



Iridium Announces Q2 2008 Results

BETHESDA, Md., Aug. 5 [/PRNewswire/](#) -- Iridium Satellite LLC today announced financial results for the second quarter which ended June 30, 2008.

"Our strong second quarter solidifies our position as the fastest-growing voice and data mobile satellite services (MSS) company," said Matt Desch, Iridium chairman and CEO. "For our fifth consecutive quarter, we posted double-digit increases for all the important metrics -- revenue, earnings and subscriber gains. As the only MSS provider with a truly global network, we are benefiting from continued strong usage in our key vertical markets, as well as from increased demand from enterprise organizations that depend on Iridium to communicate to and from anywhere in the world."

Total revenue in the second quarter 2008 was \$81.7 million versus \$66.7 million in the same quarter last year, a 22 percent increase. For the six-month period that ended June 30, 2008, Iridium posted \$156 million in revenue, a 31 percent increase over the first half of 2007.

Second quarter 2008 EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) of \$25.8 million was 28 percent greater than the second quarter 2007 total of \$20.2 million while EBITDA for the first six months of 2008 was \$50.2 million, a 49 percent rise over the same period in 2007.

As of June 30, 2008, Iridium had more than 280,000 subscribers worldwide, a 38 percent increase over the June 30, 2007 total of 203,000.

The truly global coverage that only Iridium offers continues to be a differentiating factor when it comes to growth in the MSS market. Iridium users who operate in Polar Regions generate more than 20 percent of the company's total annual commercial circuit-switched voice and data usage revenue. For example, this truly global communications capability is critical to the aviation industry. In the last five years, cross-polar flights have grown in importance, providing millions of dollars in fuel savings and significantly reducing the number of flight hours between city-pairs. As the number of cross-polar flights has increased, so has the importance of total, continuous and reliable communications coverage.

During the second quarter of 2008, the company posted significant increases over second quarter 2007 in voice and data usage revenues. Voice traffic in Asia was up 82 percent, in North America it was up 50 percent and in Europe it was up 45 percent. Iridium continued to demonstrate strong growth in its data services business. The company's machine-to-machine (M2M) data revenue grew 92 percent while subscribers grew 154 percent, making Iridium an increasingly important player in this nascent market.

Iridium also continues to expand its base in the U.S. government voice and data services market. In addition to having recently renewed its U.S. Department of Defense (DoD) Enhanced MSS contract, Iridium continues development of its Netted Iridium(SM) push-to-talk voice and data service funded under the DoD Distributed Tactical Communications Service (DTCS) program. DTCS is a U.S. Navy-funded program designed to deliver

enhanced Iridium voice and data services in support of Over the Horizon (OTH) tactical communication requirements. Another new application is the potential use of the Iridium satellite network as an enhancement to the Global Positioning System (GPS), which has become a vital tool for U.S. military operations. Use of the Iridium constellation would give some users of the system more satellites, greater signal strength and added precision. The U.S. Naval Research Laboratory recently announced it awarded The Boeing Company a \$153 million contract for a High Integrity GPS Technology Concept demonstration that will leverage the Iridium constellation for significantly improved performance over stand-alone GPS today.

Finally, Iridium continues its progress towards deploying the company's next-generation satellite constellation, "Iridium NEXT." The company recently announced that it down-selected to two companies -- Lockheed Martin and Thales Alenia Space -- to participate in the final phase of its procurement process. Iridium selected these companies based on initial, innovative constellation design concepts; demonstrated understanding of performance requirements and capabilities; and initial cost estimates for the manufacture and launch of Iridium NEXT. By the middle of 2009, Iridium intends to select one prime contractor to construct Iridium NEXT.

About Iridium Satellite

Iridium Satellite LLC (<http://www.iridium.com/>) is the only MSS company offering gap-free, pole-to-pole coverage over the entire globe. The Iridium constellation of low-earth orbiting (LEO), cross-linked satellites provides critical voice and data services for areas not served by other communication networks. Iridium's subscriber growth has been driven by increasing demand for reliable, secure, global communications. Iridium serves commercial markets through a worldwide network of hundreds of distributors, and provides services to the DoD, and other U.S. and international government agencies. The company's customers represent a broad spectrum of industry, including maritime, aeronautical, government/defense, public safety, utilities, oil/gas, mining, forestry, heavy equipment and transportation. Iridium has launched a major development program for its next-generation satellite constellation, Iridium NEXT, which will result in continued and new Iridium MSS offerings. The company is headquartered in Bethesda, Md. and is privately held.

SOURCE: Iridium Satellite LLC

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