

Inmarsat Investments Limited

(Registered Number: 4886096)

**Directors' Report and Financial Statements
For the year ended 31 December 2006**



Inmarsat Investments Limited
Directors' Report
For the year ended 31 December 2006

The Directors have pleasure in submitting their report and the audited financial statements for the year ended 31 December 2006

Principal activities

The principal activity of the Company is a holding company

Review of business

The results for the period are shown in the Profit and Loss Account on page 5

The Balance Sheet on page 6 of the financial statements shows that the Company's financial position at year end is, in terms of net assets is consistent with the prior year. Details of amounts owed to fellow group companies and third parties are shown in note 11

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the Group, which includes the Company, is discussed in the Inmarsat plc Group annual report which does not form part of this report

Results and dividends

The profit for the year amounted to US\$48.0m (2005: US\$164.9m). The Company paid dividends during the year ended 31 December 2006 of US\$48.7m and US\$52.8m for the 2006 interim dividend and 2005 final dividend respectively (year ended 31 December 2005: US\$24.8m). The Company recommended a final dividend in respect of the year ended 31 December 2006 of US\$73.4m

Principal risks and uncertainties

The Company has third party debt and therefore has an interest rate exposure. Financial risk management is managed for the Group as a whole. Details of the Group's financial risk management policies are discussed on page 50 of the Inmarsat plc Group annual report which does not form part of this report

Group risks are disclosed in the Inmarsat plc Group annual report, pages 18, 50 and 51, which does not form part of this report. A copy of the Inmarsat plc annual report can be obtained from the Company Secretary at 99 City Road, London EC1Y 1AX

Directors and their interests

The Directors and Secretary who held office during the year were as follows

Directors

Andrew Sukawaty
Rick Medlock
Michael Butler

Secretary

Alison Horrocks

The Directors do not hold any shares or options over the shares in the Company. All Directors are Directors of the ultimate parent company, Inmarsat plc. The interests of the Directors in the share capital of the ultimate parent company during the year are shown in the annual report of Inmarsat plc

Inmarsat Investments Limited
Directors' Report (Continued)
For the year ended 31 December 2006

Directors' and officers' liability insurance

The Group maintains insurance to cover directors' and officers' liability as referred to in Section 310(3)(a) of the Companies Act 1985

Auditors

Deloitte & Touche LLP accepted appointment as auditors of the Company on 28 July 2006, replacing the Company's previous auditors PricewaterhouseCoopers LLP. In accordance with Section 386 of the Companies Act 1985, the Company has elected to dispense with the obligation to appoint auditors annually.

Directors' responsibilities

The following statement, which should be read in conjunction with the auditors' statement of responsibilities, is made with a view to distinguishing the respective responsibilities of the Directors and the auditors in relation to the financial statements.

United Kingdom Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing those financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Directors has confirmed that

- i) so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- ii) the Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

By order of the Board



Alison Horrocks FCIS
COMPANY SECRETARY

16th August 2007

99 City Road
London EC1Y 1AX

Independent auditors' report to the members of Inmarsat Investments Limited

We have audited the financial statements of Inmarsat Investments Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movement in Shareholder's Funds and the related notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of Inmarsat Investments Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

A handwritten signature in black ink, appearing to read 'Deloitte & Touche LLP', is written over the printed name of the firm.

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London
16 August 2007

Inmarsat Investments Limited
Profit and Loss Account
For the year ended 31 December 2006

(US\$ in millions)	Notes	Year ended 31 December 2006	Year ended 31 December 2005
Operating costs	4	(0 1)	(5 6)
Operating loss		(0 1)	(5 6)
Interest receivable and similar income	5	7 8	5 7
Interest payable and similar charges	5	(80 3)	(163 6)
Dividends receivable	7	101 4	280 2
Profit on ordinary activities before taxation		28 8	116 7
Taxation	6	19 2	48 2
Profit for the year		48 0	164 9

All results relate to continuing operations. There is no difference between the results stated above and the historical cost equivalent.

A Statement of Total Recognised Gains and Losses is not presented, as there are no recognised gains and losses other than the profit shown above.

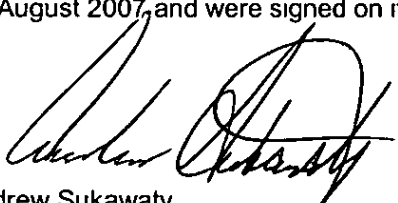
The accompanying notes are an integral part of the financial statements.

Inmarsat Investments Limited
Balance Sheet
As at 31 December 2006

(US\$ in millions)	Notes	As at 31 December 2006	As at 31 December 2005
Fixed assets			
Investments	8	1,597 6	1,553 0
Current assets			
Debtors	9	33 9	66 7
Total current assets		33 9	66 7
Creditors—amounts falling due within one year	10	(23 1)	(40 4)
Net current assets		10 8	26 3
Total assets less current liabilities		1,608 4	1,579 3
Creditors—amounts falling due after more than one year			
Loans and other borrowings	11	(1,294 1)	(1,211 6)
Total creditors amounts falling due after more than one year		(1,294 1)	(1,211 6)
Net assets		314 3	367 7
Capital and reserves			
Called up share capital	12	0 3	0 3
Share premium account	13	34 2	34 2
Other reserve	13	311 9	311 9
(Accumulated losses)/retained earnings	13	(32 1)	21 3
Total equity shareholder's funds		314 3	367 7

The accompanying notes are an integral part of the financial statements

The financial statements on pages 5 to 14 were approved by the Board of Directors on 16 August 2007 and were signed on its behalf by


Andrew Sukawaty
Director


Rick Medlock
Director

Inmarsat Investments Limited
Reconciliation of Movements in Shareholder's Funds
As at 31 December 2006

(US\$ in millions)	Share capital	Share premium account	Retained earnings/ (accumulated losses)	Other reserves	Total
As at 1 January 2005	0.3	34.2	(118.8)	—	(84.3)
Profit for the year	—	—	164.9	—	164.9
Dividend payable	—	—	(24.8)	—	(24.8)
Capital contribution	—	—	—	311.9	311.9
As at 31 December 2005	0.3	34.2	21.3	311.9	367.7
Profit for the year	—	—	48.0	—	48.0
Dividends payable	—	—	(101.4)	—	(101.4)
As at 31 December 2006	0.3	34.2	(32.1)	311.9	314.3

The accompanying notes are an integral part of the financial statements

Inmarsat Investments Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2006

1. Background, basis of accounting and principal accounting policies

Background

The principal activity of the Company is a holding company

Basis of accounting

The financial information is prepared under the historical cost convention and in accordance with applicable UK accounting standards. A summary of the Company's main accounting policies, which have been applied consistently, is given below

The preparation of the financial statements 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 year. Actual results could differ from those estimates.

The Company has reviewed its accounting policies and continues to adopt accounting policies most appropriate to its business so as to give a true and fair view as well as disclose sufficient information to enable users to understand the policies and how they have been applied in the financial statements.

The Company, being a wholly owned subsidiary of the ultimate parent undertaking and controlling party Inmarsat plc which prepares consolidated financial statements and is incorporated in Great Britain and registered in England and Wales, is exempt under Section 228 Companies Act 1985 from the requirement to prepare and deliver consolidated financial statements.

Reclassifications

Certain prior year amounts have been reclassified to conform with the current year classification.

The Company previously disclosed the loan from Inmarsat Global Limited within 'other creditors – amounts falling due after more than one year', 'amounts due to fellow group companies'. Management believes that inclusion of the principal outstanding within 'loan and other borrowings – amounts falling due after more than one year' is a fairer representation and, as a result, US\$10.5m has been reclassified as at 31 December 2005.

The Company previously disclosed interest on the subordinated Senior Notes proceeds loan within 'loan and other borrowings'. Management believes that their inclusion as part of 'accruals and deferred income' within 'other creditors - amounts falling due within one year' is a fairer representation and, as a result, US\$7.9m has been reclassified to 'accruals and deferred income' as at 31 December 2005.

Currency of accounting and foreign currency

The functional and reporting currency of the Company is the US dollar. Shares issued by the Company and denominated in a currency other than US dollars are translated at the date of the issue.

Capital instruments: debt

Debt instruments are recorded initially at the amount of their net proceeds, being the fair value of the consideration received after deducting issue costs in accordance with FRS 4 "Capital Instruments". Finance costs, being issue costs, interest payable over the instruments' life and any discount on the debt's issue, are charged to the Profit and Loss Account over the life of the instrument.

Inmarsat Investments Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2006

Interest and finance costs

Interest is recognised in the Profit and Loss Account using the effective yield method on a time proportion basis. Transaction and arrangement costs of borrowings are capitalised as part of the carrying amount of the borrowings and amortised over the life of the debt in accordance with FRS4 Capital Instruments. Facility fees are expensed as incurred.

Investment in subsidiaries

Investments in subsidiaries are held initially at cost, and are subject to impairment review in accordance with FRS 11 "Impairment of fixed assets and goodwill."

2 Directors' emoluments and employees

None of the Directors received emoluments in respect of their qualifying services to the Company in respect of the years ended 31 December 2006 and 31 December 2005. The Company had no directly employed staff during the period.

3. Auditors' remuneration

The analysis of the Auditors' remuneration is as follows:

(US\$ in millions)	Year ended 31 December 2006	Year ended 31 December 2005
Fees payable to the Company's Auditor for the audit of the Company's annual accounts ^(a)	—	—
Fees payable to the Company's Auditor for other services to the Group ^{(a) (b)}		
– The audit of the Company's subsidiaries, pursuant to legislation	0.3	0.4
Total audit fees	0.3	0.4
– Other services, pursuant to legislation	0.4	0.1
– Tax services	0.1	0.1
– Services relating to corporate finance transactions	—	0.5
Total non-audit services	0.5	0.7

(a) The Auditors' remuneration incurred for the audit of the Company amounting to US\$10,000 (2005: US\$10,000) was paid by a company within the Group. No recharge was made. Fees payable in the 2006 financial year were payable to Deloitte & Touche LLP, appointed as the Group's Auditors on 28 July 2006. Fees payable in the 2005 financial year were payable to the Group's previous auditors, PricewaterhouseCoopers LLP.

(b) In addition to the fees disclosed above, the Group's pension plan incurred audit fees from the Group's previous Auditors of US\$21,656 for the 2006 financial year and US\$14,656 for the 2005 financial year.

4. Operating costs

(US\$ in millions)	Year ended 31 December 2006	Year ended 31 December 2005
Advertising and promotions	—	2.9
Professional fees	0.1	1.9
Other office services	—	0.6
Foreign exchange	—	0.1
Wages and salaries	—	0.1
Operating costs	0.1	5.6

Inmarsat Investments Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2006

5 Interest (payable)/receivable

(US\$ in millions)	Year ended 31 December 2006	Year ended 31 December 2005
Interest on subordinated parent company loan	(35 8)	(57 1)
Interest on subordinated Senior Notes proceeds loan	(23 7)	(30 7)
Interest on Senior Credit Facilities	(15 9)	(28 1)
Amortisation of debt issue costs	(2 7)	(7 2)
Interest on loan from Inmarsat Global Limited	(1 9)	(0 6)
Other interest	(0 3)	—
Interest rate swap	—	(1 1)
Previous Senior Credit Facility deferred debt issue costs written off	—	(19 9)
Redemption premium paid on repayment of subordinated Senior Notes proceeds loan	—	(12 8)
Deferred debt issue costs written off on repayment of 35% Senior Notes due 2012	—	(6 1)
Total interest payable and similar charges	(80 3)	(163 6)
Bank interest receivable and other interest	2 2	2 3
Interest on investment in Senior Notes	2 8	—
Interest rate swap	2 8	—
Realised gain on amendment of interest rate swap	—	3 4
Total interest receivable and similar income	7 8	5 7
Net interest payable	(72 5)	(157 9)

6. Taxation

The tax credit is based on the taxable profits for the year

(US\$ in millions)	Year ended 31 December 2006	Year ended 31 December 2005
UK corporation tax at 30% - current year	21 8	48 2
	21 8	48 2
Adjustments in respect of previous periods		
Current Corporation tax	(2 6)	—
	19 2	48 2

The Company's effective tax rate reconciliation is as follows

(US\$ in millions)	Year ended 31 December 2006	Year ended 31 December 2005
UK statutory tax rate	30%	30%
Profit on ordinary activities before taxation	28 8	116 7
Corporation tax charge at UK statutory rate	(8 6)	(35 0)
Non-deductible expenditure	—	(0 9)
Non-taxable dividend income	30 4	84 1
Current tax credit for the year	21 8	48 2

Inmarsat Investments Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2006

7 Dividends

The dividends paid in the year ended 31 December 2006 to Inmarsat Group Limited (parent company) were US\$48.7m and US\$52.8m for the 2006 interim dividend and 2005 final dividend respectively

A final dividend in respect of the year ended 31 December 2006 amounting to US\$73.4m was declared by the Directors on 23 March 2007 and was paid on 25 May 2007 to Inmarsat Group Limited. In accordance with FRS 21, these financial statements do not reflect this dividend payable.

The Company paid a dividend of US\$24.8m to Inmarsat Group Limited in the year ended 31 December 2005. The Company received total dividends in the years ended 31 December 2006 and 2005 of US\$101.4m and US\$280.2m respectively from its 100% subsidiary Inmarsat Ventures Limited.

8. Investments

The Company has an investment of US\$54.9m (2005: US\$10.3m) in Senior Notes due 2012 issued by Inmarsat Finance plc, a company 99.9% owned by Inmarsat Group Limited (Inmarsat Investments Limited parent company). In the year ended 31 December 2006 the Company purchased US\$43.6m of the Notes for US\$45.6m (2005: US\$10.0m for US\$10.5m). The Company paid a premium of US\$1.2m and prepaid interest of US\$0.8m which was later received back (2005: premium US\$0.3m, interest US\$0.2m). The Company also has an investment of US\$1,542.7m in Inmarsat Ventures Limited (2005: US\$1,542.7m).

9 Debtors – amounts falling due within one year

(US\$ in millions)	As at 31 December 2006	As at 31 December 2005
Other debtors	—	0.1
Corporation tax	21.8	49.4
Amounts due from fellow group companies	8.8	17.0
Other prepayments and accrued income	3.3	0.2
	33.9	66.7

Amounts due from fellow group companies are unsecured, interest free and repayable on demand.

10 Creditors – amounts falling due within one year

(US\$ in millions)	As at 31 December 2006	As at 31 December 2005
Trade creditors	—	0.2
Accruals and deferred income	8.6	8.5
Amounts due to fellow group companies	14.5	31.7
	23.1	40.4

Amounts due to fellow group companies are unsecured, interest free and repayable on demand.

Inmarsat Investments Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2006

11 Loans and other borrowings

(US\$ in millions)	Interest rate	As at 31 December 2006	As at 31 December 2005
Amounts falling due after one year			
Senior Credit Facility ^(a)	6.06 ^(a)	248.4	247.7
Subordinated parent company loan			
—principal	5.62 ^(b)	684.5	649.1
—interest		5.0	4.5
Subordinated Senior Notes proceeds loan			
—principal (net of deferred finance costs)	7.625 ^(c)	301.5	299.8
Loan from Inmarsat Global Limited	5.00 ^(d)	54.7	10.5
Total amounts falling due after more than one year		1,294.1	1,211.6
Total loans and other borrowings		1,294.1	1,211.6

- a) On 24 May 2005, Inmarsat Investments Limited signed a US\$550m Senior Credit Facility led by Barclays Capital, ING Bank N.V. and the Royal Bank of Scotland plc. The facility is for general corporate purposes including the repayment of the previous Senior Credit Facility and was arranged in connection with the IPO of Inmarsat plc in June 2005. The US\$550m five-year Senior Credit Facility consists of a US\$250m amortising term loan and a US\$300m revolving credit facility. The term loan and drawings under the revolving credit facility were initially priced at 120 basis points above LIBOR and thereafter tied to a leverage ratio. The US\$300m revolving credit facility is undrawn at 31 December 2006. The new Senior Credit Facility, in combination with existing surplus cash and the proceeds of the IPO, was used to repay the previous Senior Credit Facility of US\$728.0m and 35% repayment of the Senior Notes in note (c).

As at 31 December 2006 US\$250m (2005: US\$250m) was drawn down at 3 month USD LIBOR plus a margin of 0.7% (2005: 0.9%). Effective from 1 December 2006, Inmarsat received the consent of 100% of the lenders under the Senior Credit Facility to amend the term loan repayments due in 2007 (two equal instalments totalling US\$50m) and 2008 (two equal instalments totalling US\$50m) to reschedule them to the termination date in 2010. All other terms and conditions remained unchanged.

- b) Loans represent funding advanced by the parent company in the form of a subordinated parent company loan. Inmarsat Holdings Limited issued Euro denominated Subordinated Preference Certificates with an aggregate nominal amount at the date of issue of US\$27.632m (at a price of US\$618.8m euro equivalent). Inmarsat Holdings Limited loaned to Inmarsat Group Limited which in turn loaned to Inmarsat Investments Limited the aggregate proceeds of the Subordinated Preference Certificates via a subordinated parent company loan. The loans have no fixed maturity and may be repaid at any time at each borrower's option. Interest on the subordinated parent company loan accrued at a rate of 5.62% per annum in 2006 (2005: 5.35% per annum).
- c) The 7.625% Senior Notes were issued by Inmarsat Finance plc (a company 99.9% owned by Inmarsat Group Limited (Inmarsat Investments Limited's parent company) and 0.1% owned by Inmarsat Holdings Limited (Inmarsat Group's parent company)). The Senior Notes mature on 30 June 2012. Interest is payable semi-annually in February and August. The proceeds of the Senior Notes were loaned to Inmarsat Investments Limited via a subordinated Senior Notes proceeds loan (the terms of which replicate those of the Senior Notes). In July 2005 Inmarsat Investments Limited repaid 35% of the subordinated Senior Notes proceeds loan and Inmarsat Finance plc redeemed 35% of its Senior Notes, reducing the loan and Notes outstanding from US\$477.5m to US\$310.4m.
- d) During 2006 Inmarsat Investments Limited purchased US\$43.6m (2005: US\$10.0m) of the Senior Notes for US\$45.6m (2005: US\$10.5m). The funds for these purchases were provided via loans from the Company's 100% subsidiary, Inmarsat Global Limited. Interest on the loans accrues at a rate of 5.0% per annum in 2006 (2005: 5.0%).

Inmarsat Investments Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2006

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

(US\$ in millions)	As at 31 December 2006		Net balance
	Principal amount	Deferred finance cost	
Senior Credit Facility	250 0	(1 6)	248 4
Loan from Inmarsat Global Limited	54 7	—	54 7
Subordinated parent company loan			
—principal	684 5	—	684 5
—interest	5 0	—	5 0
Subordinated Senior Notes proceeds loan			
—principal	310 4	(8 9)	301 5
Total loans and borrowings	1,304 6	(10 5)	1,294 1

(US\$ in millions)	As at 31 December 2005		Net balance
	Principal amount	Deferred finance cost	
Senior Credit Facility	250 0	(2 3)	247 7
Loan from Inmarsat Global Limited	10 5	—	10 5
Subordinated parent company loan			
—principal	649 1	—	649 1
—interest	4 5	—	4 5
Subordinated Senior Notes proceeds loan			
—principal	310 4	(10 6)	299 8
Total loans and borrowings	1,224.5	(12 9)	1,211.6

12 Called up share capital

(US\$ in millions)	As at 31 December 2006	As at 31 December 2005
Authorised		
630,780,000 ordinary shares of €0 0005 each	0 4	0 4
	0 4	0 4
Allotted and called up		
534,600,000 ordinary shares of €0 0005 each	0 3	0 3
	0 3	0 3

Inmarsat Investments Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2006

13. Reserves

(US\$ in millions)	Share premium account	Other reserves	(Accumulated losses)/retained earnings
Balance as at 1 January 2005	34 2	—	(118 8)
Profit for the year	—	—	140 1
Dividend payable	—	—	—
Capital contribution	—	311 9	—
Balance as at 31 December 2005	34 2	311 9	21 3
Profit for the year	—	—	48 0
Dividends payable	—	—	(101 4)
Balance as at 31 December 2006	34 2	311 9	(32 1)

The Company received a loan from Inmarsat Group Limited (the parent company) of US\$311.9m on 22 June 2005 following Inmarsat plc's (ultimate parent company) listing on the London Stock Exchange. Repayment of the loan was waived by Inmarsat Group Limited on 22 June 2005 and therefore increased the Company's profit and loss reserves in the form of a capital contribution.

14. Cash flow statement

The Company's ultimate parent company is Inmarsat plc, a company registered in England and Wales, whose consolidated financial statements include a cash flow statement. Accordingly, the Company is not required to produce a cash flow statement as prescribed in paragraph 5(a) of FRS 1, Cash Flow Statements (revised 1996).

15. Related party transactions

The Company, being a 100% owned subsidiary of Inmarsat Group Limited, is exempt under paragraph 17 of FRS 8 Related Party Transactions, from the requirements to disclose transactions with entities that are part of the group.

16. Parent undertaking and ultimate controlling party

The Company's immediate parent undertaking is Inmarsat Group Limited, a subsidiary of the ultimate parent company, Inmarsat plc, both incorporated in Great Britain and registered in England and Wales. The largest and smallest group into which the results of the Company are consolidated is headed by Inmarsat plc. Copies of the Inmarsat plc consolidated financial statements can be obtained from the Company Secretary at 99 City Road, London EC1Y 1AX.

17. Events after the balance sheet date

A final dividend in respect of the year ended 31 December 2006 amounting to US\$73.4m was declared by the Directors on 23 March 2007 and was paid on 25 May 2007 to Inmarsat Group Limited. This dividend has not been recognised as a liability as at 31 December 2006.