

LETTER TO OUR SHAREHOLDERS

In 2016, our next generation Intelsat Epic^{NG} satellites entered service to the benefit of our customers. Intelsat Epic^{NG} begins a period of transformation as these more capable assets unlock access to new and higher growth applications.



Stephen Spengler
Director & Chief Executive Officer

Intelsat achieved its 2016 plan; with \$2.19 billion in revenue, net income attributable to Intelsat S.A. of \$990 million and \$1.65 billion in Adjusted EBITDA¹. Each of our businesses hit its target, navigated challenges, captured new revenue and established important relationships for the future.



\$2.19B
2016 Revenue

We launched four satellites in 2016, including two fully-incremental, fully-committed media satellites, and the first two of our seven planned next generation high-throughput Intelsat Epic^{NG} satellites. The launches were the culmination of several years of collaboration with customers and work with our manufacturers to design and build our spacecraft. The Intelsat Epic^{NG} satellites are expected to lift Intelsat's revenue trajectory as the new inventory converts to revenue



\$1.65B
2016 Adjusted EBITDA¹

growth, offsetting headwinds in our business. More importantly, the advanced capabilities provided by the Intelsat Epic^{NG} satellites expand the types of services that can be profitably delivered by our customers, transforming their businesses and ours.

Intelsat has passed through a period of considerable challenge to one of attractive opportunities. Throughout, we have focused on bringing higher performance, enhanced economics and simplified access to our satellite solutions. In 2016, we established the right mix of inventory, services and relationships to position us for leadership in much larger and faster growing sectors. As we continue to build-out our Intelsat Epic^{NG} ecosystem of satellites, services and technology, we are positioning Intelsat to play a bigger and broader role in the greater communications landscape.

OPERATIONAL TRANSFORMATION

In 2016, we made steady and significant progress towards each of the five operational priorities that are transforming our business.

OUR FIRST PRIORITY WAS TO MAINTAIN OUR DESIGN, MANUFACTURING AND LAUNCH SCHEDULE FOR THE NEXT GENERATION INTELSAT EPIC^{NG} FLEET, AND OTHER SATELLITES IN OUR PLAN, TO ENSURE AVAILABILITY OF NEW INVENTORY TO DRIVE REVENUE GROWTH.

Our first two Intelsat Epic^{NG} satellites, Intelsat 29e and Intelsat 33e, entered service in March 2016 and in January 2017, respectively. The Intelsat Epic^{NG} high-performance footprint now spans the Americas, the Caribbean and the North Atlantic to the Middle East, Europe, Africa and the Asia-Pacific regions. It covers the high demand maritime and aeronautical routes important to capturing new growth.

We also launched and placed into service two important media satellites, fully-committed for the life of the assets. Intelsat 31 provides expansion services and resilience for AT&T/DIRECTV[®] Latin America. Intelsat 36 includes a Ku-band payload used by direct-to-home ("DTH") television leader MultiChoice for the expansion of high definition ("HD") services in Sub-Saharan Africa.



Intelsat 33e/Intelsat 36 Launch

OUR SECOND PRIORITY WAS TO DRIVE INNOVATION TO CREATE NEXT GENERATION SOLUTIONS THAT WILL OPTIMIZE PERFORMANCE, IMPROVE ECONOMICS AND SIMPLIFY ACCESS TO NEXT GENERATION SATELLITE TECHNOLOGY.

We began the Intelsat Epic^{NG} evolution with the launch and entry into service of Intelsat 29e and Intelsat 33e. In the period leading up to their first year of service, 125 customers committed to this high-throughput platform, with seamless service transitions and backward compatible design to allow customers to use existing hardware.

We continued our ground innovation support through our investments in Kymeta Corporation and Phasor, two technology companies harnessing metamaterials and phased array technologies, to drive smaller and more capable antennas, which over time will expand the universe of satellite applications. We expect to deploy 70cm units from Kymeta later on in 2017, with 20cm antennas designed for the connected car opportunity in 2018. We expect Phasor antennas to follow in future years, with application in the business jet arena.

OUR THIRD PRIORITY WAS TO DEVELOP NEW SERVICE OFFERINGS THAT SUPPORT THE GROWTH OBJECTIVES OF OUR CUSTOMERS AND INVEST IN OUR VIDEO NEIGHBORHOOD ORBITAL LOCATIONS TO SUPPORT LONG-TERM GROWTH GOALS.

Last year, we expanded IntelsatOne® Flex from the maritime vertical to the enterprise sector. We signed our first customers who will use this flexibility to provide services spanning the Atlantic, Europe, the Middle East and Africa.

For our media customers, we continue to enhance our IntelsatOne® Prism managed service, recently introducing a full-time version for broadcasters exchanging news and programming with affiliates. IntelsatOne® Prism streamlines the collection and distribution of content using an all-IP connectivity platform, and allows for voice and internet traffic within the same connection-perfect for news and sports gathering. Separately, we continued to invest in our valuable video neighborhoods, such as the new Intelsat 36 satellite at the 68.5°E orbital location.

OUR FOURTH PRIORITY WAS TO MAINTAIN OUR LEADERSHIP IN GOVERNMENT SERVICES, PROVIDING A HIGH VALUE PROPOSITION TO GOVERNMENT CUSTOMERS SEEKING AFFORDABLE SOLUTIONS FROM A TRUSTED COMMERCIAL PROVIDER.

Intelsat is the leading provider of commercial satellite services to the government sector, according to NSR, with a 28% share of the U.S. military and government use of commercial satellite capacity with allied partners worldwide.

We continue to position ourselves for long-term growth opportunities serving the U.S. military with commercial capacity and services. In 2016, our subsidiary, Intelsat General Corporation ("Intelsat General") demonstrated Intelsat Epic^{NG} technology for its customers. These included demonstrations of automated beam switching and other technologies

optimized for unmanned airborne systems ("UAS"). With Intelsat 33e entering service in early 2017, we expect to generate new opportunities to serve our military and global government customers.

OUR FIFTH PRIORITY WAS TO OPTIMIZE USE OF OUR SPECTRUM RIGHTS AND GLOBAL PRESENCE TO MAXIMIZE MARKET ACCESS AND CONTINUITY, PARTICULARLY IN ATTRACTIVE REGIONS, WHILE MAINTAINING INVESTMENT DISCIPLINE.

Intelsat entered into a contract to become the first customer for the new Orbital ATK satellite life extension service known as the Mission Extension Vehicle-1 ("MEV-1"). Scheduled to begin its mission extension service for Intelsat in 2019, MEV-1 will provide additional flexibility to extend the life of healthy in-orbit assets and position us to be more responsive to our customers' changing needs.

ENABLING THE TRANSFORMATION OF OUR CUSTOMERS' OPPORTUNITIES

The priorities outlined above were essential to our efforts to transform our satellite network and in turn, transform the opportunities pursued by our customers.

NETWORK SERVICES

Network services generated \$900 million of revenue in 2016, a 15 percent decline over 2015.

Revenue declines were primarily related to pricing pressures and retiring international trunking point-to-point services impacted results throughout the year. However, during the second half of 2016, we experienced signs of stabilization on our traditional fleet, even as our first Intelsat Epic^{NG} satellite entered service, generating incremental revenues.

\$900M
Network Services
2016 Revenue

As we move through 2017, we will place into service three more Intelsat Epic^{NG} satellites. Intelsat 32e successfully launched in February 2017 and will be followed by Intelsat 35e and Intelsat 37e. On a global basis, growth opportunities for our network services business include increased demand for aeronautical mobility, the Internet of Things and maritime mobility applications, as well as high-throughput capacity for fixed and mobile broadband applications for telecommunications providers and enterprise networks. On a combined basis we expect these applications to grow from a \$4.9 billion opportunity in 2016 to a \$7.1 billion opportunity industry-wide in 2021.

Approximately
\$2.3B
Incremental Growth
Industry-wide by 2021

Our strategy during this period includes:

- Capturing new business on our Intelsat Epic^{NG} fleet;
- Accelerating the adoption and commercialization of IntelsatOne® Flex managed services for enterprise, aeronautical and maritime applications; and
- Introducing IntelsatOne® Mobile Reach services for wireless infrastructure.

Although high-performance capacity, such as that provided by Intelsat Epic^{NG}, is an important element of capturing this growth, we continue to invest in managed services and smaller, more capable site hardware that simplify network adoption, installation and operations.

MEDIA

Intelsat has earned an enviable leadership position serving the media sector. We deliver over 5,600 channels for content owners and DTH service providers around the globe. In 2016, our media business provided \$868 million in revenue, down 20% from the previous year. Performance improved over the course of 2016 as two new fully-

\$868M
Media Services
2016 Revenue

contracted media satellites were placed into service, generating fully incremental revenue.

The top trend in our media business is multiscreen viewing by consumers. This provides our customers with additional viewers and potential revenue streams that complement the linear delivery of our services. The multiscreen environment results in more complexity in the operations chain. Our new services simplify these distribution complexities, and also increase outsourcing options for



Intelsat 31 Launch

broadcasters and programmers seeking to improve operational efficiency.

In 2017, the incremental revenues from Intelsat 31 and Intelsat 36 are the primary growth catalysts for our media business. Our next media satellite will be Intelsat 38, currently planned for launch in 2018. We recently announced our plan to position one of our existing satellites, Intelsat 14, as a new neighborhood satellite for Latin America. This will further enhance our leading position in the region, providing growth options for our programming customers who continue to add new HD channels to their lineups in the region.

GOVERNMENT

The cadence in our government business continued to show signs of stability, as evidenced by Intelsat General's attractive renewal rates for the provision of commercial satellite services to the U.S. government. As a result, we reported \$387 million in revenue for 2016, a slight increase from 2015.



Business activity in this customer set reflects the current tempo of our end- customers' operations and the pace of RFP issuances and subsequent awards remains slow. We see increasing use of lowest price technically acceptable, or LPTA, evaluation formats for awards of new business.

Over the mid-term, our strategy to grow our government business includes providing mobility services to the U.S. government for aeronautical and ground mobile requirements. With Intelsat 33e, our second Intelsat Epic^{NG} satellite, covering Europe, Africa, Middle East and Asia now in service, we expect to expand the service alternatives for this customer base.

GLOBALIZED NETWORK TRANSFORMATION

The Intelsat network is a connectivity powerhouse. From geographic coverage, to the multitude of broadband, media and government applications enabled for our customers, our Globalized Network improves the lives of countless citizens on every continent. This was the third and final year of above-average capital investments that has fueled our Intelsat Epic^{NG} next generation program as well as built a number of customized satellites for DTH customers.

The Intelsat Epic^{NG} satellites are exceeding our expectations and that of our customers! Our ecosystem partners conducted rigorous in-orbit tests of their data platforms using Intelsat Epic^{NG}, with outstanding results. With existing hardware, customers are experiencing a 165 percent increase in efficiency. When using next generation hardware, efficiency increases by a factor of 330 percent. These results directly translate into a reduced cost per bit for our customers, and demonstrate that Intelsat Epic^{NG} is delivering on the promise of high throughput technology.

However, it's not enough to have high performance satellites. We continue to emphasize the importance of the entire ecosystem, supporting the development of new metamaterial antennas and solar powered user terminals to enable simplified access for existing and new users of satellite-based solutions.

Intelsat Epic^{NG} delivering from 165% and up to 330% increase in efficiency to our customers.

Our antenna partners are progressing on their development plans. We continue to look for other innovators where our global scale and financial commitments can stimulate further development in technologies that will allow our solutions to be adopted by new sectors, expanding our market opportunity.

TRANSFORMATIVE TRANSACTION

Early in 2017, we announced a conditional combination agreement with the low earth orbit ("LEO") constellation operator, OneWeb, including a \$1.7 billion investment in Intelsat by technology investment leader SoftBank Group. The combination and the SoftBank investment are conditioned upon the consummation of certain debt exchange offers, the receipt of regulatory approvals, consent and approval by both Intelsat and OneWeb shareholders as well as other customary closing conditions.

We were a founding investor in OneWeb in 2015 and the industrial logic is clear: our respective Ku-band systems are complementary, producing new solutions that will open new markets while generating operating and capital efficiencies. As important as the industrial logic, our two companies share a mission to connect the globe.

Leveraging the combined strengths of our geostationary orbit ("GEO") and LEO Ku-band constellations, we are in a stronger position to achieve that together.

Given that data requirements are expected to triple every three years, this combination of our networks provides a long-term technology roadmap for our Ku-band customers, a future-proof environment that meets the fast changing broadband requirements of the future.

INTELSAT'S EMPLOYEES TRANSFORM AND DELIVER

At the heart of Intelsat's transformation is our innovative, talented and dedicated team around the world. Our employees are passionate about communications, satellite technology, our customers and importantly, how we transform and enhance people's lives.

On a daily basis, we witness the economic growth that comes to a region concurrent with the connectivity of our network and the sense of global community that develops from distribution of major news and sporting events. Our employees are engaged in our mission at a level seldom experienced by other companies. Intelsat team members take tremendous pride in how our services impact the success of businesses and improve the lives of citizens around the world, given the vital role of the connectivity provided by Intelsat's fleet.

As Intelsat moves forward in 2017, we are clear on our mission: Our team is committed to building the communications network of tomorrow by executing on our long-term strategy. By doing so, we will return to top-line growth, strengthening our financial foundation and delivering value for our stakeholders.



From Left to right:

Michael DeMarco, SVP Operations; **Michelle Bryan**, EVP, General Counsel & CAO; **Stephen Spengler**, Director & CEO; **Kurt Riegelman**, SVP, Sales and Marketing; **Jacques Kerrest**, EVP and CFO.

As always, we appreciate and thank you for your support of Intelsat.

Stephen Spengler
Director and Chief Executive Officer

¹In this 2016 Annual Report, financial measures are presented both in accordance with U.S. GAAP and also on a non-U.S. GAAP basis. EBITDA, Adjusted EBITDA ("AEBITDA"), free cash flow from (used in) operations and related margins included in this Annual Report are non-U.S. GAAP financial measures. Please see the consolidated financial information found in our Annual Report on Form 20-F and available on our website for information reconciling non-U.S. GAAP financial measures to comparable U.S. GAAP financial measures.