



**Iridium Communications Inc.**

**Comprehensive Plan for Iridium's  
Next-Generation Constellation**

June 2, 2010



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# Disclaimer

## Safe Harbor Statement

This presentation contains statements about future events and expectations known as “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). We have based these statements on our current expectations and the information currently available to us.

Forward-looking statements in this presentation include statements regarding expected Iridium NEXT project costs and deployment schedule; the availability, adequacy and terms of the Iridium NEXT financing, the expected duration of the existing constellation and the transition to the Iridium NEXT constellation and features of the Iridium NEXT system. Other forward-looking statements can be identified by the words "anticipates," "may," "can," "believes," "expects," "projects," "intends," "likely," "will," "to be" and other expressions that are predictions of or indicate future events, trends or prospects. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of Iridium to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, uncertainties regarding overall Iridium NEXT costs, including Euro currency exchange risks, the company's ability to finalize the Iridium NEXT financing, potential delays in the Iridium NEXT deployment, levels of demand for mobile satellite services (MSS), and the company's ability to maintain the health, capacity and content of its satellite constellation, as well as general industry and economic conditions, and competitive, legal, governmental and technological factors. Other factors that could cause actual results to differ materially from those indicated by the forward-looking statements include those factors listed under the caption "Risk Factors" in the company's Annual Report on Form 10-K for the year ended December 31, 2009, filed with the Securities and Exchange Commission on March 16, 2010. There is no assurance that Iridium's expectations will be realized. If one or more of these risks or uncertainties materialize, or if Iridium's underlying assumptions prove incorrect, actual results may vary materially from those expected, estimated or projected.

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## Today's Announcement

- Iridium announces comprehensive plan for Iridium NEXT constellation and financing
- Iridium signs agreement with Thales Alenia Space (TAS) for next generation constellation after a comprehensive competitive process
  - \$2.1B<sup>(1)</sup> contract for 81 satellites
  - First launch scheduled during Q1 2015
- Coface, France's export credit agency (ECA), has issued a 'Promise of Guarantee' which commits to cover 95% of \$1.8B facility
  - Iridium expects attractive and flexible terms on the facility consistent with ECA financings
  - Coface guarantee is not conditional on Iridium raising additional debt or equity

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1) Computed at a Euro to USD exchange rate of 1.23

## Our Company

- Satellite voice and data solutions for enterprise & government
  - The only provider offering 100% worldwide coverage
  - Unique, resilient mesh satellite architecture
  - 66 satellite Low Earth Orbit (LEO) constellation plus in-orbit spares for reliable service through NEXT replacement
- ~359,000 billable subscribers at March 31, 2010
- Anchor U.S. DoD customer - 23% of revenue for Q1 2010<sup>(1)</sup>
- Complements terrestrial communications solutions
  - Less than 10% of the earth's surface is served by terrestrial wireless and wireline
- Key Markets: maritime, aviation, handheld, government, machine-to-machine (M2M)
- Low and high speed data services growing rapidly



1) Includes direct and indirect DoD revenues and revenues from certain other governmental entities through the DoD gateway.

## Iridium NEXT Costs

- We have signed a contract (Authorization to Proceed) with TAS to immediately begin work on the development phase while Iridium completes financing
- Iridium NEXT build to include 81 satellites, up from original 72
  - 66 operational satellites to replace current constellation
  - 6 in-orbit spare satellites
  - 9 ground spares available as part of a hybrid insurance strategy for eventual launch
- Contract is “Fixed Price” to be financed through internal cash flows and \$1.8B Coface-backed credit facility being syndicated by French and other major international banks and financial institutions
- Total cost for Iridium NEXT expected to be approximately \$2.9B<sup>(1)</sup>, to be spent through 2017 when Iridium NEXT will be fully deployed
- Scale of Iridium NEXT project enables unique ability to insure through cost-effective combination of traditional and self insurance
- Final costs will be locked in after financial close depending on the prevailing Euro exchange rate

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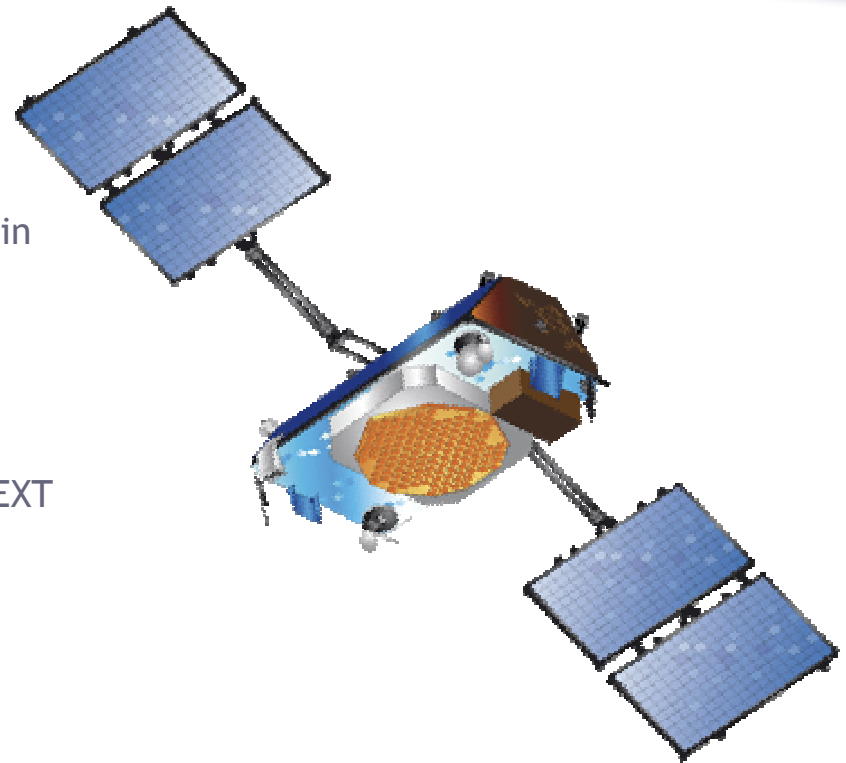
(1) Computed at a Euro to USD exchange rate of 1.23

## Benefits of Thales Alenia Space as our NEXT Prime

- TAS experience in LEO satellites and commercial space expertise demonstrated through its advanced technical design and system plan
- TAS to use a consortium of suppliers from 11 countries
  - Provides for best in class development throughout program
  - TAS agreement ensures opportunity for U.S. government secondary payloads on Iridium NEXT
- Coface support provides for attractive and flexible financing terms
- Contract cost will to be locked into fixed U.S. dollars at initial disbursement of financing

# Iridium NEXT Prime Selection

- TAS to develop and manufacture the Iridium NEXT spacecraft to replace the current satellite fleet
- TAS offers the best comprehensive solution for Iridium in terms of design, functionality, price, schedule and financing
- Initial launch scheduled during Q1 2015
  - Current fleet expected to provide commercially acceptable service through transition to Iridium NEXT
- Fully compatible with current constellation to simplify network transition and network continuity to existing customers
- Iridium NEXT features:
  - Doubles current Iridium subscriber capacity for long term growth
  - Supports higher data speeds - enabling the most competitive price points in the industry
  - Capable of supporting future product enhancements - software upgradability
  - Designed to host secondary payloads - in discussion with numerous potential candidates
  - Will maintain Iridium's unique architecture and its advantages

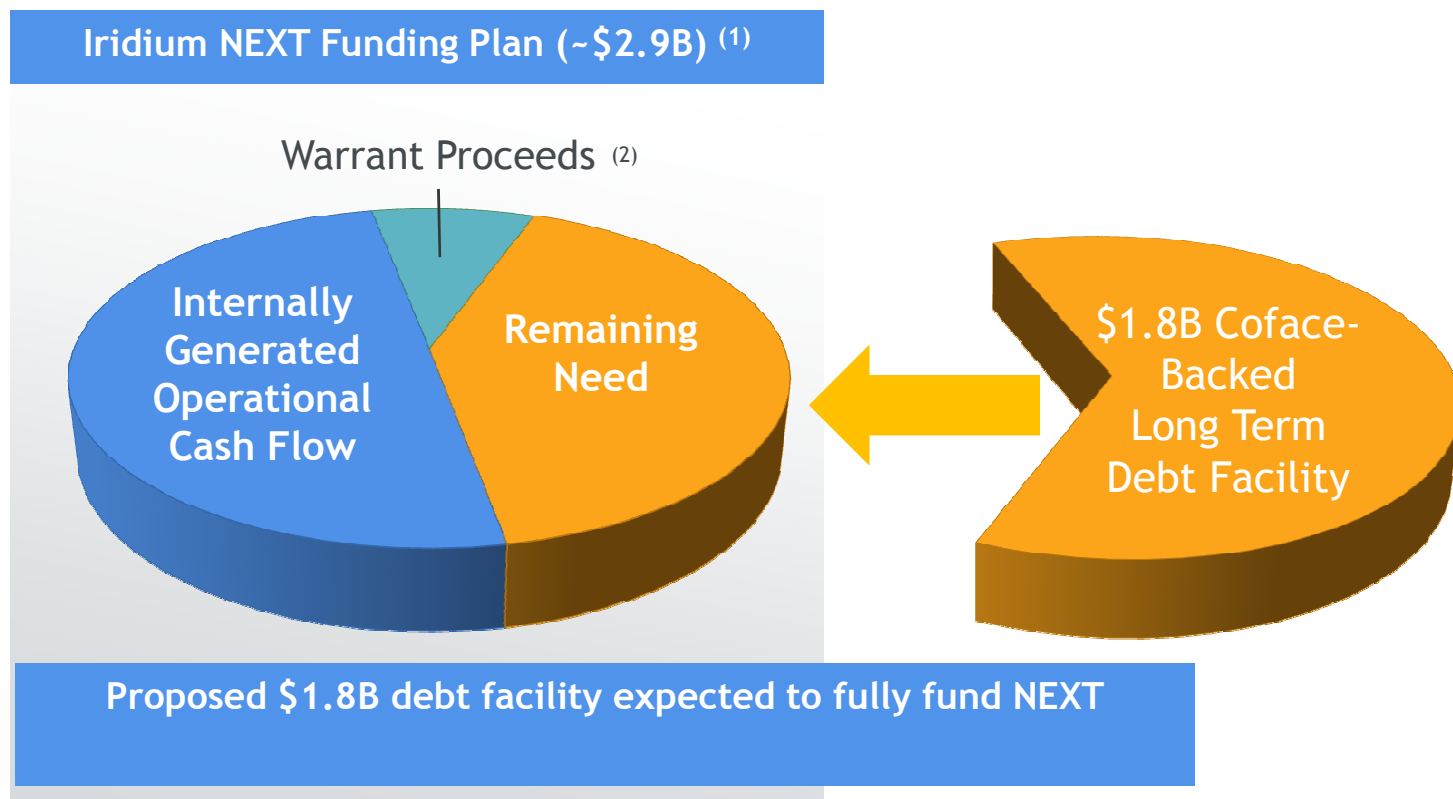


## Transition from Current Constellation to Iridium NEXT

- All Iridium segments (space/system control, ground, subscriber) will evolve incrementally and seamlessly from current constellation to Iridium NEXT
- Space segment will operate transparently throughout the transition period
  - Iridium NEXT satellite vehicles (SVs) will be fully compatible and interoperable with current constellation SVs
  - As Iridium NEXT SVs are launched, they will take the place of the current constellation SVs on a satellite-for-satellite basis
  - System control segment will be capable of commanding and controlling both current constellation and Iridium NEXT SVs; constellation will be operated as a single entity regardless of Iridium NEXT vs. current constellation SV makeup
- Ground segment (gateways, TT&C sites) incremental migration towards a new Teleport Network (TPN) architecture is already underway
  - For Iridium NEXT, functional distinction between gateways and TT&C functionality will become blurred - subscriber traffic can be grounded to any TPN site, and commanding of the constellation can be performed from any site
- Existing subscriber segment (handsets, data devices, services, etc.) will be fully compatible with Iridium NEXT satellites
  - New subscriber devices will be developed to take advantage of new and unique Iridium NEXT system capabilities

# Iridium NEXT Financing Strategy

- Substantial portion of capex for Iridium NEXT expected to be financed from internal sources: Operational cash flow, warrant proceeds, and cash on hand



1) Based on \$2.9B total estimated cost (computed at a Euro to USD exchange rate of 1.23); potential warrant proceeds of \$261M and cash on hand as of 3/31/2010 .

2) There are currently outstanding 13.7M warrants with a \$7.00 exercise price and 14.4M warrants with an \$11.50 exercise price.

## Timetable for Closing

- Syndication underway now; we expect to finalize this summer
- In the interim, Iridium provided TAS with Authorization to Proceed (ATP) to begin development using Iridium funds
  - Estimated payments of \$53M<sup>(1)</sup> through August 1, 2010
  - Renewable for an additional 3 month period
- ATP expenses incurred will be eligible for financing under the credit facility
  - Keeps Iridium on track for first launch during Q1 2015
- Will provide an update to financing facility once facility is complete

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1) 1 Approximately 60% of payments in Euros and have been translated at 1.23