

Iridium

T2 Partners LLC

Iridium's Stock Has Been Weak Since It Began Trading in September 2009

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Source: BigCharts.com.





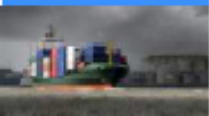





- Iridium is the world's only communication provider with the ability to provide real-time voice and data communications over 100% of the earth's service by virtue of the company's 66-satellite low-earth orbit (LEO) constellation. In addition, Iridium is one of the few satellite operators with the ability to provide effective voice, machine-to-machine (M2M), and high-speed data services.
- One of two major players in Global Satellite Communications industry
- Single subscriber device works worldwide
- Motorola spent \$5 billion launching satellites in late 1990s
- Filed for bankruptcy in 1999 with only 50,000 customers due to too much debt and clunky phones that didn't work inside buildings



A Highly Attractive Business

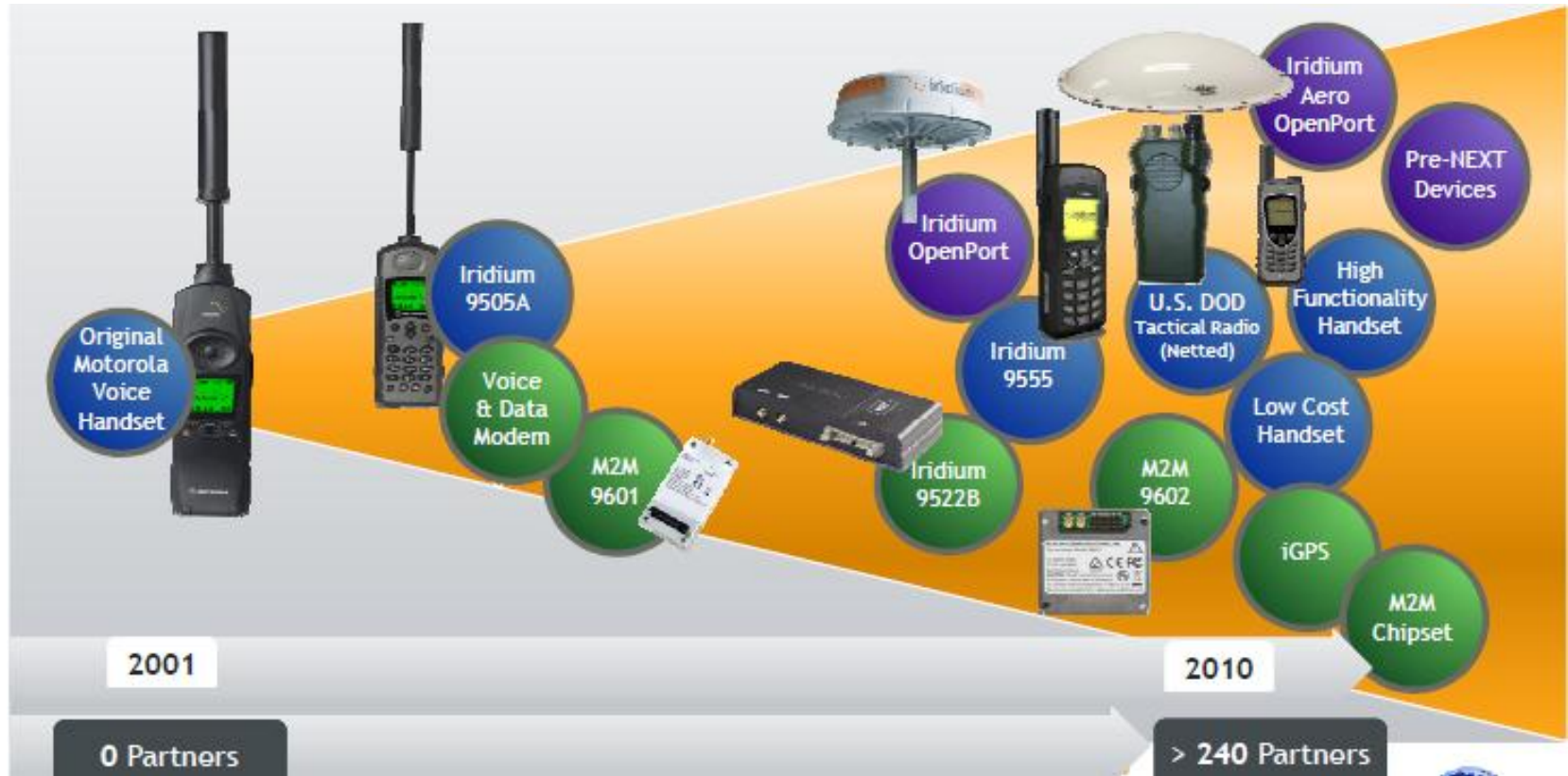
- Growing market share in a growing industry
- Huge barriers to entry
- US Department of Defense is an anchor customer (23% of revenue)
- Very high and rapidly expanding margins
- New products and applications

Iridium Serves Many Different Markets

	Position	Market Growth	Key Competitors	Iridium Advantage	Growth Strategy
 Land	<ul style="list-style-type: none"> #1 position Premium provider 	 2-3% CAGR thru 2015	<ul style="list-style-type: none"> Globalstar Thuraya (regional) Inmarsat 	<ul style="list-style-type: none"> True mobility Coverage Reliability 	<ul style="list-style-type: none"> Dual phone portfolio Profitable hardware cost structure
 M2M	<ul style="list-style-type: none"> Fastest growing; best prospects Premium provider 	 18% CAGR thru 2015	<ul style="list-style-type: none"> Orbcomm Inmarsat Globalstar 	<ul style="list-style-type: none"> Coverage Latency Throughput 	<ul style="list-style-type: none"> Hardware cost reduction IP licensing
 Maritime	<ul style="list-style-type: none"> #2 position Fastest growing Value provider 	 11% CAGR thru 2015	<ul style="list-style-type: none"> Inmarsat 	<ul style="list-style-type: none"> Low cost Small antenna 	<ul style="list-style-type: none"> #1 in 128 kbps cost-effective Expand value markets
 Aviation	<ul style="list-style-type: none"> #1 in general aviation Value provider 	 13% CAGR thru 2015	<ul style="list-style-type: none"> Inmarsat 	<ul style="list-style-type: none"> Low cost Small device 	<ul style="list-style-type: none"> Iridium OpenPort Aero Safety services
 Government	<ul style="list-style-type: none"> #1 low-speed data and voice 	 6-8% CAGR thru 2015	<ul style="list-style-type: none"> Inmarsat 	<ul style="list-style-type: none"> True mobility Coverage Netted Security 	<ul style="list-style-type: none"> Netted M2M solutions Proprietary secure voice

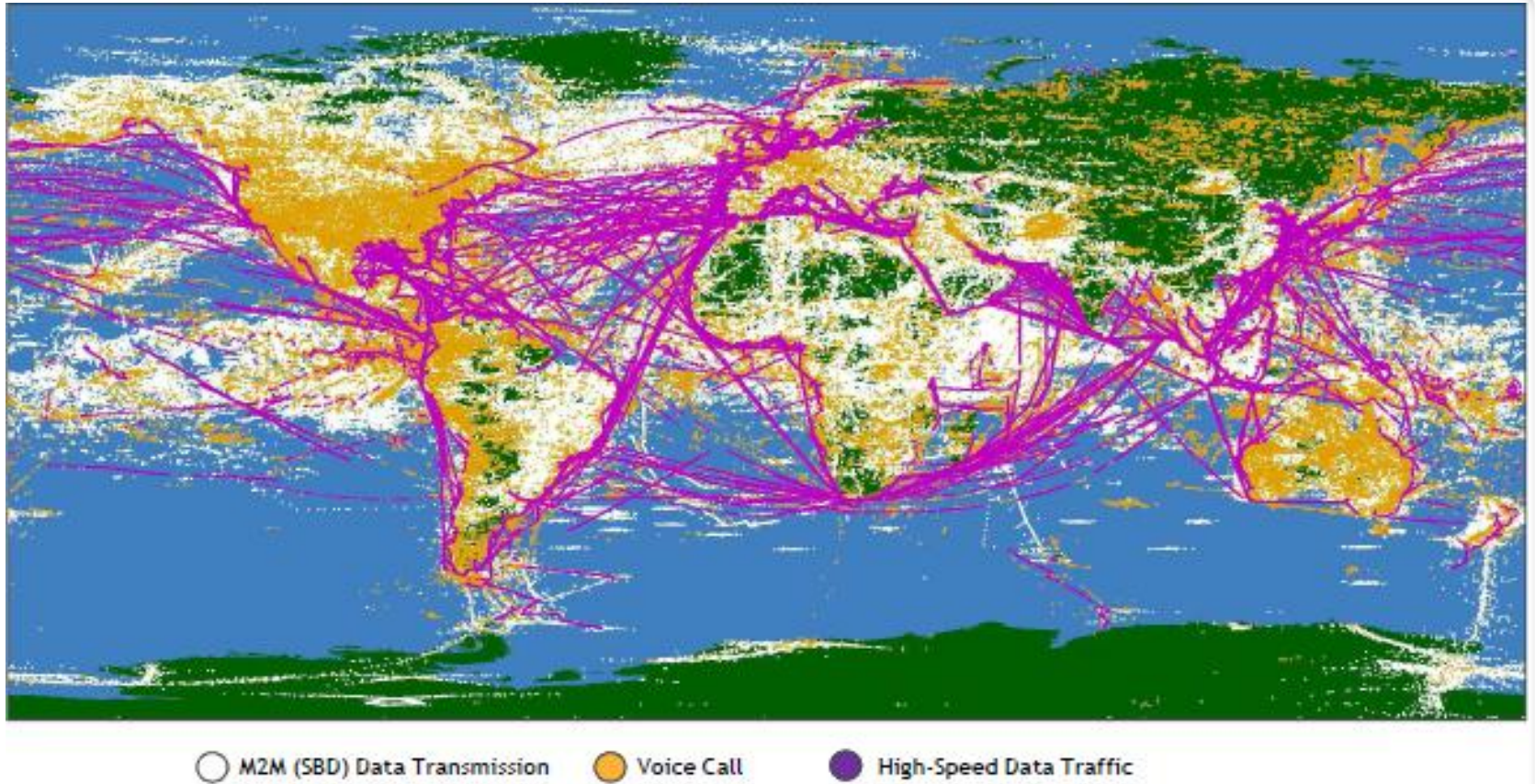
Iridium Offers a Wide Range of Products

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A Map of Iridium's Global Footprint

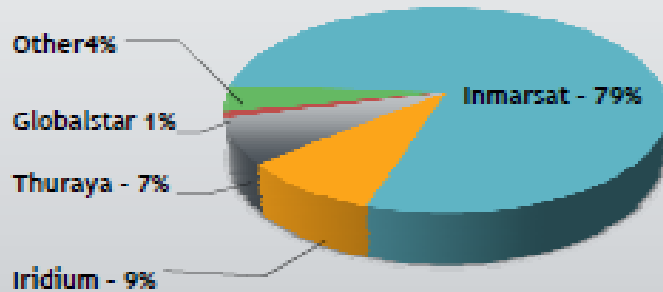
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Note: One week plot of M2M/SBD session, voice call and high-speed data origination points for the week of 11/7/10 to 11/13/10 (commercial traffic only).

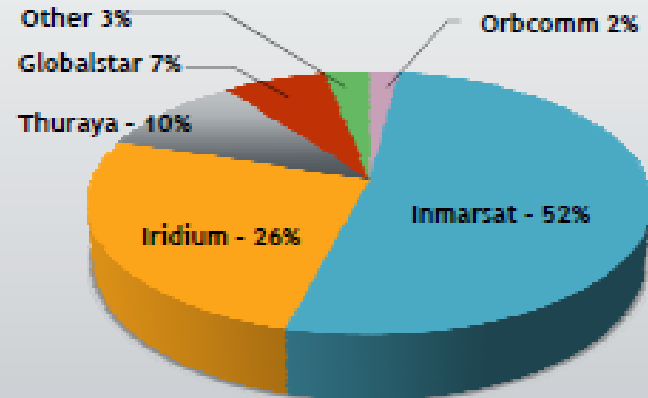
Iridium's Market Share Has Grown Rapidly

Total MSS Market Share 2001



Total 2001 Revenue: \$0.6 billion

Total MSS Market Share 2009

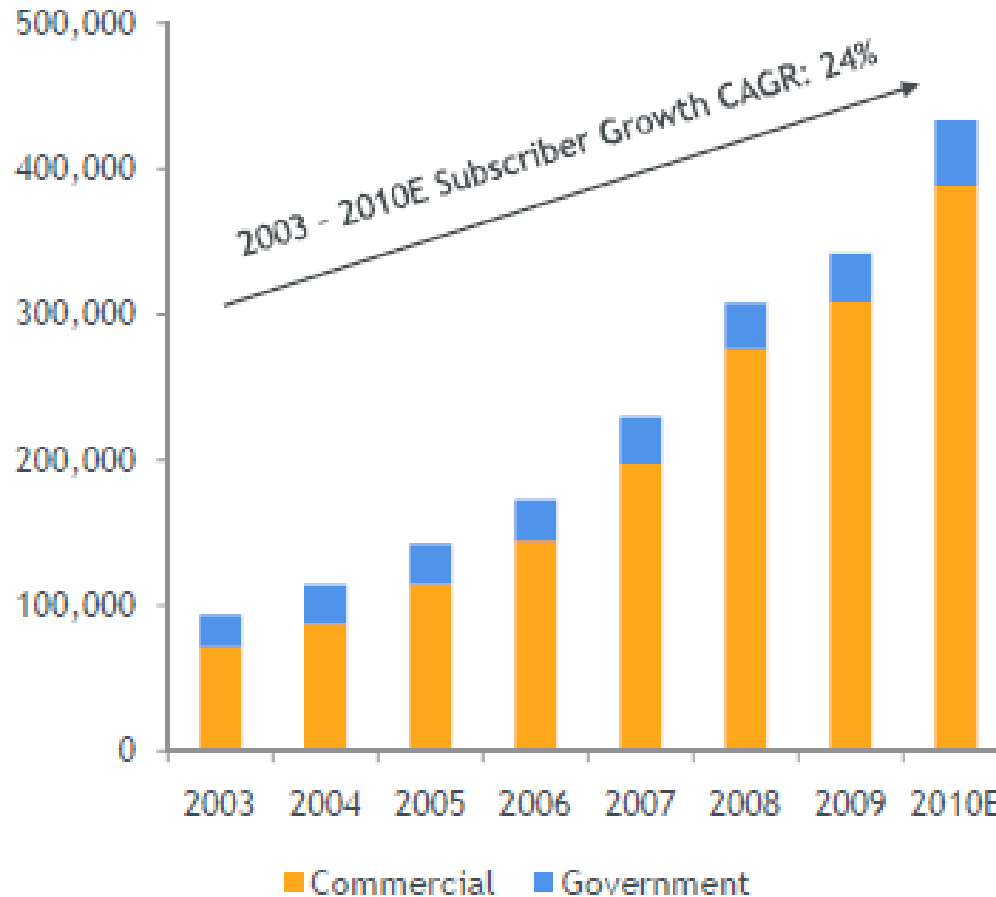


Total 2009 Revenue: \$1.3 billion

Iridium Has Shown Strong Growth in Subscribers

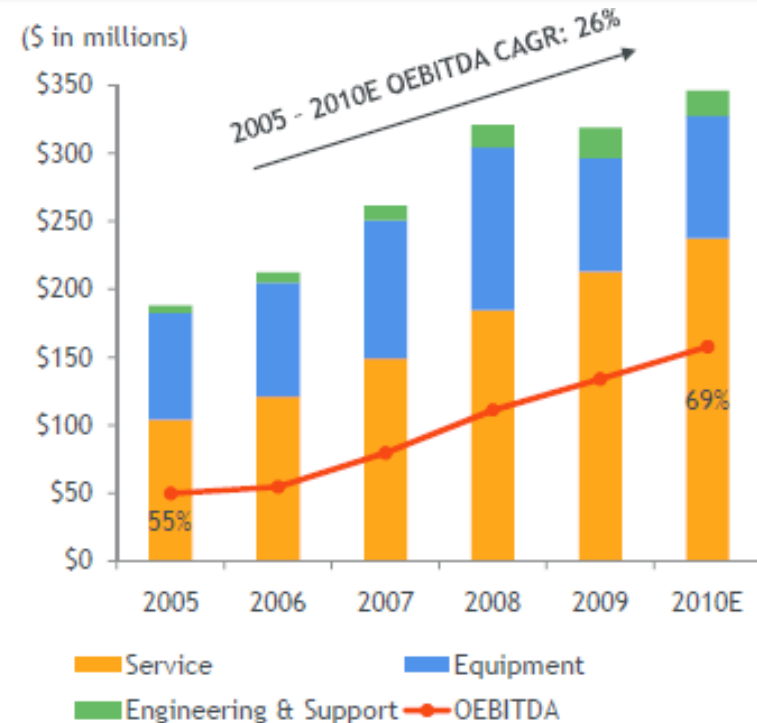
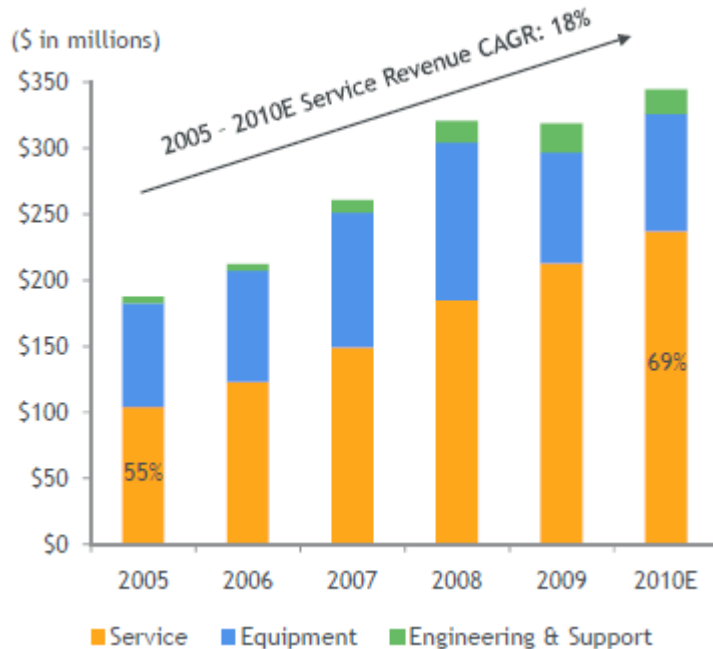
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Up 25% in 2010, Finishing With 427,000 total billable subscribers



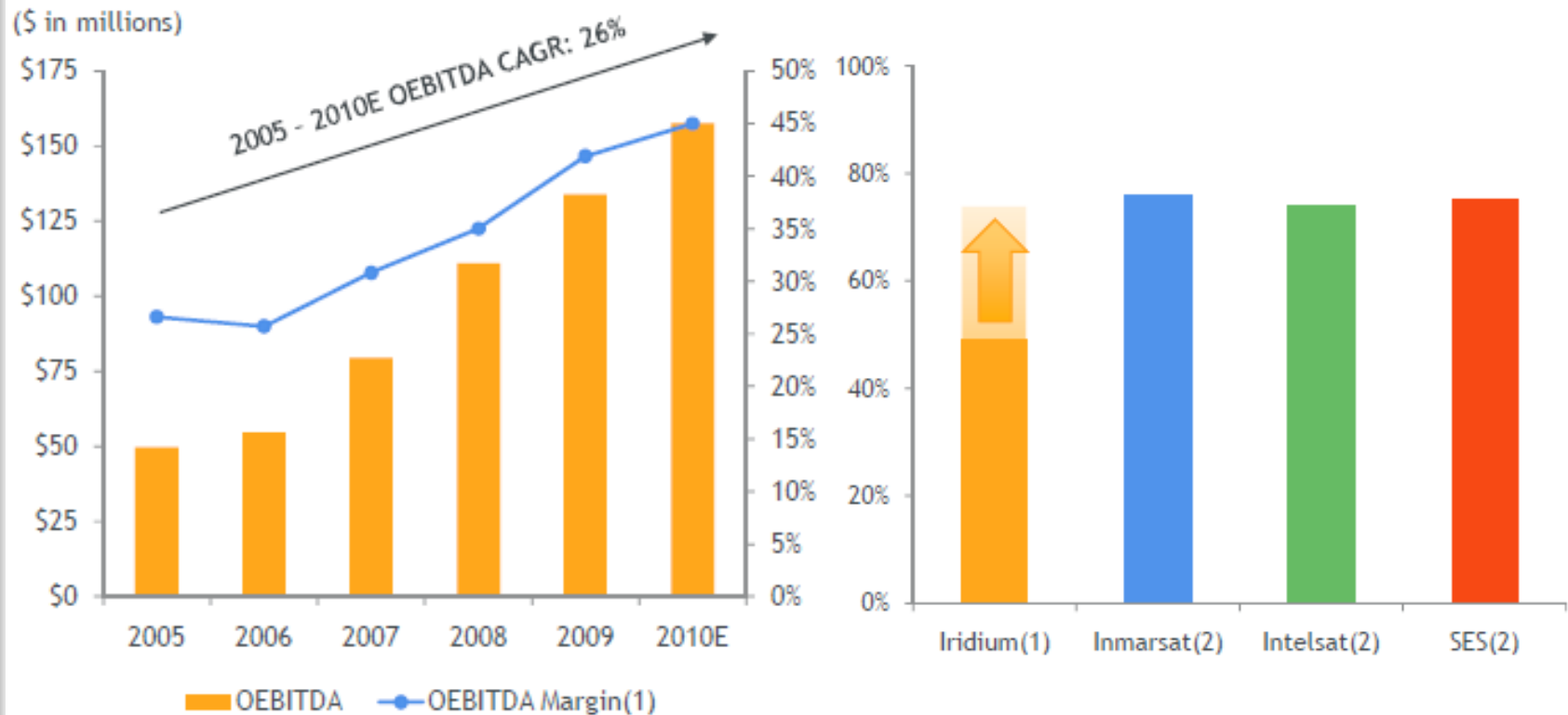
Source: Company filings.

Iridium Has Shown Strong Growth in Revenue and Operational EDITDA



In Q4 '10, revenue rose 16% and operational EBITDA rose 40%. Guidance for 2011 is subscriber growth of 20% and operational EBITDA growth of 13-20%.

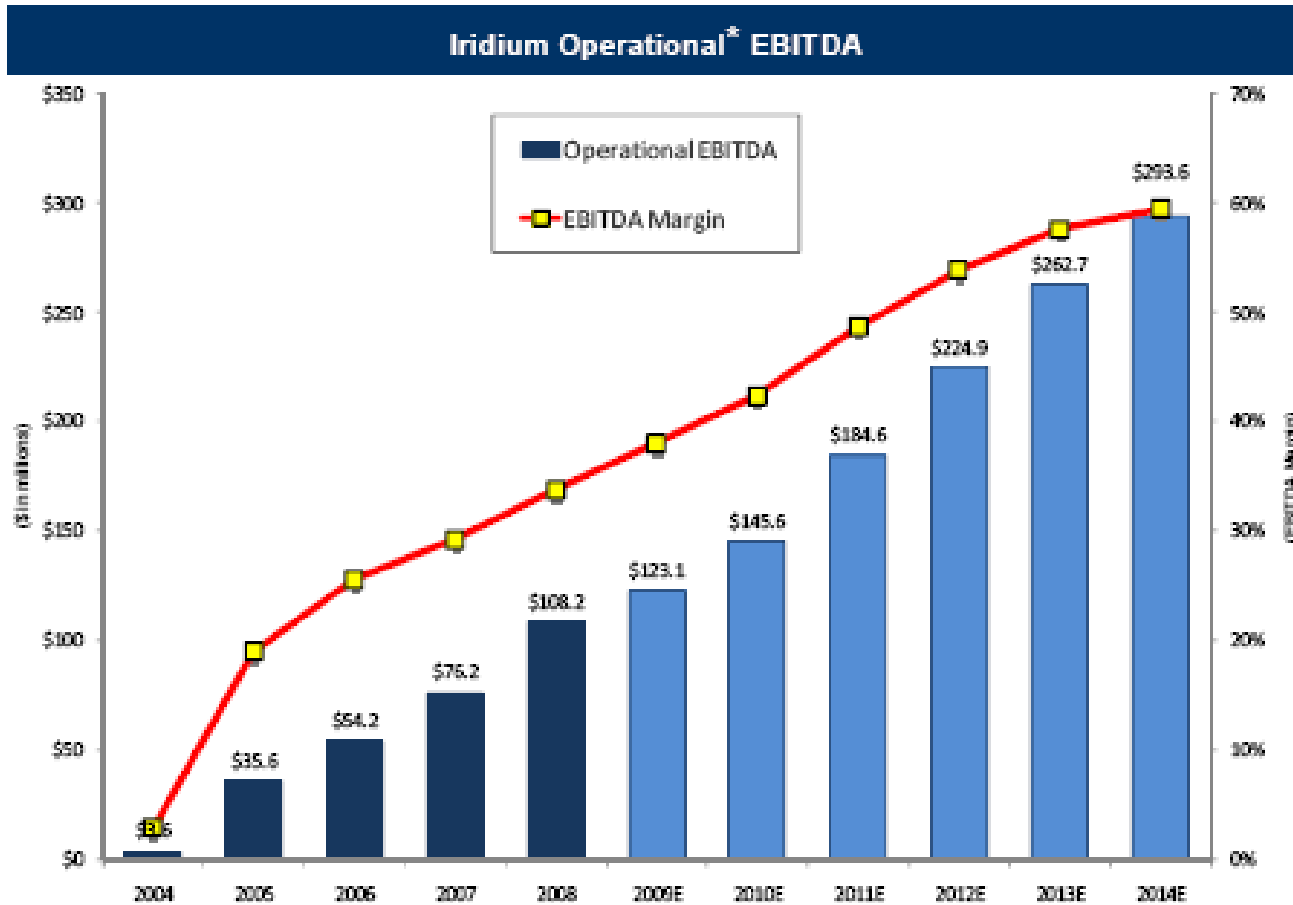
Operational EDITDA Margins Have Expanded Steadily And Have Room to Grow



Source: Company filings.

Iridium's Operational EBITDA is Projected to Grow Strongly

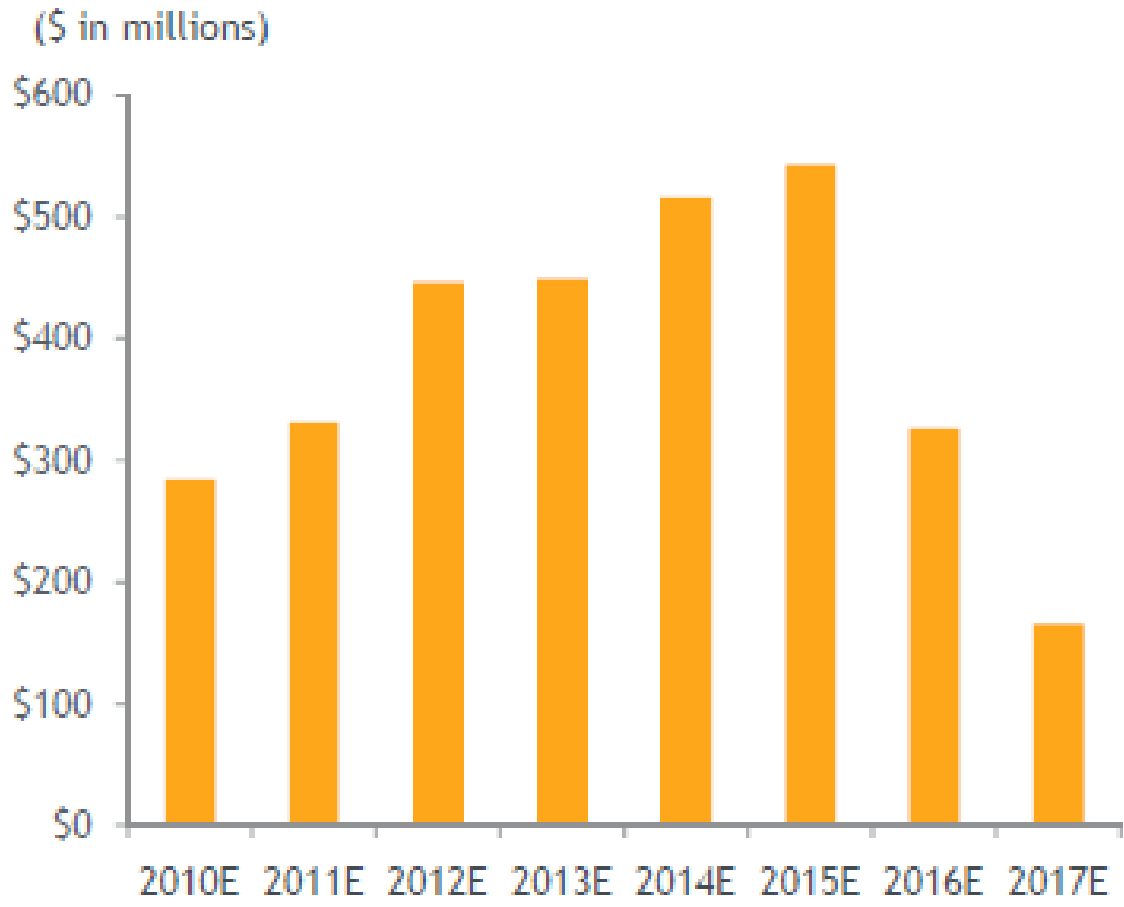
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*Note: Operational EBITDA excludes R&D development costs, GHQ transaction costs, and other non-recurring items.

- Current satellite constellation will need to be replaced starting in 2015
 - Backwards compatible (existing customers will not need to replace equipment)
 - Improved capacity and data rates: 9x improvement in throughput and 125x improvement in memory capacity
- Total cost: \$2.7 billion
 - Satellites: \$1.9 billion
 - Launch: \$0.6 billion
 - Other: \$0.2 billion
- Funding
 - Internally generated cash flow
 - Debt
 - Equity
 - Revenue offsets (hosted payloads)

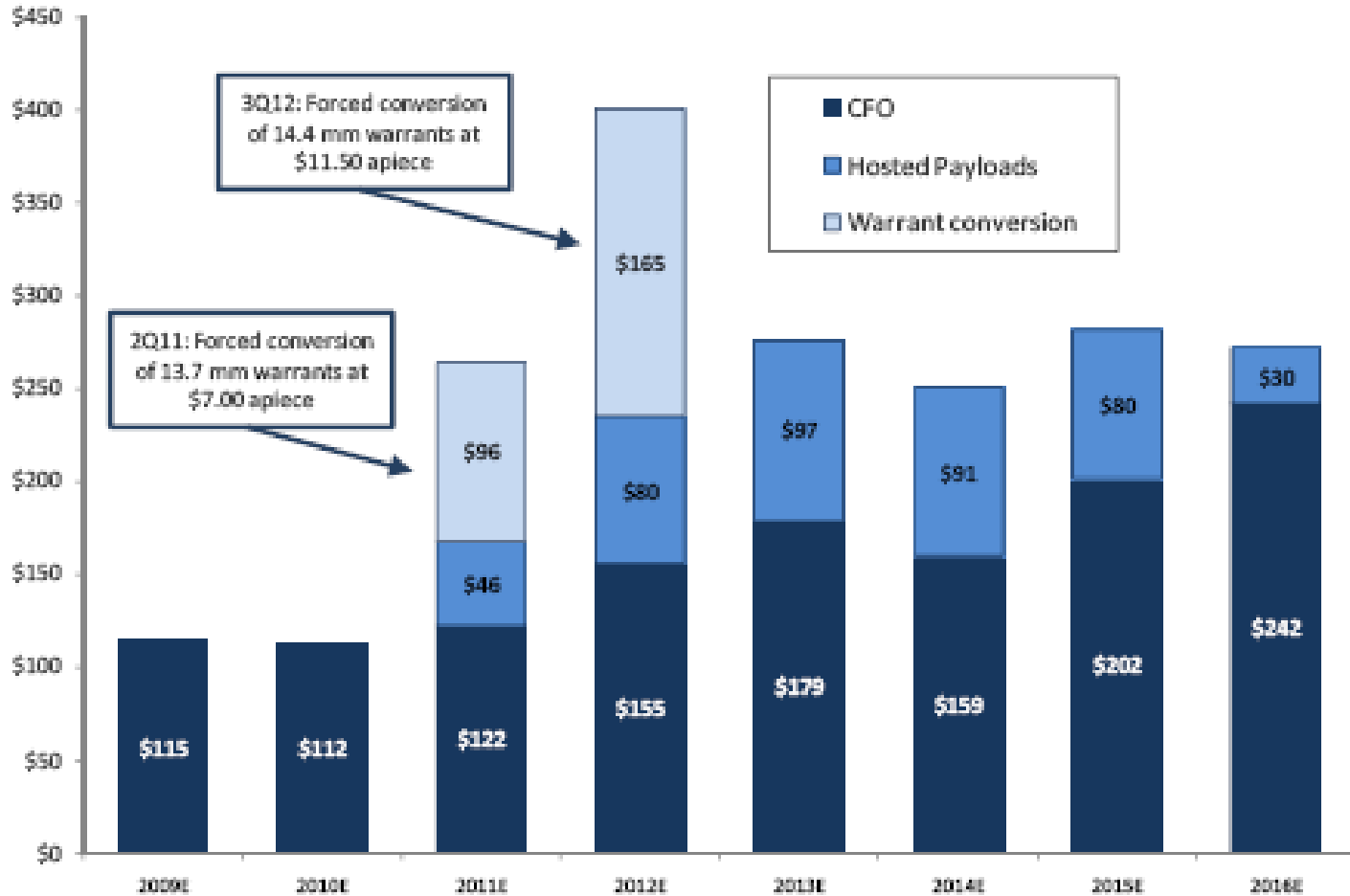
Iridium's Cap Ex Requirements Will Rise to Fund Iridium Next, and Then Fall



Source: Company presentation, 12/10.

Iridium Will Fund Iridium NEXT From Cash Flow, Hosted Payloads and Warrant Conversion



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Source: Raymond James estimates.

Share price (4/19/11):	\$7.89
Shares outstanding:	73.0 million
\$7 warrants	13.5 million
\$11.50 warrants	14.4 million
Market cap:	\$576 million
Plus net debt:	\$37 million
Enterprise value:	\$613 million
2011 OEBITDA (E)	\$185 million
EV/OEBITDA:	3.3x

Iridium Trades at Less Than Half of Inmarsat's Valuation

	 iridium	 inmarsat
12/06/10 Share Price	\$9.29	\$10.67
Outstanding Shares ⁽¹⁾	<u>74</u>	<u>489</u>
Market Capitalization	\$687	\$5,218
Total Gross Debt ⁽²⁾	\$158	\$1,353
Less: Cash & Equivalents ⁽²⁾	<u>\$111</u>	<u>\$185</u>
Net Debt	\$47	\$1,168
Enterprise Value	<u>\$734</u>	<u>\$6,386</u>
Divided by: 2011E OEBITDA/EBITDA ⁽³⁾	\$185	\$714
EV/EBITDA Multiple	3.9x	8.9x

Faster revenue growth rates

More room for margin expansion

(1) Includes outstanding shares and the value of outstanding warrants using the treasury stock method

(2) Balance sheet data as of 10/31/2010 for Iridium including \$135 million draw under Cofaoe financing agreement; balance sheet data as of 9/30/10 for Inmarsat based on company financial statements

(3) Represents midpoint of 2011 Operational OEBITDA outlook for Iridium; RBC Capital Markets EBITDA estimate for Inmarsat
Note: In millions except per share data; Inmarsat share price data converted to U.S. Dollars



We Expect a 20-30% IRR on This Investment for Many Years to Come

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Stock Price Based on EV/EBITDA Multiples

<u>Multiple</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
8	\$25.36	\$31.20	\$37.77
9	\$29.05	\$35.22	\$42.10
10	\$32.74	\$39.25	\$46.43

IRR

<u>Multiple</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
8	21%	26%	30%
9	24%	28%	32%
10	27%	31%	34%