

# INVESTOR PRESENTATION

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Chief Executive Officer

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Greg Wyler  
Executive Chairman, OneWeb

28 February 2017



# Safe Harbor

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# Overview

Stephen Spengler, CEO

Greg Wyler, Executive Chairman, OneWeb



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*Envision. Connect. Transform.*

# Common Missions to Connect the Globe

**Intelsat + OneWeb plan to create the world's first global broadband provider, offering affordable and ubiquitous broadband anywhere in the world, supporting economic development, societal growth and ending the digital divide**



**Deliver innovative content and connectivity solutions that create value for customers and transform the quality of life**



**Access to communications for everyone, everywhere**

# A Compelling Opportunity for Intelsat Stakeholders

## Intelsat Today

- FSS industry leader
- Blue-chip customers
- Powerful GEO constellation
- Capped access to OneWeb's LEO network
- Limited balance sheet flexibility

## Intelsat + OneWeb

- Global broadband leader
- Blue-chip customers
- Hybrid LEO + GEO network
- Comprehensive access to OneWeb's next-generation LEO network
- Clear path to future technology & services
- Lowest cost delivery of service
- Enhanced capital structure



# Overview of OneWeb

## Mass Produced Satellites

Airbus JV

## Exclusive Qualcomm Relationship

## High Speeds / Low Latency

Up to 595Mbps /  
< 50 milliseconds

## High Capacity

1.4 Tbps forward sellable capacity

## Priority NGSO Spectrum Rights

(> 6.5 GHz of globally harmonized spectrum)

## Financial Strength

\$1.7 billion funded to date

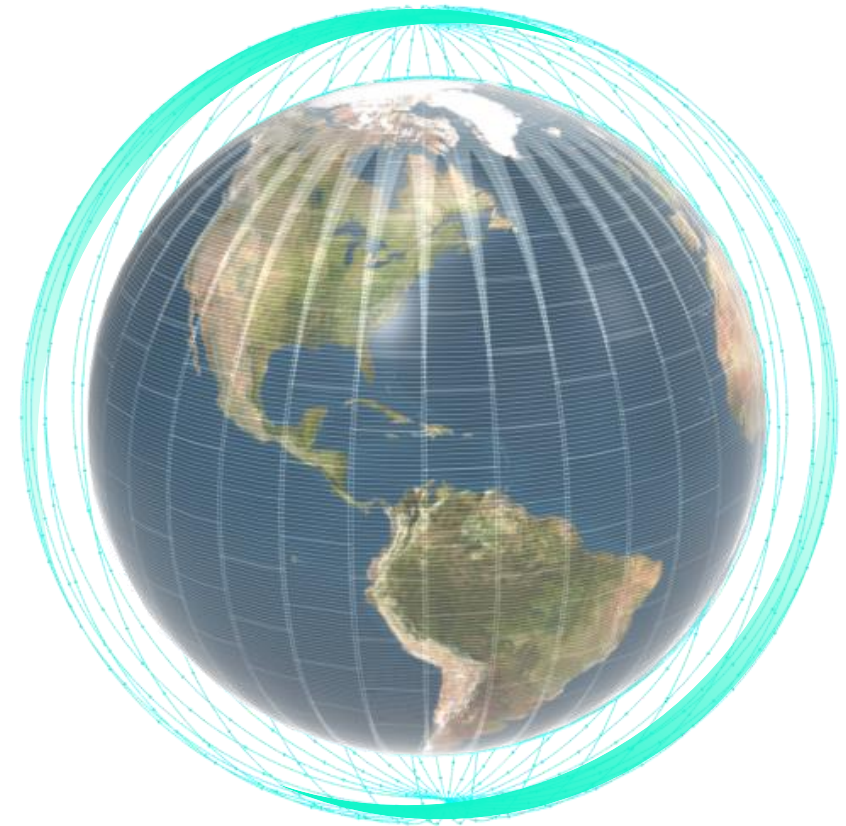
## Global Coverage

100% of Globe

## Small Terminals

30cm - 65cm

## The OneWeb Constellation



*882 LEO satellites will operate at an orbit of 1,200km above the earth*

# OneWeb Momentum

## SoftBank Sponsorship

- SoftBank-led recent \$1.2 billion funding round
- SoftBank will be master distributor for all capacity on OneWeb constellation
- SoftBank intends to take disruptive approach to the existing satellite business model
- Successful transaction partners OneWeb, SoftBank and Intelsat in this effort

## Operational Milestones

- Completed and validated system design
- Satellite components in test, over 85% of supply chain under contract
- March 3rd groundbreaking of world's first high volume satellite facility in Exploration Park, Florida with two production lines scheduled for operation Q1 2018
- First launch planned for March 2018, with in-service date planned for 2019
- 21 launches under contract with Arianespace

# An Opportunity to Create a Unique Hybrid Fleet

**GEO**

- Wide beams for broadcast
- HTS overlay for high density areas
- Regulatory access; 200 countries and territories

Premium Spectrum

**Ku-band**

Fully-Integrated  
Scalable Services  
Robust Ecosystem

**LEO**

- Pole-to-pole, ubiquitous coverage
- Consumer scale hardware
- Low latency



Technology Road Map into Next Decade Encourages Customer Commitment



# Opportunity to Serve Key Applications and New Verticals Together



# Transaction Detail

Jacques Kerrest, CFO



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# Transaction Overview

<b>Merger</b>	<ul style="list-style-type: none"> <li>• Intelsat and OneWeb to combine through a share-for-share transaction, subject to satisfaction of certain conditions, including consummation of certain debt exchanges</li> <li>• As a result of the combination agreement and SoftBank share purchase agreement, Intelsat will issue to OneWeb shareholders and to SoftBank, common shares and preferred shares (the preferred shares for this purpose on an as converted basis) equal in the aggregate to approximately 800 million shares</li> </ul>
<b>SoftBank Investment</b>	<ul style="list-style-type: none"> <li>• SoftBank is expected to invest \$1.7 billion for a combination of newly issued common and preferred shares</li> <li>• Preferred shares will be equity like in relation to participation; rank above common but subordinate to creditors; will auto convert in certain circumstances; and, are redeemable at any time, subject to minimum redemption amount</li> <li>• Pro forma for the merger and SoftBank investment, SoftBank voting ownership will be no greater than 39.9%<sup>1</sup></li> </ul>
<b>Exchange Offers</b>	<ul style="list-style-type: none"> <li>• Intelsat announces certain debt exchange offers to eligible holders</li> <li>• Potential limited execution window under terms of combination agreement<sup>2</sup></li> </ul>
<b>Key Closing Conditions</b>	<ul style="list-style-type: none"> <li>• Consummation of certain debt exchange offers to eligible holders within 90 days of the date of the combination agreement</li> <li>• Shareholders of Intelsat and OneWeb have agreed to vote sufficient shares in favor of the transactions in order to obtain the required shareholder approvals</li> <li>• Subject to the receipt of regulatory approvals and other customary closing conditions</li> <li>• Transaction expected to close Q3 2017</li> </ul>
<b>Board and Management</b>	<ul style="list-style-type: none"> <li>• 7 member Board of Directors, including: 3 independent Directors; 3 Directors to be initially appointed by SoftBank; and 1 Director to be initially appointed by BC Partners</li> <li>• Stephen Spengler will remain as CEO; Greg Wyler will become Executive Chairman upon closing of the transactions</li> </ul>

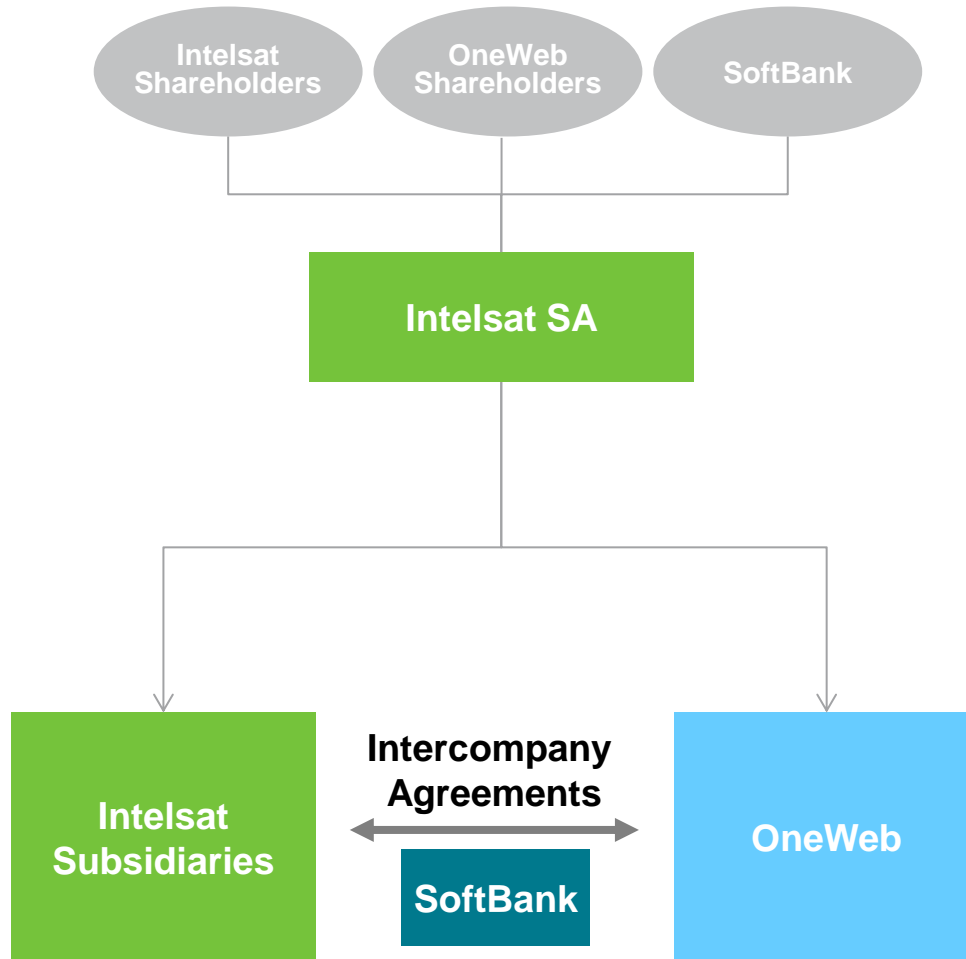
*Note: Intelsat will be domiciled in Luxembourg and will remain listed on the NYSE.*

*1. It is expected that, upon the admission of third party limited partners to the SoftBank Vision Fund, and subject to receipt of all applicable regulatory approvals, in accordance with SoftBank Vision Fund agreements, SoftBank's investment position related to the combined company will be offered to the SoftBank Vision Fund for the purpose of transferring SoftBank's shares to the SoftBank Vision Fund.*

*2. The combination agreement includes a condition requiring the consummation of certain exchange offers. If requisite tenders necessary to consummate the exchange offers to eligible holders are not received within 90 days of signing of the combination agreement then either party may terminate the combination agreement.*



# Intelsat Pro Forma Corporate Structure



## Intercompany Agreements govern:

- Intelsat access to SoftBank-controlled OneWeb capacity increases greatly
- Intelsat earns a commission on sale of OneWeb capacity controlled by SoftBank
- Intelsat will leverage LEO capacity for select services and customers to facilitate fleet rationalization
- Sale of Intelsat capacity by SoftBank
- Shared company services provided by Intelsat



# Financial Benefits from a Successful Transaction

## Revenue

- Long-term access to OneWeb capacity provides ability to sell more (bundled) Intelsat Epic<sup>NG</sup> capacity
- Leverage OneWeb's strategic distribution partners
- Providing services to OneWeb generates revenue for Intelsat

## Operating Expenses

- Intelsat will use its world-class sales force to distribute hybrid network capacity and services
- Significant cost avoidance and R&D savings facilitated by the combination

## Capital Expenditures

- We anticipate that there will be capital expenditure reductions for Intelsat as a result of combining our two fleets that are achievable in the mid- to long-term
- A thorough technical and business evaluation, including new technologies that will potentially surface in the new ecosystem, will be completed to quantify these synergies

**Significant  
Synergies  
from  
Combination  
with  
OneWeb**

# Expected Timetable<sup>1</sup>

Description of Event	Date
Announce Transaction	February 28 <sup>th</sup> , 2017
Launch Exchange Offers	March 2017
Close Exchange Offers	Q2 2017 (within 90 days of signing)
Close Transaction <sup>2</sup>	Q3 2017

1. Indicative timetable only, subject to change.  
2. Subject to regulatory and other closing conditions.

# Financial Review

Jacques Kerrest, CFO



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# 2016 Review

(\$ in millions)

## 2016 Financial Highlights

- FY 2016 results (change vs. 2015)
  - Revenue: \$2,188 (-7%)
    - Network Services: \$900 (-15%)
    - Media: \$868 (-2%)
    - Government: \$387 (+0.5%)
  - AEBITDA<sup>1</sup>: \$1,651 (-11%)
  - AEBITDA Margin<sup>1</sup>: 75.4%
- Balance Sheet (12/31/16)
  - Cash and cash equivalents: \$666
- Backlog: \$8,662
  - Approximately 4x 2016A Revenue
  - Weighted average remaining customer contract life of ~5 years

## 2016 Environment and Operational Highlights

- Revenue and AEBITDA performance well within the guidance range
- 2015/2016 decline reflects pricing pressure in certain regions and applications, although we saw improved pricing stability in the second half of 2016
- On-network revenues decline was mainly due to lower volume due to non-renewals of certain data and media services and renewal pricing at lower rates for enterprise and wireless infrastructure services
- Government revenues stable, benefitting from unexpected short-term renewal of a contract; renewal rates for U.S government remain attractive, although procurement activity remains slow
- Larger-than-expected bad debt due to certain LatAm customers
- Entry into service of our next generation Intelsat Epic<sup>NG</sup> platform
- Media revenues benefited in the second half of 2016 from Intelsat 31 and Intelsat 36 launches which entered service in July and September 2016

1. AEBITDA means Adjusted EBITDA and is a non-GAAP measure. AEBITDA margin is calculated as AEBITDA / Revenue.



# 2017 Outlook

- Full year guidance
  - 2017E Revenue: \$2.180 billion - \$2.225 billion
    - Media: 3-5% growth
    - Network Services: flat to 3% decline
    - Government: 7-9% decline
  - 2017E EBITDA: \$1.655 billion - \$1.700 billion
- These forecasts reflect the benefit of our new Intelsat Epic<sup>NG</sup> services, Intelsat 31 and Intelsat 36



*Intelsat + OneWeb  
plan to create the  
world's first global  
broadband provider,  
offering affordable  
and ubiquitous  
broadband anywhere  
in the world,  
supporting economic  
development,  
societal growth and  
ending the digital  
divide*