for payment by LightSquared within 30 days of 1 June 2014, the date on which the parties have agreed that the Phase 2 spectrum for the option selected by LightSquared will be made available for use. Thereafter, Phase 2 payments will fall due on the next 31 March, 30 June, 30 September, and 31 December of each year. The payments due under the Phase 2 option elected by LightSquared are US$12.5m per quarter, increasing at a rate of 3% annually, with an additional amount of US$5.0m per quarter payable for the first 10 quarters. LightSquared has elected the Phase 2 option with the lowest associated payments due to Inmarsat and has until 31 March 2016 to make further elections which would give LightSquared additional spectrum rights and increase payments due to Inmarsat.

Further payments from LightSquared are subject to significant uncertainty. In May 2012, LightSquared filed for a reorganisation under Chapter 11 of the United States Bankruptcy Code and is yet to complete a reorganisation process that would allow LightSquared, among other things, to fund its further operations including payments to Inmarsat. As such, the restart of the Cooperation Agreement provides no guarantee that any further payments will be received from LightSquared.

Vertical Market Presentation of Revenue

As in previous periods, the commentary within this report is based on our two operating segments: Inmarsat Global and Inmarsat Solutions. In addition, a breakdown of total revenue by business unit is provided. From 1 January 2014, a fifth business unit was created, Inmarsat Aviation. Inmarsat Aviation focuses on commercial aviation opportunities, which were previously reported within our Inmarsat Enterprise business unit.

Our five market-facing business units are:
- Inmarsat Commercial Maritime, focusing on worldwide commercial maritime opportunities;
- Inmarsat US Government, focusing on US Government opportunities, both military and civil;
- Inmarsat Global Government, focusing on worldwide (i.e. non-US) civil and military government opportunities;
- Inmarsat Enterprise, focusing on worldwide energy, industry, media, carriers, and M2M opportunities; and
- Inmarsat Aviation, focusing on commercial aviation opportunities.

Dividends

A final dividend in respect of 2013 of US$142.1m is expected to be approved by the Directors on 7 May 2014 to be paid to Inmarsat Holdings Limited (the parent company). Inmarsat plc intends to use the majority of the proceeds of the dividend it receives from Inmarsat Holdings Limited to fund a previously announced dividend to holders of its ordinary shares.

Total Group Results

The results are the consolidated results of operations and financial condition of Inmarsat Group Limited for the three months ended 31 March 2014. We report two operating segments, Inmarsat Global and Inmarsat Solutions.

The table below sets out the results of the Group for the periods indicated:

(US$ in millions)	Three months ended 31 March 2014	2013	Increase/ (decrease)
Revenue	**344.7**	**313.7**	**9.9%**
Employee benefit costs	(55.5)	(59.9)	(7.3%)
Network and satellite operations costs	(59.9)	(74.4)	(19.5%)
Other operating costs	(26.7)	(30.8)	(13.3%)
Own work capitalised	7.3	6.5	12.3%
Total net operating costs	(134.8)	(158.6)	(15.0%)
EBITDA	**209.9**	**155.1**	**35.3%**
EBITDA excluding LightSquared	*164.7*	*154.2*	*6.8%*
Depreciation and amortisation	(67.6)	(62.7)	7.8%
Impairment losses	(1.1)	–	–
Share of profit of associates	0.5	0.8	(37.5%)
Operating profit	**141.7**	**93.2**	**52.0%**
Interest receivable and similar income	0.9	1.4	(35.7%)
Interest payable and similar charges	(9.1)	(8.3)	9.6%
Net interest payable	(8.2)	(6.9)	18.8%
Profit before income tax	**133.5**	**86.3**	**54.7%**
Income tax expense	(27.3)	(21.4)	27.6%
Profit for the period	**106.2**	**64.9**	**63.6%**

Revenues

Total Group revenues for the three months ended 31 March 2014 increased by 9.9%, compared with the three months ended 31 March 2013. The increase was primarily due to increased revenues recognised in relation to our Cooperation Agreement with LightSquared, our acquisition of Globe Wireless and increased revenues from our Inmarsat Global MSS business, partially offset by a reduction in revenue following the disposal of the majority of our retail energy assets to RigNet on 31 January 2014. The table below sets out the components, by segment, of the Group's total revenue for each of the periods indicated:

(US$ in millions)	Three months ended 31 March 2014	2013	Increase/ (decrease)
Inmarsat Global:			
Wholesale MSS	191.5	184.6	3.7%
LightSquared	45.3	2.9	1,462.1%
Other	6.7	10.0	(33.0%)
Total Inmarsat Global segment	243.5	197.5	23.3%
Inmarsat Solutions	192.1	189.5	1.4%
	435.6	387.0	12.6%
Intercompany eliminations and adjustments	(90.9)	(73.3)	
Total revenue	**344.7**	**313.7**	**9.9%**

Net operating costs
Total Group net operating costs for the three months ended 31 March 2014 decreased by 15.0%, compared with the three months ended 31 March 2013, primarily due to a decrease in operating costs as a result of the sale of the majority of our retail energy business to RigNet and a workforce reduction implemented in the US Government business during 2013. This was partially offset by increased costs due to our acquisition of the Globe Wireless business. The table below sets out the components, by segment, of the Group's net operating costs for each of the periods indicated:

	Three months ended 31 March		
(US$ in millions)	**2014**	**2013**	**Decrease**
Inmarsat Global	55.8	58.1	(4.0%)
Inmarsat Solutions	169.1	172.8	(2.1%)
	224.9	230.9	(2.6%)
Intercompany eliminations and adjustments	(90.1)	(72.3)	
Total net operating costs	**134.8**	**158.6**	**(15.0%)**

EBITDA
Group EBITDA for the three months ended 31 March 2014 increased by 35%, compared with the three months ended 31 March 2013; this was primarily as a result of increased revenue from our Cooperation Agreement with LightSquared and increased EBITDA from other operating activities. As a consequence, EBITDA margin has increased to 60.9% for the three months ended 31 March 2014, compared with 49.4% for the three months ended 31 March 2013. Below is a reconciliation of profit for the period to EBITDA for each of the periods indicated:

	Three months ended 31 March		
(US$ in millions)	**2014**	**2013**	**Increase/ (decrease)**
Profit for the period	106.2	64.9	63.6%
Add back:			
Income tax expense	27.3	21.4	27.6%
Net interest payable	8.2	6.9	18.8%
Depreciation and amortisation	67.6	62.7	7.8%
Impairment losses	1.1	–	–
Share of profit of associates	(0.5)	(0.8)	(37.5%)
EBITDA	**209.9**	**155.1**	**35.3%**
EBITDA margin %	***60.9%***	***49.4%***	

Depreciation and amortisation
Depreciation and amortisation for the three months ended 31 March 2014 increased by US$4.9m, or 7.8%. The increase is primarily due to an increase in depreciation in our Inmarsat Global segment largely due to our Alphasat satellite entering commercial service (and therefore starting to be depreciated) in November 2013.

Operating profit
As a result of the factors discussed above, operating profit for the three months ended 31 March 2014 was US$141.7m, an increase of US$48.5m, or 52%, compared with the three months ended 31 March 2013.

Interest
Net interest payable for the three months ended 31 March 2014 was US$8.2m, an increase of US$1.3m, or 18.8%, compared with the three months ended 31 March 2013.

Interest payable for the three months ended 31 March 2014 was US$9.1m, an increase of US$0.8m, or 9.6%, compared with the three months ended 31 March 2013. The increase is predominantly due to a reduction in interest that was capitalised in the three months ended 31 March 2014 of US$16.7m, compared with US$18.7m capitalised in the three months ended 31 March 2013. Interest capitalised in the three months ended 31 March 2013 included capitalised interest in respect of our Alphasat satellite which entered commercial service in

November 2013, meaning related interest is no longer being capitalised. In addition, there was an increase in interest payable following further drawdowns of our Ex-Im Bank Facility which supports our Inmarsat-5 programme. Partially offsetting the increase was a decrease in interest payable under interest rate swaps which matured in 2013 (there were no open interest rate swaps in the three months ended 31 March 2014).

Profit before tax

As a result of the factors discussed above, profit before tax for the three months ended 31 March 2014 was US$133.5m, an increase of US$47.2m, or 55%, compared with the three months ended 31 March 2013.

Income tax expense

The tax charge for the three months ended 31 March 2014 was US$27.3m, an increase of US$5.9m, or 28%, compared with the three months ended 31 March 2013. The increase in the tax charge is largely driven by the increase in profits for the three months ended 31 March 2014, together with non-tax deductible items resulting in a tax charge of US$0.4m in the three months ended 31 March 2014 (three months ended 31 March 2013: tax credit totalling US$0.7m relating to non-taxable items). This was partially offset by the benefit of current year non-UK losses previously not recognised, totalling US$1.1m in the three months ended 31 March 2014. For the three months ended 31 March 2013, there were unrecognised current year non-UK losses totalling US$2.3m.

The effective tax rate for the three months ended 31 March 2014 was 20.4%, compared to 24.8% for the three months ended 31 March 2013. If the effects of the above adjustments are removed, the effective tax rate for the three months ended 31 March 2014 was 21.0%, compared to 22.9% for the three months ended 31 March 2013. The decrease in the adjusted effective tax rate is predominantly due to the reduction in the UK main rate of corporation tax from 23% to 21%. While this did not become effective until 1 April 2014, this has the effect of lowering the average UK statutory tax rate for 2014, and therefore the rate upon which the three months ended 31 March 2014 tax charge is based, to 21.5%. For the three months ended 31 March 2013, the rate upon which the tax charge was based was 23.25%.

Profit for the period

As a result of the factors discussed above, profit for the three months ended 31 March 2014 was US$106.2m, an increase of US$41.3m, or 64%, compared with the three months ended 31 March 2013.

Inmarsat Global Results

Revenues

During the three months ended 31 March 2014, revenues from Inmarsat Global were US$243.5m, an increase of US$46.0m, or 23%, compared with the three months ended 31 March 2013. MSS revenues increased by US$6.9m, or 3.7%, period-on-period. The remainder of the increase in total revenues in the three months ended 31 March 2014 is primarily due to an increase in revenues recognised in relation to our LightSquared Cooperation Agreement.

MSS revenue growth was primarily driven by increased activations and usage of our FleetBroadband and SwiftBroadband services and by the effect of price initiatives for maritime data services. As in recent periods, growth in our land mobile sector has been offset by the continued expected decline in revenues from our BGAN and GAN services due to troop withdrawals from Afghanistan and reduced revenues from other global events. More generally, we have experienced a decline in revenues from older services such as Inmarsat B, Mini M, Fleet, GAN and Swift 64, period-on-period, as users continue to migrate to newer services. The results also reflect the expected termination of certain lease business.

The table below sets out the components of Inmarsat Global's revenue for each of the periods indicated. The breakdown of our maritime and land mobile revenues into voice and data categories will no longer be provided. This decision is due to the increasing take-up of maritime service packages where customers are not specifically charged for voice or data use and is also due to the increasing use of VoIP services which are recorded as data by our systems. As a result, we no longer believe the separation of voice revenues provides meaningful information on underlying customer usage trends.

(US$ in millions)	Three months ended 31 March 2014	2013	Increase/ (decrease)
Revenue			
Maritime	110.1	103.7	6.2%
Land mobile	28.4	32.3	(12.1%)
Aviation	33.3	27.7	20.2%
Leasing	19.7	20.9	(5.7%)
Total MSS revenue	**191.5**	**184.6**	**3.7%**
Other income (including LightSquared)	52.0	12.9	303.1%
Total revenue	**243.5**	**197.5**	**23.3%**

Total active terminal numbers as at 31 March 2014 decreased by 1.0%, compared with 31 March 2013. The table below sets out the active terminals by sector for each of the periods indicated:

(000's)	As at 31 March 2014	2013	Increase/ (decrease)
Active terminals[(a)]			
Maritime	189.0	188.6	0.2%
Land mobile	166.1	172.0	(3.4%)
Aviation	17.3	15.7	10.2%
Total active terminals	**372.4**	**376.3**	**(1.0%)**

(a) Active terminals is the number of subscribers or terminals that have been used to access commercial services (except certain handheld terminals) at any time during the preceding twelve-month period and registered at 31 March. Active terminals also include the average number of certain handheld terminals active on a daily basis during the final month of the period. Active terminals exclude terminals (Inmarsat D+, IsatM2M, IsatData Pro and BGAN M2M) used to access our M2M services. At 31 March 2014, we had 270,044 (31 March 2013: 235,328) M2M terminals.

The growth of active terminals in the maritime sector is due to take-up of our FleetBroadband service, where we have seen active terminal numbers grow by 20%, period-over-period. This growth has been partially offset by the expected decline in active terminals of older services such as Inmarsat B, Mini M and Fleet, where users have been migrating to our FleetBroadband service. A similar trend has occurred in the land mobile sector, where the increase in active BGAN terminals has not been sufficient to offset the reduction in active users of older services and also of IsatPhone Pro. In the aviation sector, we have seen growth in SwiftBroadband active terminals of 40%, period-over-period.

Maritime Sector. During the three months ended 31 March 2014, revenues from the maritime sector were US$110.1m, an increase of US$6.4m, or 6.2%, compared with the three months ended 31 March 2013.

We have continued to see strong growth in take-up and usage of our core FleetBroadband service, and we added a further 1,847 subscribers to this service during the three months ended 31 March 2014. We have seen an increase in the proportion of FleetBroadband revenues earned through fixed monthly subscriptions, and continued migration to higher subscription packages. In the three months ending 31 March 2014 the proportion of FleetBroadband revenues earned from fixed monthly subscriptions approached 60%. Despite the overall revenue growth reported, customer migration to FleetBroadband from older services continues to be a constraint on our rate of revenue growth as the price of FleetBroadband services is typically lower than the price of equivalent services on the terminals being replaced. However, the effect on overall revenues was partly offset by price increases implemented in January 2014 in relation to data traffic on our legacy Fleet service. We also continue to believe that the current economic environment for the shipping industry is impacting revenues in the maritime sector.

In addition, the take-up of our retail XpressLink product by ships currently using our existing L-band maritime services impacts the wholesale maritime revenues we report for Inmarsat Global, as the customer revenue on a ship-by-ship basis largely migrates to our Inmarsat Solutions segment. In due course, after maritime GX services are commercially introduced, such customers are expected to migrate to GX (as they are, in general, contractually committed to do) and increase wholesale revenue reported by Inmarsat Global.

Land Mobile Sector. During the three months ended 31 March 2014, revenues from the land mobile sector were US$28.4m, a decrease of US$3.9m, or 12.1%, compared with the three months ended 31 March 2013.

The decline in revenues is primarily due to troop withdrawals from Afghanistan and other lower BGAN and GAN usage. We estimate that global events including Afghanistan and Sub-Saharan Africa contributed US$4.2m more BGAN revenue in the three months ended 31 March 2013, than the three months ended 31 March 2014. Although we continue to see growth in BGAN usage from new subscribers, this growth is unable to fully offset the impact of reduced revenues from event-driven BGAN traffic and other lower BGAN usage. Offsetting the decrease is an increase in revenue from our IsatPhone Pro service, due to an increase in average revenue per user.

***Aviation Sector*.** During the three months ended 31 March 2014, revenues from the aviation sector were US$33.3m, an increase of US$5.6m, or 20%, compared with the three months ended 31 March 2013. We have seen strong growth in revenues from our SwiftBroadband service, period-over-period, in both the business jet and air transport segments. However, this increase has been partially offset by a decline in Swift 64 revenues, due to a reduction in usage by certain government customers, including usage related to reduced activity in Afghanistan.

Leasing. During the three months ended 31 March 2014, revenues from leasing were US$19.7m, a decrease of US$1.2m, or 5.7%, compared with the three months ended 31 March 2013. The decrease was expected and is predominantly due to a reduction in revenues from a number of government maritime and aviation contracts, partially offset by an increase in government land leases.

***Other income*.** Other income for the three months ended 31 March 2014 was US$52.0m, an increase of US$39.1m, compared with the three months ended 31 March 2013. The increase is due to higher revenues from LightSquared (US$45.3m, in the three months ended 31 March 2014, compared with US$2.9m for the three months ended 31 March 2013). During the three months ended 31 March 2014, we recorded US$4.1m of revenue relating to the sale of terminals and accessories (predominantly in relation to IsatPhone Pro), compared with US$7.4m in the same period in 2013. We believe that purchases of terminals in relation to IsatPhone were delayed in the three months ended 31 March 2014 as a result of the anticipated launch of the second generation phone (“IsatPhone 2”) which took place on 24 March 2014.

Net operating costs

Net operating costs for the three months ended 31 March 2014 decreased by 4.0%, compared with the three months ended 31 March 2013. Included within net operating costs for the three months ended 31 March 2014 are net costs in relation to our GX programme totalling US$6.0m (three months ended 31 March 2013: US$4.6m) and costs in relation to the LightSquared Cooperation Agreement of US$0.1m (three months ended 31 March 2013: US$2.0m).

The table below sets out the components of Inmarsat Global's net operating costs for each of the periods indicated:

(US$ in millions)	Three months ended 31 March 2014	2013	Increase/ (decrease)
Employee benefit costs	26.8	29.2	(8.2%)
Network and satellite operations costs	12.4	9.4	31.9%
Other operating costs	21.7	24.6	(11.8%)
Own work capitalised	(5.1)	(5.1)	–
Net operating costs	**55.8**	**58.1**	**(4.0%)**

Impact of hedged foreign exchange rate. The functional currency of the Group's principal subsidiaries is the US Dollar. Approximately 50% of Inmarsat Global's costs are denominated in Pounds Sterling. Inmarsat Global's hedged rate of exchange for 2014 is US$1.54/£1.00, compared with US$1.57/£1.00 in 2013, which does not give rise to a material variance in comparative costs.

Employee benefit costs. Employee benefit costs for the three months ended 31 March 2014 decreased by US$2.4m, or 8.2%, compared with the three months ended 31 March 2013. The decrease is primarily due to the reversal of certain previously recognised share option costs as the options will no longer vest.

Network and satellite operations costs. Network and satellite operations costs for the three months ended 31 March 2014 increased by US$3.0m, or 32%, compared with the three months ended 31 March 2013. The increase is primarily due to certain changes made to the internal structure of our business that have no impact on the consolidated results of the Group. In December 2013, the Inmarsat Global segment sold certain operational assets to the Inmarsat Solutions segment. These assets are continuing to be used by Inmarsat Global and, therefore, from 1 January 2014, the cost of using these assets is being recognised in Inmarsat Global, by way of an intercompany charge, with the Inmarsat Solutions segment recognising a corresponding revenue amount. Previously, as Inmarsat Global owned the assets, the associated cost was recognised as a depreciation expense.

Other operating costs. Other operating costs for the three months ended 31 March 2014 decreased by US$2.9m, or 11.8%, compared to the three months ended 31 March 2013. The decrease is primarily due to a decrease in cost of sales in the three months ended 31 March 2014 due to lower IsatPhone Pro terminal sales, period-on-period. In addition, professional fees in relation to our Cooperation Agreement with LightSquared decreased in the three months ended 31 March 2014, compared with the three months ended 31 March 2013. Offsetting the decrease was a foreign exchange loss in the three months ended 31 March 2014 of US$0.9m, compared with a foreign exchange gain of US$1.4m in the three months ended 31 March 2013.

Operating profit

(US$ in millions)	Three months ended 31 March 2014	2013	Increase/ (decrease)
Total revenue	243.5	197.5	23.3%
Net operating costs	(55.8)	(58.1)	(4.0%)
EBITDA	**187.7**	**139.4**	**34.6%**
EBITDA margin %	*77.1%*	*70.6%*	
EBITDA excluding LightSquared and Global Xpress	148.5	143.1	3.8%
EBITDA margin % excluding LightSquared and Global Xpress	*74.9%*	*73.5%*	
Depreciation and amortisation	(42.3)	(37.8)	11.9%
Operating profit	**145.4**	**101.6**	**43.1%**

As a result of the factors discussed above, Inmarsat Global's operating profit increased by US$43.8m, or 43%, in the three months ended 31 March 2014, compared with the three months ended 31 March 2013.

Inmarsat Solutions Results

Effective from 1 January 2014, the Group acquired the mobile satellite communications business and substantially all of the related assets of Globe Wireless. On 31 January 2014, the Group completed the sale of the majority of our retail energy assets to RigNet. Both of these transactions are accounted for in our Inmarsat Solutions segment.

Revenues

During the three months ended 31 March 2014, revenues from Inmarsat Solutions increased US$2.6m, or 1.4%, compared with the three months ended 31 March 2013. The table below sets out the components of Inmarsat Solutions' revenues for each of the periods indicated:

(US$ in millions)	Three months ended 31 March 2014	Three months ended 31 March 2013	Increase/ (decrease)
Inmarsat MSS	105.8	92.7	14.1%
Broadband and Other MSS	86.3	96.8	(10.8%)
Total revenue	**192.1**	**189.5**	**1.4%**

Inmarsat MSS. Revenues from Inmarsat MSS for the three months ended 31 March 2014 increased by US$13.1m, or 14.1%, compared with the three months ended 31 March 2013. The increase in Inmarsat MSS revenue at the Inmarsat Solutions level was driven primarily by the inclusion of the Globe Wireless business for the three months ended 31 March 2014. In addition, we experienced growth in maritime revenues as a result of growth in our FleetBroadband service and increased leasing revenues as a result of the transfer of a customer to Inmarsat Solutions from another distribution partner. These increases were partially offset by a decrease in aviation revenue primarily due to a reduction in US Government Swift 64 revenues.

For the three months ended 31 March 2014, Inmarsat Solutions' share of Inmarsat Global's MSS revenues was 42%, compared to the 37% share for the three months ended 31 March 2013. The increase is predominantly due to the Group's acquisition of Globe Wireless.

Broadband and Other MSS. Broadband and Other MSS revenues primarily consist of sales of mobile terminals and equipment, mobile telecommunications services sourced on a wholesale basis from other MSS providers and network services provided to certain distributors. Also included within Broadband and Other MSS are revenues from our US Government business relating to the provision of secure IP managed solutions and services to US Government agencies and an element of revenues from our Commercial Maritime business unit relating to the provision of VSAT maritime communications services, including our XpressLink service, to the shipping, offshore energy and fishing markets. Prior year revenues also included VSAT and microwave services, rental and repairs and engineering services that were sold to RigNet as part of the retail energy assets on 31 January 2014.

Revenues from Broadband and Other MSS during the three months ended 31 March 2014 decreased by US$10.5m, or 10.8%, compared with the three months ended 31 March 2013. The decrease is due primarily to a reduction in revenue from IP managed solutions in our US Government business unit as a result of contract renewals at lower prices and non-renewals, the sale of the retail energy business to RigNet and lower sales of equipment across all business units. These decreases were partially offset by increased Commercial Maritime business unit revenues as a result of the acquisition of the Globe Wireless business, growth in the number of ships served with XpressLink and an increase in intercompany revenue following the recharge of certain operating costs to the Inmarsat Global segment.

Net operating costs

Net operating costs in the three months ended 31 March 2014 decreased by US$3.7m, or 2.1%, compared with the three months ended 31 March 2013, primarily due to a decrease in operating costs as a result of the sale of the retail energy business to RigNet and a workforce reduction implemented in the US Government business during 2013, partially offset by increased costs as a result of the acquisition of the Globe Wireless business. The table below sets out the components of net operating costs and shows the allocation of costs to the Group's cost categories for each of the periods indicated:

	Three months ended 31 March		
(US$ in millions)	**2014**	**2013**	**Increase/ (decrease)**
Cost of goods and services	128.7	128.8	(0.1%)
Operating costs	40.4	44.0	(8.2%)
Total operating costs	**169.1**	**172.8**	**(2.1%)**
Allocated as follows:			
Employee benefit costs	28.7	30.7	(6.5%)
Network and satellite operations costs[(a)]	134.2	135.2	(0.7%)
Other operating costs	8.1	8.0	1.3%
Own work capitalised	(1.9)	(1.1)	72.7%
Net operating costs	**169.1**	**172.8**	**(2.1%)**

(a) Includes the cost of airtime from satellite operators, including intercompany purchases from Inmarsat Global.

Cost of goods and services. Cost of goods and services includes variable expenses such as the cost of airtime and satellite capacity purchased from satellite operators (predominantly from Inmarsat Global), cost of equipment, materials and services related to our repair and service activity.

Cost of goods and services during the three months ended 31 March 2014 decreased by US$0.1m, or 0.1%, compared with the three months ended 31 March 2013. The decrease is predominantly due to the decrease in costs following the sale of the energy business, lower costs of equipment as a result of lower equipment sales and lower costs of network services as a result of the reduction in US Government revenue, offset by costs related to the Globe Wireless revenues and increased costs in our Commercial Maritime business unit related to the increased maritime VSAT revenue.

Operating costs. Operating costs during the three months ended 31 March 2014 decreased by US$3.6m, or 8.2%, compared with the three months ended 31 March 2013. The decrease is primarily due to the sale of the retail energy business and related reduction in employees, the workforce reduction in our US Government business unit during 2013, a reduction in pension costs as a result of a change in our pension plan in Norway from a defined benefit plan to a defined contribution plan and a decrease in other operating costs. This decrease was partially offset by an increase in costs as a result of our acquisition of the Globe Wireless business.

Operating loss

(US$ in millions)	Three months ended 31 March 2014	2013	Increase/ (decrease)
Total revenue	192.1	189.5	1.4%
Cost of goods and services	(128.7)	(128.8)	(0.1%)
Gross margin	**63.4**	**60.7**	**4.4%**
Gross margin %	*33.0%*	*32.0%*	
Operating costs	(40.4)	(44.0)	(8.2%)
EBITDA	**23.0**	**16.7**	**37.7%**
EBITDA margin %	*12.0%*	*8.8%*	
Depreciation and amortisation	(25.3)	(24.9)	1.6%
Impairment losses	(1.1)	–	–
Share of profit of associates	0.5	0.8	(37.5%)
Operating loss	**(2.9)**	**(7.4)**	**(60.8%)**

Inmarsat Solutions' operating loss for the three months ended 31 March 2014 was US$2.9m, an improvement of US$4.5m, or 61%, compared with the three months ended 31 March 2013. The EBITDA increase was due primarily to the increase in revenue and related gross margin and the reduction in operating costs.

Gross margin consists of revenues less direct cost of goods and services. Gross margin and gross margin percentage for the three months ended 31 March 2014 have increased by US$2.7m and 1.0%, respectively, compared to the three months ended 31 March 2013. These increases are primarily a result of the increase in revenue and changes in product mix from the prior year.

Inmarsat Group Revenues by Business Unit

Commentary on the Inmarsat Global and Inmarsat Solutions segmental results has been included within the respective sections of this report above. In addition, the table below shows the Group's total revenue split by business unit for each of the periods indicated:

(US$ in millions)	Three months ended 31 March 2014	2013	Increase/ (decrease)
Commercial Maritime	148.2	126.6	17.1%
US Government	49.8	76.5	(34.9%)
Global Government	29.8	31.2	(4.5%)
Enterprise[(a)]	44.4	54.9	(19.1%)
Aviation[(a)]	22.2	16.4	35.4%
Total business unit revenue	294.4	305.6	(3.7%)
Other income (including LightSquared)	50.3	8.1	521.0%
Total revenue	**344.7**	**313.7**	**9.9%**

(a) From 1 January 2014, a fifth business unit was created, Inmarsat Aviation. Inmarsat Aviation focuses on commercial aviation opportunities, which were previously reported within our Inmarsat Enterprise business unit. The comparative figures in the table above have been restated to reflect this change.

Commercial Maritime. Commercial Maritime revenues for the three months ended 31 March 2014 increased by US$21.6m, or 17.1%, compared with the three months ended 31 March 2013. The increase is due to the acquisition of the Globe Wireless business, as well as growth in our FleetBroadband service and price initiatives implemented in March 2013 and January 2014, partially offset by a reduction in revenues from older maritime services primarily due to the migration to FleetBroadband. There was also an increase in Commercial Maritime VSAT revenue due to take-up of our XpressLink service. These increases were partially offset by lower equipment sales (excluding the Globe Wireless business).

US Government. US Government revenues for the three months ended 31 March 2014 decreased by US$26.7m, or 35%, compared with the three months ended 31 March 2013. This decrease is primarily due to lower revenue from IP managed solutions resulting from the non-renewal of certain contracts and the renewal of other contracts at lower prices. In the three months ended 31 March 2014, there were also lower equipment sales, lower leasing revenue and lower BGAN and Swift 64 revenues as a result of troop withdrawals from Afghanistan. We are continuing to see pressure on our US Government business unit as a result of continued spending controls by the US Government and the withdrawal of troops from Iraq and Afghanistan. Consequently, we are experiencing an increase in competition for the available opportunities and a reduction in revenue and margins.

Global Government. Global Government revenues for the three months ended 31 March 2014 decreased by US$1.4m, or 4.5%, compared with the three months ended 31 March 2013. The decrease is primarily due to lower equipment sales in the three months ended 31 March 2014. There have also been decreases in GAN, Inmarsat-B and BGAN revenues which have been offset by growth in our SwiftBroadband, Leasing, IsatPhone Pro, FleetBroadband and Fleet services as well as the inclusion of revenues from the acquisition of TC Comms.

Enterprise. Enterprise revenues for the three months ended 31 March 2014 decreased by US$10.5m, or 19.1%, compared with the three months ended 31 March 2013. This was driven by the sale of the retail energy business to RigNet on 31 January 2014. Excluding this reduction, revenues were broadly flat, period-on-period, and include increased M2M and IsatPhone Pro airtime revenues offset by lower BGAN revenue and equipment sales.

Aviation. Aviation revenues for the three months ended 31 March 2014 increased by US$5.8m, or 35%, compared with the three months ended 31 March 2013. The increase is primarily due to growth in both the business jet and commercial air transport business.

Group Liquidity and Capital Resources

At 31 March 2014, the Group had cash and cash equivalents of US$164.9m and available but undrawn borrowing facilities of US$899.6m under our Senior Credit Facility and Ex-Im Bank Facility. We believe our liquidity position is more than sufficient to meet the Group's needs for the foreseeable future. In addition, we remain well-positioned to access the capital markets when needed, to meet new financing needs or to improve our liquidity or change the mix of our liquidity sources.

The Group continually evaluates sources of capital and may repurchase, refinance, exchange or retire current or future borrowings and/or debt securities from time to time in private or open-market transactions, or by any other means permitted by the terms and conditions of our borrowing facilities and debt securities.

The Group's net borrowings (gross of deferred finance costs) are presented below:

(US$ in millions)	**As at 31 March 2014**	**As at 31 December 2013**
EIB Facility	220.3	220.3
Ex-Im Bank Facility	550.4	543.5
Senior Notes due 2017	850.0	850.0
– Net issuance premium	5.5	5.9
Deferred satellite payments	32.2	34.2
Bank overdrafts	1.7	3.9
Total borrowings	**1,660.1**	**1,657.8**
Cash and cash equivalents	(164.9)	(143.1)
Net borrowings (gross of deferred finance costs) [(a)]	**1,495.2**	**1,514.7**

(a) Please see note 5 for additional information on the Group's net borrowings.

The table below shows the condensed consolidated cash flow for the Group for the periods indicated:

(US$ in millions)	Three months ended 31 March 2014	2013
Net cash from operating activities	145.8	154.7
Net cash used in investing activities, excluding capital expenditure	(23.0)	(1.1)
Capital expenditure, including own work capitalised	(95.7)	(109.6)
Net cash (used in)/from financing activities, excluding dividends paid	(3.6)	27.8
Foreign exchange adjustment	0.5	0.3
Net increase in cash and cash equivalents, including bank overdrafts	**24.0**	**72.1**

The decrease in net cash generated from operating activities in the three months ended 31 March 2014, compared with the three months ended 31 March 2013, of US$8.9m primarily relates to a decrease in net cash from operating activities due to movements in working capital, partially offset by increased EBITDA and lower cash tax paid in the three months ended 31 March 2014.

Net cash used in investing activities excluding capital expenditure in the three months ended 31 March 2014 increased by US$21.9m, compared to the three months ended 31 March 2013. In the three months ended 31 March 2014, we paid US$45.5m for the acquisition of Globe Wireless, which was partially offset by cash received for the sale of the majority of our retail energy business to RigNet. By comparison, in the three months ended 31 March 2013 we paid US$1.1m of deferred consideration in relation to previous acquisitions.

Capital expenditure, including own work capitalised, decreased by US$13.9m in the three months ended 31 March 2014, compared with the three months ended 31 March 2013. Capital expenditure may fluctuate with the timing of milestone payments on current projects.

Net cash used in financing activities in the three months ended 31 March 2014 was US$3.6m, compared with net cash received from financing activities of US$27.8m in the three months ended 31 March 2013. During the three months ended 31 March 2014, we paid US$10.7m of cash interest and US$0.2m of fees in relation to debt drawdowns. This cash outflow was partially offset by US$6.9m drawn down under our Ex-Im Bank Facility and US$0.4m of other financing activities during the three months ended 31 March 2014.

By comparison, during the three months ended 31 March 2013, we drew down US$40.5m under our Ex-Im Bank Facility. The cash inflow was partially offset by US$11.2m of cash interest paid, US$1.4m of fees in relation to debt drawdowns and US$0.1m of other financing activities.

Group Free Cash Flow

(US$ in millions)	Three months ended 31 March 2014	2013
Cash generated from operations	150.2	166.4
Capital expenditure, including own work capitalised	(95.7)	(109.6)
Net cash interest paid	(10.3)	(10.8)
Cash tax paid	(4.8)	(12.1)
Free cash flow	**39.4**	**33.9**

Free cash flow increased by US$5.5m, or 16.2%, during the three months ended 31 March 2014, compared with the three months ended 31 March 2013. The increase is primarily due to a reduction in capital expenditure and cash tax paid, partially offset by a decrease in cash generated from operations.

Recent Events

Subsequent to 31 March 2014, other than the events discussed above, there have been no other material events which would affect the information reflected in the condensed consolidated financial results of the Group.

INMARSAT GROUP LIMITED
CONDENSED CONSOLIDATED INCOME STATEMENT
(unaudited)

(US$ in millions)	Three months ended 31 March 2014	2013
Revenues	**344.7**	**313.7**
Employee benefit costs	(55.5)	(59.9)
Network and satellite operations costs	(59.9)	(74.4)
Other operating costs	(26.7)	(30.8)
Own work capitalised	7.3	6.5
Total net operating costs	(134.8)	(158.6)
EBITDA	**209.9**	**155.1**
Depreciation and amortisation	(67.6)	(62.7)
Impairment losses	(1.1)	–
Share of profit of associates	0.5	0.8
Operating profit	**141.7**	**93.2**
Interest receivable and similar income	0.9	1.4
Interest payable and similar charges	(9.1)	(8.3)
Net interest payable	(8.2)	(6.9)
Profit before income tax	**133.5**	**86.3**
Income tax expense	(27.3)	(21.4)
Profit for the period	**106.2**	**64.9**
Attributable to:		
Equity holders	**106.1**	**64.8**
Non-controlling interest	**0.1**	**0.1**

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(unaudited)

(US$ in millions)	Three months ended 31 March 2014	2013
Profit for the period	**106.2**	**64.9**
Other comprehensive loss		
Amounts subsequently reclassified to the Income Statement:		
Foreign exchange translation differences	0.1	–
Net losses on cash flow hedges	(2.0)	(4.3)
Tax credited directly to equity	0.2	0.6
Amounts not subsequently reclassified to the Income Statement:		
Reversal of actuarial gains from pension and post-employment benefits	(0.4)	–
Other comprehensive loss for the period, net of tax	**(2.1)**	**(3.7)**
Total comprehensive income for the period, net of tax	**104.1**	**61.2**
Attributable to:		
Equity holders	**104.0**	**61.1**
Non-controlling interest	**0.1**	**0.1**

INMARSAT GROUP LIMITED
CONDENSED CONSOLIDATED BALANCE SHEET
(unaudited)

(US$ in millions)	As at 31 March 2014	As at 31 December 2013
Assets		
Non-current assets		
Property, plant and equipment	2,540.3	2,495.9
Intangible assets	814.1	781.1
Investments	33.1	32.7
Other receivables	21.4	21.6
Deferred income tax assets	19.6	21.3
Derivative financial instruments	2.9	3.6
	3,431.4	**3,356.2**
Current assets		
Cash and cash equivalents	164.9	143.1
Trade and other receivables	312.3	281.2
Inventories	39.9	27.7
Current income tax assets	16.3	11.6
Derivative financial instruments	8.5	9.2
Assets held for sale	5.3	42.8
	547.2	**515.6**
Total assets	**3,978.6**	**3,871.8**
Liabilities		
Current liabilities		
Borrowings	69.6	71.9
Trade and other payables	560.4	569.2
Provisions	3.0	4.3
Current income tax liabilities	126.7	108.6
Derivative financial instruments	0.8	0.5
Liabilities directly associated with assets held for sale	1.8	19.0
	762.3	**773.5**
Non-current liabilities		
Borrowings	1,564.1	1,558.0
Other payables	26.4	26.2
Provisions	23.1	23.9
Deferred income tax liabilities	183.3	175.2
	1,796.9	**1,783.3**
Total liabilities	**2,559.2**	**2,556.8**
Net assets	**1,419.4**	**1,315.0**
Shareholders' equity		
Ordinary shares	0.4	0.4
Share premium	677.4	677.4
Other reserves	399.0	400.6
Retained earnings	342.1	236.3
Equity attributable to shareholders of the parent	**1,418.9**	**1,314.7**
Non-controlling interest	0.5	0.3
Total equity	**1.419.4**	**1,315.0**

INMARSAT GROUP LIMITED
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(unaudited)

(US$ in millions)	Ordinary share capital	Share premium account	Share option reserve	Cash flow hedge reserve	Revaluation reserve	Currency reserve	Capital contribution reserve	Retained earnings	Non-controlling interest	Total
Balance as at 1 January 2013 (audited)	**0.4**	**677.4**	**54.8**	**(2.5)**	**0.6**	**0.4**	**327.8**	**263.8**	**1.1**	**1,323.8**
Share options charge	–	–	1.3	–	–	–	–	1.7	–	3.0
Comprehensive Income:										
Profit for the period	–	–	–	–	–	–	–	64.8	0.1	64.9
Other comprehensive loss – before tax	–	–	–	(4.3)	–	–	–	–	–	(4.3)
Other comprehensive loss – tax	–	–	–	0.6	–	–	–	–	–	0.6
Balance at 31 March 2013 (unaudited)	**0.4**	**677.4**	**56.1**	**(6.2)**	**0.6**	**0.4**	**327.8**	**330.3**	**1.2**	**1,388.0**
Balance as at 1 January 2014 (audited)	**0.4**	**677.4**	**63.4**	**8.6**	**0.6**	**0.2**	**327.8**	**236.3**	**0.3**	**1,315.0**
Share options charge	–	–	0.1	–	–	–	–	0.1	–	0.2
Adjustment to transfer to liabilities directly associated with assets held for sale	–	–	–	–	–	–	–	–	0.1	0.1
Comprehensive Income:										
Profit for the period	–	–	–		–	–	–	106.1	0.1	106.2
Other comprehensive loss – before tax	–	–	–	(2.0)	–	0.1	–	(0.4)	–	(2.3)
Other comprehensive loss - tax	–	–	–	0.2	–	–	–	–	–	0.2
Balance at 31 March 2014 (unaudited)	**0.4**	**677.4**	**63.5**	**6.8**	**0.6**	**0.3**	**327.8**	**342.1**	**0.5**	**1,419.4**

INMARSAT GROUP LIMITED
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
(unaudited)

(US$ in millions)	Three months ended 31 March 2014	2013
Cash flow from operating activities		
Cash generated from operations	150.2	166.4
Interest received	0.4	0.4
Income taxes paid	(4.8)	(12.1)
Net cash inflow from operating activities	**145.8**	**154.7**
Cash flow from investing activities		
Purchase of property, plant and equipment	(82.6)	(91.7)
Additions to capitalised development costs and other intangibles	(4.6)	(10.3)
Own work capitalised	(8.5)	(7.6)
Acquisition of subsidiaries and other investing activities	(23.0)	(1.1)
Net cash used in investing activities	**(118.7)**	**(110.7)**
Cash flow from financing activities		
Drawdown of Ex-Im Bank Facility	6.9	40.5
Interest paid on borrowings	(10.7)	(11.2)
Arrangement costs of financing	(0.2)	(1.4)
Other financing activities	0.4	(0.1)
Net cash (used in)/generated from financing activities	**(3.6)**	**27.8**
Foreign exchange adjustment	0.5	0.3
Net increase in cash and cash equivalents	**24.0**	**72.1**
Movement in cash and cash equivalents		
At beginning of year	139.2	330.5
Net increase in cash and cash equivalents	24.0	72.1
As reported on balance sheet (net of bank overdrafts)	**163.2**	**402.6**
At end of period, comprising		
Cash at bank and in hand	42.4	42.2
Short-term deposits with original maturity of less than 3 months	122.5	361.0
Bank overdrafts	(1.7)	(0.6)
	163.2	**402.6**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General Information

The principal activity of Inmarsat Group Limited and its subsidiaries (together, the "Group") is the provision of mobile satellite communications services ("MSS").

The Group's financial results are not subject to significant seasonal trends.

These unaudited condensed consolidated financial results have been approved by the Board of Directors for issue on 7 May 2014.

The financial information for the year ended 31 December 2013 does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. A copy of the statutory accounts for the year has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, did not draw attention to any matters by way of emphasis without qualifying their report, and did not contain a statement under Section 498(2) or 498(3) of the Companies Act 2006.

2. Principal accounting policies

Basis of preparation
The unaudited Group results for the three months ended 31 March 2014 have been prepared using International Financial Reporting Standards ("IFRS") as adopted by the European Union and in accordance with International Accounting Standards ("IAS") 34, 'Interim Financial Reporting'. This announcement does not contain sufficient information to comply with all of the disclosure requirements of IFRS.

These unaudited condensed consolidated financial statements should be read in conjunction with the Group's most recent annual consolidated financial statements, which are for the year ended 31 December 2013, and which are available on our website at www.inmarsat.com. Except as described below, the unaudited condensed consolidated financial statements are based upon accounting policies and methods consistent with those used and described in the Group's 2013 annual consolidated financial statements prepared under IFRS, set out on pages 8 to 60. Operating results for the period ended 31 March 2014 are not necessarily indicative of the results that may be expected for the year ending 31 December 2014. The consolidated balance sheet as at 31 December 2013 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by IFRS for complete financial statements.

The Group has a robust and resilient business model, strong free cash flow generation and is compliant with all covenants. As a consequence and despite the continuing uncertain economic climate, the Directors believe that the Company and the Group are well-placed to manage their business risks successfully. After considering current financial projections and facilities available and after making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, Inmarsat Group Limited continues to adopt the going concern basis in preparing the consolidated financial statements.

Basis of accounting
Taxes are accrued based on management's estimated annual effective income tax rate applied to the Group's interim pre-tax income. In addition, the following standards and interpretations, issued by the IASB and the International Financial Reporting Interpretations Committee ("IFRIC"), are effective for the first time in the current financial year and have been adopted by the Group with no significant impact on its consolidated results or financial position:

- IFRS 10 – Consolidated Financial Statements (effective for financial years beginning on or after 1 January 2014);
- IFRS 11 – Joint Arrangements (effective for financial years beginning on or after 1 January 2014);
- IFRS 12 – Disclosures of Interests in Other Entities (effective for financial years beginning on or after 1 January 2014);

- IAS 27 (revised) – Separate Financial Statements (2011) – this standard supersedes IAS 27 Consolidated and Separate Financial Statements (effective for financial years beginning on or after 1 January 2014);
- IAS 28 (revised) – Investments in Associates and Joint Ventures (2011) – this standard supersedes IAS 28 Investments in Associates (effective for financial years beginning on or after 1 January 2014);
- Investment Entities – Amendments to IFRS 10, IFRS 12 and IAS 27 (effective for financial years beginning on or after 1 January 2014);
- Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entitles: Transition Guidance (effective for financial years beginning on or after 1 January 2014);
- IAS 32 (amended) – Financial Instruments – Offsetting Financial Assets and Financial Liabilities (effective for financial years beginning on or after 1 January 2014);
- IAS 36 (amended) – Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets (effective for financial years beginning on or after 1 January 2014);
- IAS 39 (amended) – Financial Instruments – Novation of Derivatives and Continuation of Hedge Accounting (effective for financial years beginning on or after 1 January 2014); and
- IFRIC 21 – Levies (effective for financial years beginning on or after 1 January 2014).

The functional currency of the Company and all of the Group's subsidiaries and the presentation currency is the US Dollar, as the majority of operational transactions and borrowings are denominated in US Dollars.

The preparation of the condensed consolidated financial statements in conformity with IFRS requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet dates and the reported amounts of revenue and expenses during the reported period. Although these estimates are based on management's best estimate of the amounts, events or actions, these results ultimately may differ from those estimates.

In particular, the calculation of the Group's tax balances and of its potential liabilities or assets necessarily involves a degree of estimation and judgement in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority, or, as appropriate, through a formal legal process. The amounts recognised or disclosed are derived from the Group's best estimation and judgement. However, the inherent uncertainty regarding the outcome of these means eventual realisation could differ from the accounting estimates and therefore impact the Group's results and cash flows.

Accounting policies adopted in preparing these condensed consolidated financial statements have been selected in accordance with IFRS.

3. Segment information

IFRS 8, 'Operating Segments', requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker ("CODM") to allocate resources and assess performance. The CODM is the Chief Executive Officer who is responsible for assessing the performance of the individual segments.

Information reported to the CODM for the purposes of resource allocation and assessment of segment performance is specifically focused on the individual performance of each of the divisions within the Group, namely Inmarsat Global and Inmarsat Solutions.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

The Group's reportable segments are therefore as follows:

- Inmarsat Global – which is principally the supply of wholesale airtime, equipment and services to distribution partners and other wholesale partners of mobile satellite communications by the Inmarsat Global business, including entering into spectrum coordination agreements. The segment also includes income from technical support to other operators, the provision of conference facilities and leasing surplus office space to external organisations, all of which are not material on a standalone basis and in aggregate;
- Inmarsat Solutions – the supply of advanced mobile and fixed-site remote telecommunications services, the provision of customised turnkey remote telecommunications solutions, value-added services and equipment to service providers and end-users. Prior to 31 January 2014, Inmarsat Solutions also included the supply of engineering services, which was disposed of as part of the sale of the majority of the Group's retail energy assets to RigNet; and
- 'Unallocated' – includes Group borrowings and the related interest expense, cash and cash equivalents and current and deferred tax balances, which are not allocated to each segment.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2. Segment profit represents the profit earned by each segment without allocation of investment revenue, finance costs and income tax expense.

Segment information:

	Three months ended 31 March 2014				
(US$ in millions)	Inmarsat Global	Inmarsat Solutions[(a)]	Unallocated	Eliminations and remeasurements	Total
Revenue					
External sales	161.8	182.9	–	–	344.7
Inter-segment	81.7	9.2	–	(90.9)	–
Total revenue	**243.5**	**192.1**	**–**	**(90.9)**	**344.7**
EBITDA	**187.7**	**23.0**	**–**	**(0.8)**	**209.9**
Segment result (operating profit/(loss)) before operating profit from LightSquared and impairment losses	100.2	(1.8)	–	(0.8)	97.6
Operating profit from LightSquared	45.2	–	–	–	45.2
Impairment losses	–	(1.1)	–	–	(1.1)
Segment result (operating profit/(loss))	**145.4**	**(2.9)**	**–**	**(0.8)**	**141.7**
Net interest charged to the Income Statement	–	–	(8.2)	–	(8.2)
Profit before income tax					**133.5**
Income tax expense	–	–	–	–	(27.3)
Profit for the period					**106.2**
Capital expenditure[(b)]	(86.0)	(25.9)	–	6.6	(105.3)
Depreciation	(37.1)	(13.0)	–	–	(50.1)
Amortisation of intangible assets	(5.2)	(12.3)	–	–	(17.5)

(a) Our Inmarsat Solutions segment includes Globe Wireless LLC ("Globe Wireless") from 1 January 2014 (see note 7) and excludes the majority of our retail energy business sold to RigNet, Inc from 31 January 2014.

(b) Capital expenditure stated using accruals basis. The intercompany elimination primarily relates to intersegmental asset sales.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

	Three months ended 31 March 2013				
(US$ in millions)	Inmarsat Global	Inmarsat Solutions	Unallocated	Eliminations and remeasurements	Total
Revenue					
External sales	127.6	186.1	–	–	313.7
Inter-segment	69.9	3.4	–	(73.3)	–
Total revenue	**197.5**	**189.5**	**–**	**(73.3)**	**313.7**
EBITDA	**139.4**	**16.7**	**–**	**(1.0)**	**155.1**
Segment result (operating profit/(loss)) before operating profit from LightSquared	100.7	(7.4)	–	(1.0)	92.3
Operating profit from LightSquared	0.9	–	–	–	0.9
Segment result (operating profit/(loss))	**101.6**	**(7.4)**	**–**	**(1.0)**	**93.2**
Net interest charged to the Income Statement	–	–	(6.9)	–	(6.9)
Profit before income tax					**86.3**
Income tax expense	–	–	–	–	(21.4)
Profit for the period					**64.9**
Capital expenditure[(a)]	(112.6)	(16.0)	–	–	(128.6)
Depreciation	(32.6)	(13.7)	–	–	(46.3)
Amortisation of intangible assets	(5.2)	(11.2)	–	–	(16.4)

(a) Capital expenditure stated using accruals basis.

4. Net interest payable

(US$ in millions)	Three months ended 31 March 2014	2013
Interest on Senior Notes and credit facilities	(22.5)	(21.2)
Interest on Inmarsat Solutions borrowings	(0.1)	(0.1)
Pension and post-employment liability finance costs	(0.1)	–
Interest rate swaps	–	(2.3)
Unwinding of discount on deferred satellite liabilities	(0.4)	(0.5)
Amortisation of debt issue costs	(2.0)	(1.8)
Intercompany interest payable	(0.7)	(1.1)
Interest payable and similar charges	(25.8)	(27.0)
Less: Amounts included in the cost of qualifying assets	16.7	18.7
Total interest payable and similar charges	**(9.1)**	**(8.3)**
Bank interest receivable and other interest	0.5	0.3
Net amortisation of premium on Senior Notes due 2017	0.4	0.4
Pension and post-employment liability finance income	–	0.3
Intercompany interest receivable	–	0.4
Total interest receivable and similar income	**0.9**	**1.4**
Net interest payable	**(8.2)**	**(6.9)**

5. Net borrowings

These balances are shown net of unamortised deferred finance costs, which have been allocated as follows:

	As at 31 March 2014			As at 31 December 2013		
(US$ in millions)	Amount	Deferred finance cost	Net balance	Amount	Deferred finance cost	Net balance
Current:						
Bank overdrafts	1.7	–	1.7	3.9	–	3.9
Deferred satellite payments	10.5	–	10.5	10.6	–	10.6
EIB Facility[(a)]	44.1	–	44.1	44.1	–	44.1
Ex-Im Bank Facility[(b)]	13.3	–	13.3	13.3	–	13.3
Total current borrowings	**69.6**	**–**	**69.6**	**71.9**	**–**	**71.9**
Non-current:						
Deferred satellite payments	21.7	–	21.7	23.6	–	23.6
Senior Notes due 2017[(c)]	850.0	(8.1)	841.9	850.0	(8.7)	841.3
– Net issuance premium	5.5	–	5.5	5.9	–	5.9
EIB Facility[(a)]	176.2	(1.0)	175.2	176.2	(1.1)	175.1
Ex-Im Bank Facility[(b)]	537.1	(17.3)	519.8	530.2	(18.1)	512.1
Total non-current borrowings	**1,590.5**	**(26.4)**	**1,564.1**	**1,585.9**	**(27.9)**	**1,558.0**
Total borrowings[(d)]	**1,660.1**	**(26.4)**	**1,633.7**	**1,657.8**	**(27.9)**	**1,629.9**
Cash and cash equivalents	(164.9)	–	(164.9)	(143.1)	–	(143.1)
Net borrowings	**1,495.2**	**(26.4)**	**1,468.8**	**1,514.7**	**(27.9)**	**1,486.8**

(a) On 15 April 2010, the Group signed an eight-year facility agreement from the European Investment Bank (the 'EIB Facility'). Under the agreement, the Group was able to borrow up to €225m at any time before 23 December 2010. The facility was available in Euros and US Dollars. An initial drawdown of US$180.0m was made on 30 April 2010 and a final drawdown of US$128.4m was made on 28 October 2010. This facility matures on 30 April 2018 and is repayable in equal annual instalments on both tranches beginning 30 April 2012. Interest is equal to three-month USD LIBOR plus a margin, payable in April, July, October and January each year.

(b) On 11 May 2011, the Group signed a 12.5-year US$700.0m direct financing agreement with the Export-Import Bank of the United States (the 'Ex-Im Bank Facility'). The facility has a total availability period of four years and will then be repayable in equal instalments over a further 8.5 years. Drawings under the facility incur interest at a fixed rate of 3.11% for the life of the loan.

(c) On 12 November 2009, the Group issued US$650.0m aggregate principal amount of 7.375% Senior Notes due 1 December 2017 ('Senior Notes due 2017'). The aggregate gross proceeds were US$645.2m, net of US$4.8m issuance discount and the Group capitalised US$12.5m of issuance costs. On 11 April 2012, a further US$200.0m aggregate principal amount of the Group's Senior Notes due 2017 was issued. The aggregate proceeds were US$212.0m, including US$12.0m premium on issuance and the Group capitalised US$3.8m of issuance costs.

(d) On 30 June 2011, the Group signed a five-year US$750.0m revolving credit facility ("Senior Credit Facility"). Advances under the facility bear interest at a rate equal to the applicable USD LIBOR, plus a margin of between 1.00% and 2.50% determined by reference to our ratio of net debt to EBITDA. As at 31 March 2014, there were no drawings on the Senior Credit Facility.

6. Financial instruments fair value disclosures

The Group held financial instruments at fair value at 31 March 2014, as set out below. The Group has no financial instruments that are determined by reference to significant unobservable inputs i.e. those that would be classified as level 3 in the fair value hierarchy, nor have there been any transfers of assets or liabilities between levels of the fair value hierarchy. There are no non-recurring fair value measurements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

Fair value measurements at the end of the reporting period were:

(US$ in millions)	As at 31 March 2014
Recurring fair value measurements:	
Financial assets:	
Forward foreign currency contracts – designated cash flow hedges	10.8
Forward foreign currency contracts – undesignated	0.6
Financial liabilities:	
Forward foreign currency contracts – designated cash flow hedges	(0.8)
Total net fair value	**10.6**

The fair value of foreign exchange contracts performed by management are based upon a valuation provided by the counterparty and are classified as level 2 in the fair value hierarchy according to IFRS 7. The fair value is based upon the difference between the contract amount at the current forward rate at each period end and the contract amount at the contract rate, discounted at a variable risk-free rate at the period end.

Except as detailed in the following table, the Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements are approximately equal to their fair values:

	Carrying value			Fair Value		
(US$ in millions)	As at 31 March 2014	As at 31 December 2013	As at 31 March 2013	As at 31 March 2014	As at 31 December 2013	As at 31 March 2013
Financial liabilities:						
Senior Notes due 2017	850.0	850.0	850.0	887.2	885.6	908.4

7. Acquisition of Globe Wireless

Effective from 1 January 2014, we acquired the mobile satellite communications business and substantially all of the related assets of Globe Wireless LLC, for a provisional cash consideration of US$45.5m (which may change subject to the final working capital adjustment to be agreed between both parties).

Globe Wireless is a leading provider of value-added maritime communications services to the shipping market. In the 12 months ended 30 June 2013, Globe Wireless reported revenues of US$91m and currently has an installed customer base of over 6,000 ships.

The acquisition of Globe Wireless will benefit Inmarsat's Commercial Maritime business unit, with operating synergies and revenue growth expected from the acquisition.

The acquisition of Globe Wireless has been accounted for using the purchase method of accounting in accordance with IFRS 3 (2008), 'Business Combinations'. The consolidated results of the Group for the three months ended 31 March 2014 include the financial results of Globe Wireless from 1 January 2014 (the effective date of the transaction). Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Group.

The allocation of the purchase consideration has not been finalised and is expected to be finalised later in 2014. The current estimate of goodwill represents the excess of the provisional purchase consideration over the provisional fair value of the assets and liabilities acquired. Qualitatively, goodwill represents, among other factors, the assembled workforce, which is not separately identified as part of the purchase price allocation. The provisional goodwill balance also represents the benefit to the Group of the operating synergies and revenue growth expected from the acquisition.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

The table below sets out the provisional allocation of the provisional purchase consideration to the net assets and liabilities acquired (which is subject to change):

(US$ in millions)	Book value	Provisional fair value adjustments	Provisional fair value at acquisition date
Net assets acquired:			
Intangible assets[a]	12.7	10.9	23.6
Property, plant and equipment	3.2	–	3.2
Other assets	0.2	–	0.2
Total non-current assets	**16.1**	**10.9**	**27.0**
Trade and other receivables[b]	22.0	–	22.0
Inventories	3.7	–	3.7
Other assets	2.4	–	2.4
Total current assets	**28.1**	–	**28.1**
Trade and other payables	(14.7)	–	(14.7)
Deferred revenue	(3.0)	–	(3.0)
Other liabilities	(4.7)	–	(4.7)
Current borrowings	(0.1)	–	(0.1)
Non-current borrowings	(0.9)	–	(0.9)
Total liabilities	**(23.4)**	–	**(23.4)**
Identifiable net assets	**20.8**	**10.9**	**31.7**

Provisional cash consideration	45.5
Provisional goodwill recognised[c]	**13.8**

(a) The provisional allocation of intangible assets consists of US$16.0m of customer relationships, US$3.5m for software, US$3.5m for technology and US$0.6m in relation to trade names, which are to be amortised over their useful lives of fourteen, three to five, five, and five years, respectively.
(b) The provisional book value of trade receivables of US$15.7m, included within trade and other receivables, approximates to their fair value and the entire balance is deemed collectable.
(c) Of the US$13.8m provisional goodwill balance recognised 75% of the goodwill is deductible for tax purposes at the rate of 7% on a declining-balance basis.

The revenue included in the Income Statement for the three months ended 31 March 2014 contributed by Globe Wireless since the acquisition date was US$20.4m. Globe Wireless also contributed a loss after tax of US$0.4m, during the three months ended 31 March 2014. Globe Wireless is an established distribution partner of Inmarsat Global; therefore the standalone results of Globe Wireless do not represent a corresponding increase in Group results, as the acquisition of Globe Wireless has also lead to an increase in intercompany eliminations and adjustments within the Group.

8. Contingent liability

During 2013, the Group received enquiries from Her Majesty's Revenue and Customs ("HMRC") in respect of financing arrangements which had been entered into in prior periods. The potential tax liability in relation to these enquiries is estimated to be in the region of US$18m. The Group has sought external advice and management does not believe that a material economic outflow is probable; therefore no provision has been recorded in these financial statements. However, this disclosure has been made in light of the ongoing enquiries being made by HMRC.

No accurate estimation of the time required to settle this matter can currently be given.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

9. Events after the balance sheet date

Subsequent to 31 March 2014, other than the events discussed above, there have been no other material events which would affect the information reflected in the consolidated financial statements of the Group.