SpeedCast

www.speedcast.com

SpeedCast International Limited

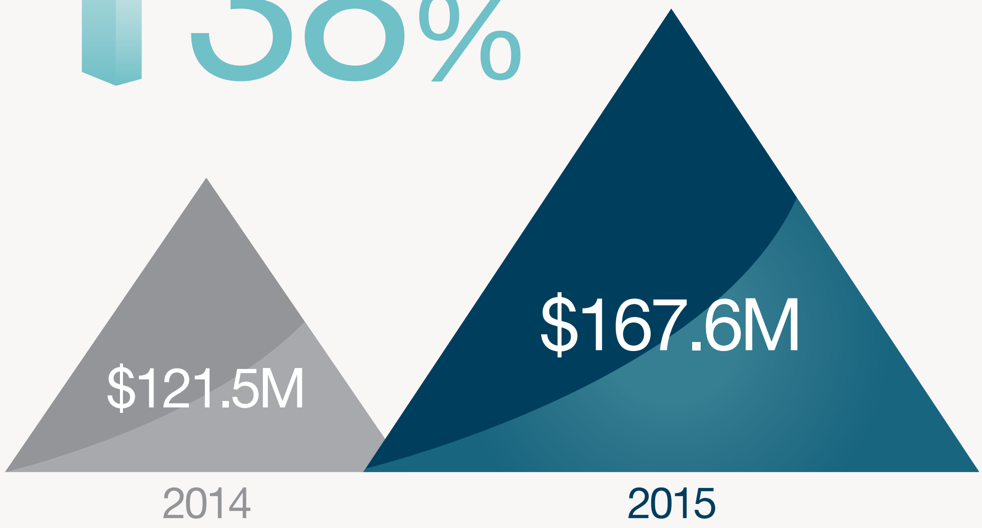
SpeedCast

2015 ANNUAL REPORT

2015 Full Year Financial Highlights

SpeedCast

Revenue* 38%



+55%	+42%	+33%
Service revenue[1] growth year over year in core markets	EBITDA* increase on prior year	NPATA* increase on prior year

+

NPATA* Per Share 12.3cps

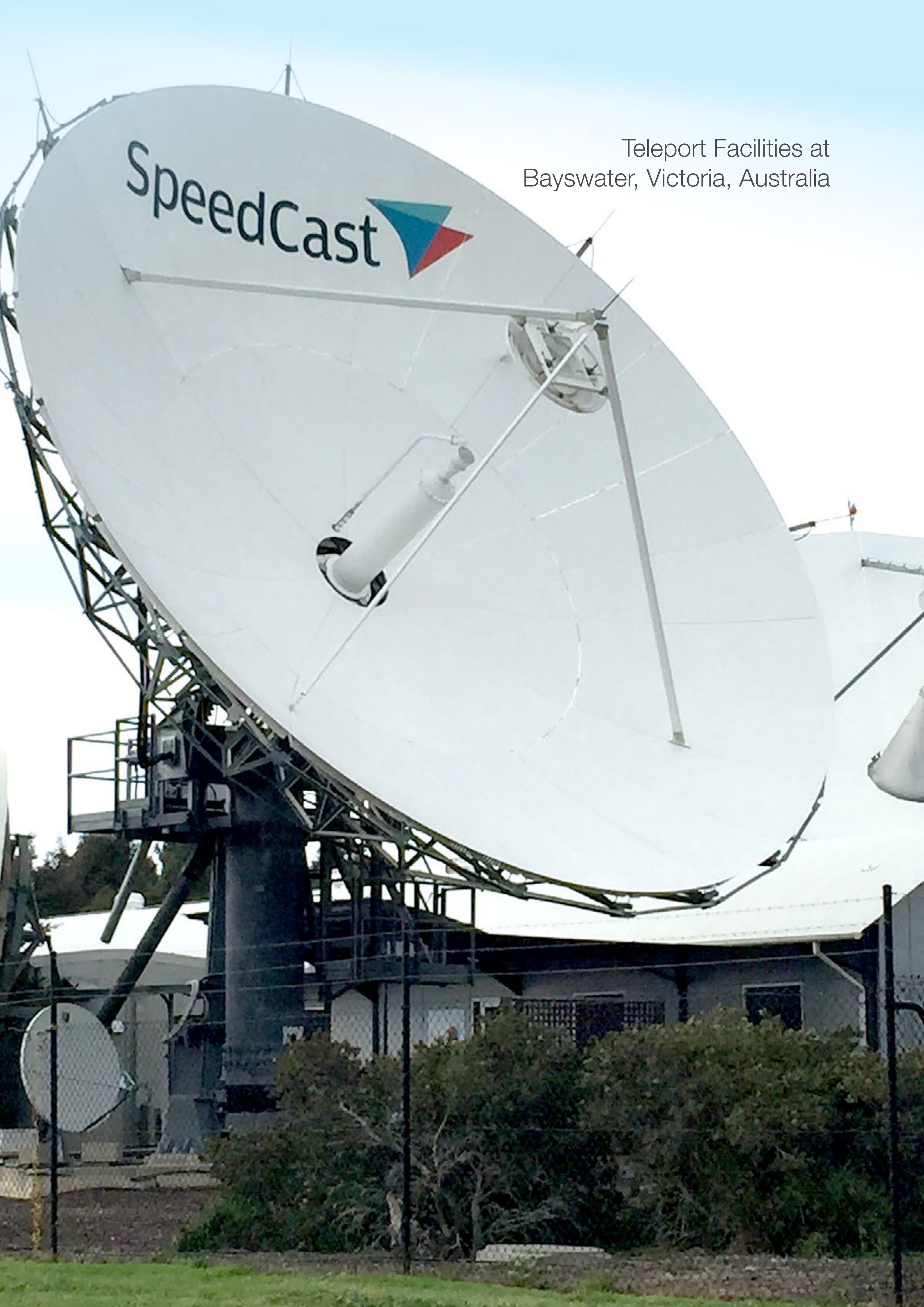
33%

6x Strategic acquisitions

*SpeedCast has presented underlying financial results for 2015 and Proforma financial results for 2014.
[1]Excluding Afghanistan service revenue.

SpeedCast International Limited
ACN 600 699 241

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015



Teleport Facilities at
Bayswater, Victoria, Australia

CHAIRMAN'S LETTER

John Mackay, AM

This is my second year presenting the annual report as Chairman of SpeedCast International Limited ('SpeedCast') and I am delighted to be able to report on another successful year for the company.

2015 was a year of significant acquisitive growth, with the completion of the acquisitions of Hermes Datacommunications International ('Hermes'), Geolink Satellite Services ('Geolink'), SAIT Communications ('SAIT') and the teleport and satellite service business of NewSat Limited ('NewSat'). A further two acquisitions were signed before the end of 2015 – ST Teleport and NewCom International ('NewCom') – and we expect those to be completed in the first half of 2016. These strategic acquisitions provided us with access to new key talents, new customers, infrastructure and facilities as well as the opportunity to extend our reach into growth regions around the world.

The Hermes and Geolink acquisitions are prime examples of how we are complementing our existing capabilities through the execution of strategic M&A. The former strengthens our capabilities in managed services and gives us a presence in key energy markets including Russia, Central Asia, South East Asia, Middle East and Africa. The latter augments our portfolio of mobile satellite solutions and strengthens our capabilities to deliver services to customers in key sectors like maritime, energy and non governmental organisations in many countries in Africa. By acquiring these companies in early 2015, we were able to extend our reach to global clients, secure early wins and increase our market share in the energy sector.

The acquisition of SAIT has helped us secure our position as one of the leaders in the field of global maritime communications, opening the door to new opportunities and enabling us to better serve our customers in the growing Southern European market. In addition, the NewCom acquisition has increased our service capabilities in Latin America, presenting us with a number of important and exciting new opportunities.

The acquisitions, combined with organic growth, have resulted in significant double-digit revenue growth in each of our business units: Maritime, Energy and Enterprise & Emerging Markets ('EEM'). As we gradually integrated the capabilities of our newly acquired companies, we generated cost synergies and we accelerated the pace of our growth in new markets, whilst at the same time maintained outstanding levels of customer support.

We are a diversified group operating in many different countries and industries. The underlying growth drivers of the industries we serve remain in place, such as increasing adoption of VSAT in the maritime market and the underlying demand for increased data requirements across all industries. We therefore see numerous revenue growth opportunities across a number of industries currently served by SpeedCast.

SpeedCast's success is not the result of the work of a single individual or a business unit, but is the cumulative effort of the Board, our management team and staff. 2016 will be a year in which we continue to explore new strategic M&A opportunities, integrate the newly acquired companies to further push our operational efficiencies, and grow the business organically through a wealth of opportunities in new and existing markets. The strong momentum we have gained in 2015 has placed SpeedCast in an outstanding position and the team's relentless dedication will continue to fuel improved shareholder value in 2016 and beyond.

John Mackay
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

PJ Beylier

Dear shareholder,

2015 has been a landmark year for SpeedCast. It is my pleasure to report that we achieved substantial growth across the year, underpinned by continued organic growth, investments in operational infrastructure and key strategic acquisitions.

The foundations and strategies we put in place in 2014 are paying off. The alignment of our business focus to three key business units has allowed us to centre our efforts on developing relationships with key customers, leading to a number of important contract wins. Our targeted acquisitions have brought us an expanded and diversified customer base, allowing us to weather tough trading conditions in some of the industries we serve. Our investments in infrastructure and people have delivered in 2015 and have set us up for continued success in 2016 and beyond.

Despite headwinds in some industries, we have achieved double-digit year-on-year growth across all underlying P&L metrics. Our underlying revenue and underlying EBITDA increased by 38% and 42% respectively to USD167.6 million and USD29.3 million year-on-year. Even more pleasing was the continued increase in the Group's EBITDA margins from 17.0% to 17.5%, despite the dilution impact from the acquisitions realised during the year. The increasing profitability of our business demonstrates the efficacy of our sales strategies and the delivery of post-acquisition synergies. Underlying NPATA was also up USD3.7 million (or 33%) from last year.

Our continued strong performance has enabled us to return dividends to shareholders in line with our IPO guidance. We paid a fully franked dividend of AU3.00 cents per-share for the first 6 months of 2015. We also declared a fully franked dividend of AU3.65 cents per share for the second half of 2015, collectively representing a distribution of approximately 40% of our underlying NPATA per share for the 2015.

Business Units Overview

Key Business Wins and Achievements by Business Units

Our strategy of combining organic growth with acquisitive growth continues to succeed. Our Maritime business remains our primary growth engine and delivered a 69% year-on-year increase, while EEM was the largest revenue contributor in 2015, providing steady growth from its diversified industry base. Our Energy business was able to achieve three-digit growth, despite the pressure placed on the oil and gas industry as a result of falling oil prices. Below are several of the notable contracts awarded to us throughout the year across all three key business units:

Maritime continues to thrive

- Gearbulk, a specialist in high-quality shipping services, awarded a multi-year communications contract to SpeedCast for satellite services to equip 50 cargo vessels with high-performance broadband connectivity.
- Vroon, an international shipping company, awarded a multi-year communications contract to SpeedCast for satellite services with high-performance broadband connectivity for various types of vessels sailing globally.
- Gulf Marine Services (GMS) awarded a multi-year communications contract to SpeedCast for dual-beam satellite services to provide broadband connectivity across nine GMS barges.

CHIEF EXECUTIVE OFFICER'S REPORT

Establishing a firm foothold in the Energy sector globally

- ConocoPhilips, the world's largest independent exploration and production company, awarded a multi-year, multi-million-dollar-contract to SpeedCast for the delivery of satellite communications services to its assets located in the Bayu-Undan field in the Timor Sea.
- InterOil Company, a leading independent oil and gas business, awarded a multi-year, multi-million-dollar contract to SpeedCast for a range of field connectivity solutions for its assets located in Papua New Guinea.
- A landmark deal was awarded to SpeedCast by a leading global energy services company to provide communications services for all of the client's onshore and offshore assets in over 20 countries in Asia Pacific and Africa.

EEM seizes opportunities around the globe

- A major contract was awarded to SpeedCast for supplying a significant part of a mobile operator's backbone in Myanmar to roll out 3G services throughout the country.
- Save the Children awarded SpeedCast a contract to provide connectivity to a network of 35 C-band VSAT systems across 35 sites in Africa.
- Partnerships with O3b enabled SpeedCast to deliver quality satellite broadband services to locals residing in Papua New Guinea and on Christmas Island.

Key Operational Achievements

Strong Acquisitive Growth

SpeedCast operates in a highly fragmented market, and larger companies such as ours have been at the forefront, driving consolidation and economies of scale by actively acquiring smaller, high growth potential companies. The past year has been significant in terms of acquisitive growth for SpeedCast. With six acquisitions made and four of them completed last year, we reaffirmed our commitment to acquiring value-enhancing assets in key locations and industries with long-term sustainable growth perspectives.

- **Hermes:** Hermes is a leading global provider of managed network services for the upstream oil and gas industry globally. The acquisition significantly strengthens SpeedCast's capabilities to serve and support energy customers worldwide, enhances our portfolio of managed solutions, and extends our global reach to key energy markets.
- **Geolink:** Geolink is a leading provider of satellite solutions in the African market. With key customers in oil and gas, mining, NGO and maritime sectors across over 20 African countries, the acquisition bolsters SpeedCast's capabilities to serve the African market.
- **NewSat:** NewSat's teleport and satellite assets were acquired by SpeedCast. The assets include two prime teleport facilities in Perth and Adelaide. SpeedCast also acquired most of NewSat's customer and supplier contracts. This transaction further strengthens our leadership position in Australia and enhances our capabilities to serve the Government sector.
- **SAIT:** SAIT is a maritime communications service provider in southern Europe. The acquisition enhances SpeedCast's competencies in the maritime market and grants it stronger exposure to the shipping sector, as well as a presence and strong customer base in Greece and Cyprus, where VSAT penetration is still low and is expected to accelerate.
- **ST Teleport:** ST Teleport is a leading satellite communications provider based in Singapore. The acquisition of ST Teleport gives SpeedCast access to world-class teleport facilities and data centre infrastructure in Singapore, and is strategically beneficial to SpeedCast's maritime and energy business in Asia Pacific. SpeedCast expects to complete the transaction in 1H 2016, subject to regulatory approvals.
- **NewCom:** Announced near the end of 2015, the acquisition of NewCom gives SpeedCast a direct presence in the key growth markets of South and Central America and enhances its sales, service and support capabilities. Newcom opens the door to a new growth frontier for SpeedCast. We expect to complete the transaction in 1H 2016, subject to regulatory approvals.

CHIEF EXECUTIVE OFFICER'S REPORT

United as One

Significant effort has been put into integration activities for the newly acquired companies during 2015. The acquisitions have materially scaled up our operations and strengthened our capabilities across all key areas. Last year, we consolidated all our acquisitions to create one single identity. This year, we have rolled out 'Project Bordeaux' which is a series of integration activities to better synergise our new acquisitions with our main operations to reap the full benefits of scale.

We expect to fully integrate these subsidiaries by the end of 2016. This elevates us to be a truly global company with a presence in every continent and allows us to more effectively compete in global tenders.

Business Prospects

We are optimistic about our performance in FY2016 and we will continue executing our successful growth strategy this year. Adhering to five growth pillars, we have control over multiple levers for driving sustainable growth. The pillars are: serving markets with underlying growth; market share gains in targeted verticals; geographic and customer diversification; continued product innovation and value-added services; and strategic acquisitions.

- Strong organic service revenue growth is expected in Maritime through 2016 due to the increasing migration to VSAT and our new focus on mobile satellite services.
- We expect 2016 to be another difficult year for the Energy sector, but we will focus on expanding our market share and continuing to grow the business.
- The acquisitions we have made in 2015 have significantly augmented the ability for our EEM business to win bids in key verticals, particularly in media, NGO, cellular backhaul and government sectors. We also expect opportunities in new countries like Iran, Cuba and Myanmar as they open to international business.

In Summary

2015 has been a phenomenal year for SpeedCast. From the company's success in winning a diverse range of customers against global competitors, to completing strategic acquisitions that complement our operational capabilities and strengthen our growth perspectives, to entering high potential emerging markets around the world, the company is well poised for continued growth momentum in 2016.

Lastly, I would like to thank the Board for their always insightful guidance, the management team for their inspiring dedication, our staff for their amazing hard work, and you – our shareholders – for your trust. We look forward to another successful year ahead, as we continue to provide world class communications solutions to our customers.

Pierre-Jean Beylier
Chief Executive Officer, Executive Director

DIRECTORS' REPORT

Teleport Facilities at
Henderson, Perth, Australia

DIRECTORS’ REPORT

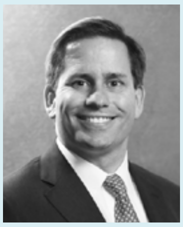
Information on Directors

Director	Experience
 **John Mackay AM** Independent Non-executive Director / Chairman	• John was appointed to the SpeedCast Board in 2013 as an Independent Non-executive Director and appointed as Chairman in 2014. • John has over 15 years of experience as a Chairman and Director of major companies across the communications, utilities, health, construction and education sectors. • John is currently a Director of ASX-listed property developer CIC Australia and Chairman of the audit and remuneration committees and a Director of data centre manufacturer Datapod. • Previously, John held the role of Chairman of TransACT Communications, a regional integrated telecommunications and subscription TV operator. John was the Chairman and CEO of ACTEW Corporation and CEO, Chairman and founder of its joint venture with AGL. Earlier in his career, John held a number of senior roles in the Australian federal public service. • John has been a Chairman or Director of several charitable, arts and sporting boards. He was Chancellor of the University of Canberra and Chairman of the Strategic Advisory Board of the National Arboretum Canberra. • John was appointed a Member of the Order of Australia in 2004, and was named as Canberra Citizen of the Year in 2008. John holds Bachelors of Arts (Administration) and Economics and an Honorary Doctorate from the University of Canberra.
 **Pierre-Jean (‘PJ’) Beylier** Chief Executive Officer, Executive Director	• PJ joined SpeedCast in 2000 as Head of Sales and Marketing. He was appointed Chief Executive Officer of SpeedCast in 2004. PJ has been instrumental to the success of SpeedCast, having managed the transition to its current technology platform and guided the development of SpeedCast’s strategic focus. • PJ has over 20 years of experience in international sales and marketing across Black and Decker in France, and at Rhodia, a French manufacturer of specialised industrial chemicals where he held a number of roles including export sales manager for one of the divisions, responsible for Southern and Eastern Europe, Middle East and Africa, and then managed key e-business projects in the Group. • PJ graduated from Lyon School of Management and received a MBA from the University of Southern California.
 **Michael Berk** Non-executive Director	• Michael Berk is a Managing Director of TA Associates, and has been a Director of SpeedCast since its acquisition by the TA Associates Funds in 2012. • On behalf of TA Associates, Michael currently serves as a Director of Truck Hero Inc. (‘THI’), the Professional Warranty Service Corporation and Towne Park. • Previously, Michael was a Director of Microban International and Triumph HealthCare. • Michael holds a JD (cum laude) from Harvard Law School, an MBA from Harvard Business School and a Bachelor of Arts (magna cum laude) from Harvard University.

DIRECTORS' REPORT

Director	Experience
 **Grant Ferguson** Independent Non-executive Director	• Grant was appointed as an Independent Non-executive Director of SpeedCast in 2013. Grant is also Chairman of the Audit, Business Risk and Compliance Committee. • Grant has over 15 years of experience in the telecommunications industry. Previously, Grant was the CEO of Astro Overseas Ltd, where he was responsible for the development and management of the Astro Group's international business. • While CEO of Astro Overseas, Grant was concurrently the CFO of Astro All Asia Network Plc, one of Asia's leading integrated multimedia groups. • Prior to that role, Grant was a Managing Director at sovereign wealth fund Temasek Holdings, where he was responsible for overseeing the development of the fund's telecommunications and media investments. • Grant has also held the roles of CFO of Total Access Communications in Thailand and Treasurer for the First Pacific Group in Hong Kong • In 2014, Grant was appointed to the board of Italian Football Club Inter Milan. • Grant currently serves as an advisor to and Non-Executive Director of a number of businesses across Asia covering a variety of industry sectors. • Grant commenced his career with PricewaterhouseCoopers in the United Kingdom, United States and Hong Kong where he held a series of senior management positions. • Grant is a member of the Institute of Chartered Accountants in Scotland and the Hong Kong Institute of Certified Public Accountants.
 **Peter Jackson** Non-executive Director	• Peter was appointed as a Non-executive Director of SpeedCast in 2012 and is also currently the Chair of the Nomination and Remuneration Committee. • Peter has over 40 years of experience in the satellite and telecommunications sectors. He is currently a Non-Executive Director of AsiaSat, where until 2012 he was Executive Chairman, having joined as CEO where he led the company through its 1997 listing on the Hong Kong Stock Exchange. Peter is also a former Director of the Cable & Satellite Broadcasting Association of Asia. • Prior to joining AsiaSat, Peter spent 20 years with Cable and Wireless. • Peter is currently a member of the Advisory Board of Thuraya Telecommunications, a mobile satellite operator in Dubai, a consultant to CITIC and a member of the investment committee of a private equity firm. • Peter has previously held the role as Director and Chairman at Daum, a public company that is a large internet provider in South Korea.
 **Michael Malone** Independent Non-executive Director	• Michael Malone was appointed as an Independent Non-executive Director of SpeedCast in May 2014. • Michael is the founder and former CEO of ASX-listed internet provider iiNet, a position he held from 1999 to 2013. • Michael served as the President of the Western Australian Internet Association from 1996 to 2002. • Michael is also the former Deputy Chairman of Autism West. • Michael was a winner of the Western Australian Information Technology and Telecommunications awards lifetime achievement award in 2005, and in 2006 was awarded the Business News Award for the most outstanding business leader in Western Australia under 40 and the Young Leader of the Year award for the JML Australia Human Capital Leadership Awards. • Michael holds a Bachelor of Science and a Diploma of Education from the University of Western Australia.

DIRECTORS' REPORT

Director	Experience
 **Edward Sippel** Non-executive Director	• Edward is a Managing Director of TA Associates and Co-Head of TA Associates in Asia. Edward focuses on investments in companies in the Asia Pacific Region. • Edward has been a Director of SpeedCast since its acquisition by the TA Associates Funds in 2012. On behalf of TA Associates, he also serves on the board of Nintex in Australia, Yeepay in China and was formerly a Director of Forgame in China. • Prior to joining TA Associates, Edward was a partner at two private equity funds, Quadrangle Capital Partners and TVG Capital. In this capacity Edward served on the Board of Directors of many public and private companies globally, including several in Australia such as Request Broadband and Power Tel, an ASX-listed entity which was later acquired by Telecom New Zealand/AAPT. • Edward holds a BA from Georgetown University.
 **Andrew Metcalfe** Company Secretary	• Andrew is a qualified chartered secretary and experienced governance adviser. • He is a CPA, Fellow of the Governance Institute of Australia and Member of the Australian Institute of Directors. • Andrew has acted as Company Secretary for a range of ASX-listed companies across a broad range of industries. • Andrew is based in Melbourne and advises SpeedCast on company secretarial practice and procedures and governance matters.

DIRECTORS' REPORT

Principal Activities

SpeedCast's core business vision is to become a top three satellite service provider worldwide by focusing on creating value for customers through delivering high quality, tailored product offerings with high quality customer service. Key to this strategy is the ability to retain flexibility to provide a range of technologies and product platforms to react to changes in customer requirements and industry trends.

SpeedCast deploys these key competencies across a number of product and services categories within the business, as follows:

Network Service: Design, deployment, operation and maintenance of networks, including installation and configuration of equipment. Key determinants of the network service are the availability of satellite capacity, the proximity of core infrastructure required to deliver the service, and the skilled personnel to complete the network design, system integration, and follow-up maintenance and support during the lifetime of the service.

Value Added Services: SpeedCast offers its customers a range of value-added services, such as user applications (voice, video conferencing, video surveillance), network optimisation (firewalls, filtering, data compression) and network monitoring and management (including reporting tools and remote access for IT technicians). Product innovation is the key to success, delivered by the ability to rapidly prototype, test, and productise new products within SpeedCast's portfolio of value added products.

Equipment Sales: SpeedCast sells equipment directly to customers including the VSAT terminals that send and receive transmitted data, modems, routers and other types of equipment related to the provisioning of value-added services. The ability to certify new and existing equipment on SpeedCast's network is critical, which requires skilled personnel, testing facilities and the ability to anticipate future market demand.

Wholesale Voice: SpeedCast sells voice minutes on a wholesale basis to telecom customers, which are then re-sold by the telecom customer to their end users. Voice services require a highly redundant carrier-class network backed with skilled personnel to manage, maintain and operate.

Review of Operations

The SpeedCast Board of Directors is pleased to report the Group's performance for the year ended 31 December 2015. Statutory Revenue, net profit and operating cash flow metrics have all seen strong double-digit year-on-year growth. Statutory revenue increased by 42% to USD167.6 million from USD117.7 million in 2014, Net Profit after Tax was up 162% to USD4.3 million from a loss position of USD6.9 million in 2014 and net cash flows from operating activities increased by 28.8% to USD17.9 million from USD13.9 million in prior year.

The underlying[1] operational results for 2015 continue to reflect the fundamental financial strength of our business and the acquisitions completed in the current year. Total underlying revenue amounted to USD167.6 million, up 38% from 2014; underlying EBITDA[2] totaled USD29.3 million, up 42% from 2014; and our underlying NPATA[3] was USD14.8 million, up 33% from 2014.

Refer to the Operational and Financial Review on page 17 for further information.

1. Underlying financial results are intended to exclude items which are non-recurring in nature, such as acquisition-related transaction costs, integration costs and restructuring costs. This reconciliation is shown on page 25
2. EBITDA: Earnings before interest, tax, depreciation and amortisation
3. NPATA: Net profit after tax and amortisation

DIRECTORS' REPORT

Key Developments

Fiscal year 2015 has been a year of achievements for SpeedCast across all areas of the business. The significant changes in state of affairs are included in the following:

- **Financial Performance** – Delivery of the IPO prospectus forecast for the 12 month period to 30 June 2015 and significant double-digit year-on-year growth across all underlying profit and loss metrics for the 2015 full year.
- **Strategic acquisitions** – SpeedCast signed six strategic acquisitions during the year, four of which completed in 2015. These acquisitions are focused on generating revenue synergies for the business to sustain long term organic revenue growth. The completion of these acquisitions will transform SpeedCast into a truly global company operating in every region around the world.
- **Expansion of Maritime business** – Expansion of business in the Maritime market through the acquisition of SAIT and the inclusion of a significantly enhanced portfolio of Mobile Satellite Services ('MSS') products, providing a greater range of satellite service solutions available to meet our customer needs in this sector.
- **Establishment of new Energy division and new office** –The new division and office based in Houston, Texas, will focus on the delivery of solutions to energy customers, as SpeedCast expands its business activities in this important market.
- **Enhancements to global operations, infrastructure and network** – Optimisation of networks to provide greater reliability and enhanced customer service plus the addition of new teleports in strategic locations, including Perth, Adelaide, Lima, Miami and Singapore.
- **Integration of the acquired businesses** – integration activities across all parts of the business have progressed well in the period, including the delivery of some cost synergies faster than anticipated.

Dividends

	2015 US$'000	2014 US$'000
Preference shares Interim dividend of USD2.5932 per fully-paid preference share pre-IPO	-	30,000
Ordinary shares		
Interim dividend for the year ended 31 December 2015 of AU3.0 cents (fully franked) per fully-paid share	2,630	-
Final dividend for the year ended 31 December 2014 of AU3.36 cents (fully franked) per fully-paid share post-IPO and paid in 2015	3,127	-

In addition to the above, on 24 February 2016, the Directors approved the payment of a final dividend of AU3.65 cents per share for the year ended 31 December 2015 which will be fully franked.

DIRECTORS' REPORT

Events after the reporting date

On 15 January 2016, the Group entered into a definitive agreement to acquire assets of United Satellite Group, a satellite communications company operating in Australia and Oceanic, for AU1.5 million. The acquisition was completed on the same day.

Other than the above, there have been no other material post balance sheet events since 31 December 2015.

Future developments and results

Likely developments in the operations of the Group have been included in the Operational and Financial Review. The Group is presently focused on consolidating its operations to ensure an effective operating model, and the results for 2016 are expected to achieve a reasonable increase over year 2015.

Environmental issues

The Group's operations are not regulated by any significant environmental regulations in any of the operating countries.

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001.

Meeting of Directors

During the financial year, 10 Director meetings and 7 sub-committee meetings were held. Attendances by each Director and sub-committee member during the year were as follows:

2015 Directors	Director Meeting	Audit Committee	Remuneration Committee
John Mackay	10	5	
PJ Beylier	10		
Grant Ferguson	10	5	2
Peter Jackson	10		2
Ed Sippel	10	4	2
Michael Malone	8		2
Michael Berk	8		
HELD	10	5	2

Indemnification and insurance of officers and auditors

During the financial year, SpeedCast International Limited, paid a premium applicable to the period from 1 January to 31 December 2015 of USD43,000 (2014: USD29,000) to insure the Directors and Officers of the Company and its worldwide controlled entities.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving willful breach of duty by the officers or the improper use by the officers of their position or of information to gain an advantage for themselves or someone else or to cause detriment to the Group.

It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

DIRECTORS' REPORT

Remuneration of Directors and Key Management Personnel

The Remuneration Report is set out on pages 27 to 37 which forms part of this Directors' Report.

Options

At the date of this report, the unissued ordinary shares of SpeedCast International Limited under options are as follows:

Scheme	Grant dates	Expiry dates	Number of unissued ordinary shares under option
RMR[1]	12 August 2014	12 August 2018	664,683
LTIP[2]	12 August 2014	31 December 2017	278,130
LTIP	9 September 2015	31 December 2018	395,593
			1,338,406

[1] Restricted Management Rights
[2] Long Term Incentive

Option holders do not have any rights to participate in any issues of shares or other interests in the Company or any entity.

For details of options issued to Directors and other key management personnel as remuneration, refer to the Remuneration Report.

Non-audit services

The Board of Directors, in accordance with advice from the Audit and Risk Committee, are satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved by the Audit and Risk Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standard Board.

The following fees were paid or payable to the external auditors for non-audit services provided during the years ended 31 December 2015 and 2014:

	2015 US$'000	2014 US$'000
Other assurance services	16	110
Taxation services	40	9
Transaction related services	383	1,246
	439	1,365

DIRECTORS' REPORT

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 39.

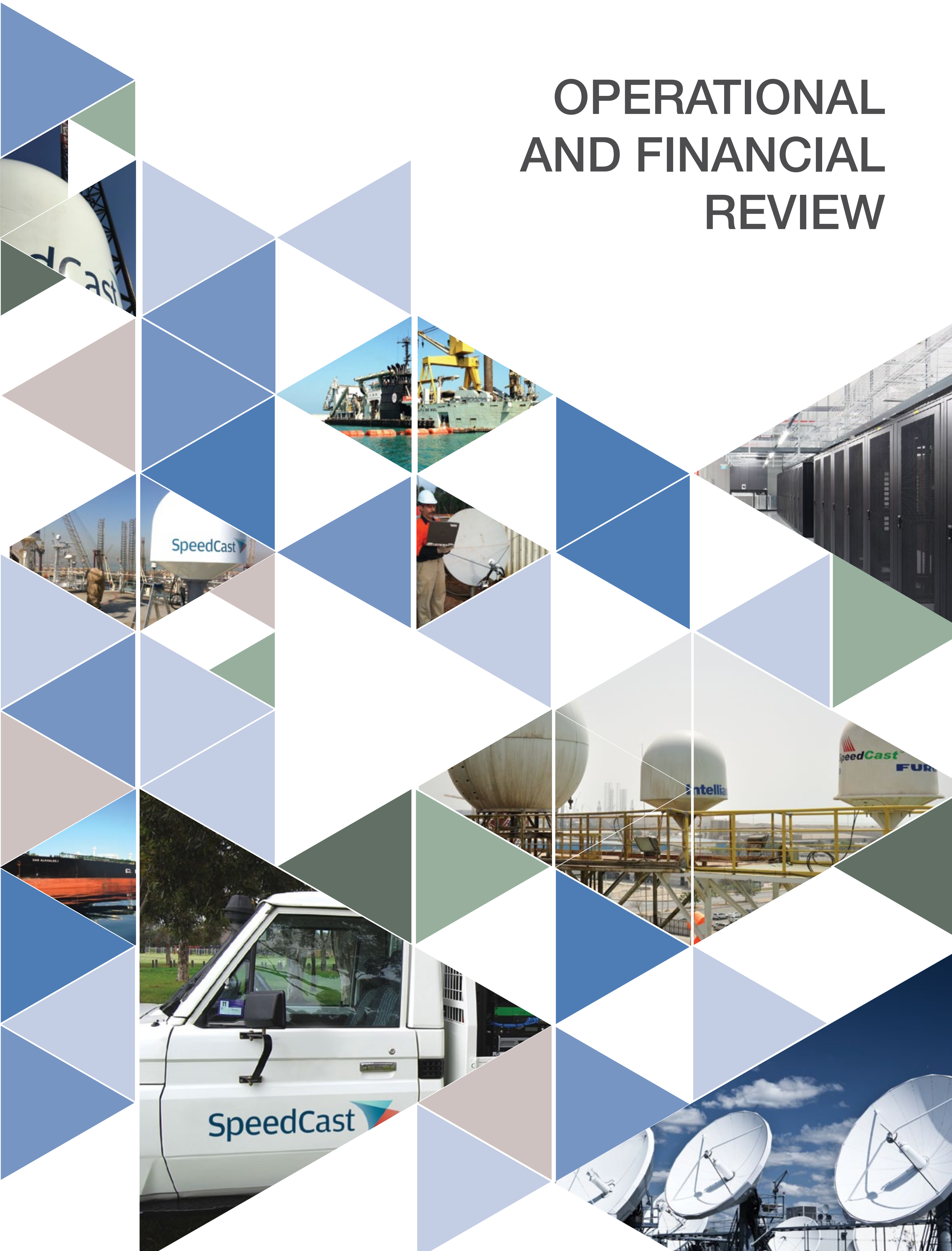
ASIC class order 98/100 rounding of amounts

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

This Directors' Report and the Remuneration Report are signed in accordance with a resolution of the Board of Directors.

Pierre-Jean Beylier
Chief Executive Officer, Executive Director
30 March 2016

OPERATIONAL AND FINANCIAL REVIEW



Teleport Facilities at
ST Teleport, Singapore

OPERATIONAL AND FINANCIAL REVIEW

Overview

Highlights of the Group's operating and financial performance during 2015 and up to the date of this report are:

- SpeedCast achieved strong double-digit year-on-year growth across all P&L metrics. Statutory revenue grew 42% to USD167.6 million period on period.
- EBITDA[1] margin continued to improve through the effective delivery of cost and operating synergies.
- 2015 was an exceptional year in terms of M&A activity with the signing of 6 acquisitions all funded predominantly by debt and accretive immediately. Each acquisition has added important capabilities, infrastructure, customers and reputation that will contribute to a stronger competitive position and sustainable future revenue growth.
- SpeedCast has invested in new frontiers (Africa and South America) and has strengthened its position in two key growth industries for the Group (Maritime, Energy).
- The Maritime business had a particularly good year delivering 69% revenue growth year-on-year, driven by strong organic growth in VSAT vessel numbers and the impact of strategic acquisitions.
- The EEM business grew 22% year-on-year, and is starting 2016 with renewed growth potential in several key sub-vertical markets.
- In 2015, SpeedCast built the foundation of its Energy business, significantly enhancing its capabilities with the establishment of a Houston-based team and the acquisition of Hermes, thus paving the way for additional market share gain in 2016. Energy revenue grew 251% year-on-year.
- During the year the Group continued to invest in key support functions important for successful integration (HR, IT, Finance) and in the building of the Energy team in Houston.
- Significant cost synergies have already been achieved as part of the integration of the new acquisitions.
- An interim dividend (fully franked) of AU3.00 cents per ordinary share was paid on 6 October 2015 for the six months ended 30 June 2015 and a fully franked dividend of AU3.65 cents per ordinary share was declared for the 6 months ended 31 December 2015, which equates to approximately 40% of underlying NPATA per share.

2016 Outlook

Good organic service revenue and EBITDA growth is expected through 2016, driven by continued growth trends in Maritime, renewed growth in EEM, and market share gains in the Energy sector as customers hunt for value. The growth will be driven by:

- A number of activations in the first quarter of 2016 as the second half 2015 large project wins are implemented.
- Newly acquired global capabilities open new opportunities in a number of vertical markets. SpeedCast now has customers, presence and opportunities on every continent and in over 90 countries.
- Continued execution of identified significant cost synergy benefits as integration activities further progress; bigger impact to be seen in 2016.

In addition to continued organic growth, further strategic M&A opportunities will be explored with a good pipeline amidst a consolidation trend in the industry.

In the medium and longer term, SpeedCast will continue to have access to multiple growth engines and to create new ones, thanks to the diversity of its business. This is expected to sustain double-digit service revenue and EBITDA growth, underpinned by revenue synergies and continued operational leverage.

1 EBITDA: Earnings before interest, tax, depreciation and amortisation

OPERATIONAL AND FINANCIAL REVIEW

Business Strategy and Prospects

SpeedCast's long-term goal is to consolidate its position as one of the top three leaders in satellite service provision globally and retain its status among the leading global maritime providers. SpeedCast's growth strategy is underpinned by five pillars:

- Underlying market growth;
- Market share growth;
- Expansion opportunities into adjacent geographic and customer markets;
- Continued product innovation and value-added services growth; and
- Strategic acquisitions.

Maritime Industry

Despite challenging market conditions, 2015 has been another notable growth year for SpeedCast's Maritime business. Performance has been buoyant and dynamic throughout the past year with the addition of a significant number of vessels to our core subscriber base. Amongst the new vessels added, a notable quantity were from key maritime sectors such as merchant, top-end leisure and offshore, which contributed to further diversifying our subscriber base.

In 2015, Maritime achieved significant revenue growth of 69% against FY2014. The number of active VSAT vessels has increased to almost 900 by the end of the year, which is 30% more on the year prior, despite the offshore service vessel sector showing signs of slowing down in the last quarter of 2015. Including L-band and MSS services, in total, SpeedCast's maritime business is now serving more than 5,000 vessels across our network portfolios.

SpeedCast has also invested heavily into research and development activities to augment its existing network and provide best of breed value-added services to our customers, including enhancements in both capacity and coverage to its global maritime network. This allows us not only to tailor our services to the needs of specific market sectors, but also allows us to increase coverage of our global network to maintain our leadership position as the most comprehensive global Ku-band network in the market.

Business growth

We continuously strive to expand our subscriber base. Our success in 2015 is in no small part due to the expertise of our global team. This consists predominately of long-standing industry professionals with years of experience, granting them a deep understanding of our customers' operations that enables them to tailor contracts to our customers' exact requirements.

We secured a number of significant maritime contracts in the period of FY2015, and a number of significant wins have been publically announced throughout the year, such as those awarded by Gearbulk, Vroon and Gulf Marine Services ('GMS').

Gearbulk operates one of the world's largest fleet of open-hatch gantry craned vessels and open-hatch jib craned vessels, transporting unitised cargoes such as forest products, non-ferrous metals and steel. Gearbulk selected SpeedCast following a competitive tender process which included many of SpeedCast's top competitors. We were selected for our services and solutions' reliability and breadth. Winning the bid in February 2015, we have been providing 50 of Gearbulk's cargo vessels across the world with high-performance broadband connectivity with our Ku-band satellite service.

The Vroon contract was won in August. Vroon, a company that operates and manages a diverse fleet of approximately 170 vessels, awarded us a contract for the provision of high-performance broadband connectivity for various types of vessels including subsea-support vessels, walk-to-work vessels and turbine installation/maintenance vessels. We were selected for our ability to meet a stringent set of requirements, which enables Vroon to deliver future-proof, high-capacity and scalable VSAT internet services to accommodate its clients' increasing demands for internet connectivity at sea.

GMS is one of the largest providers of self-propelled, self-elevating accommodation jack-up barges in the world. GMS awarded SpeedCast a multi-year contract for our ability to deliver an advanced, globally accessible and reliable communications solution. With the contract starting in August 2015, SpeedCast has been providing nine of GMS' barges with unrivalled, seamless broadband connectivity with its dual-beam Ku-band satellite service.

OPERATIONAL AND FINANCIAL REVIEW

The year 2015 was also one in which we had significant success in the Mega Yacht industry. A significant number of new yachts accessing our network during the traditional yachting seasons were recorded. This is a prime example of incremental increase in adoption of our services from customers outside of traditional maritime sectors.

Of the numerous acquisitions made through 2015, the acquisition of SAIT was the most significant to the Maritime business. SAIT's capabilities and network in southern Europe and beyond have strengthened our market position whilst adding an incremental breadth and depth to our products and services, allowing us to meet and exceed customer's expectations and requirements as we move forward.

Business challenges

As with all commercial operations, we operate in a dynamic and competitive landscape. The Maritime business is well positioned both operationally and commercially to evolve in line with changing market conditions and expectations. The main challenge is always to ensure that we stay cost effective while maintaining our product and solutions' commercial edge and high quality.

Our maritime service offering is constantly expanding to keep up with our customers' demands, from simple mobile offerings to the most sophisticated tailored solution. By having a diversified portfolio of solutions available and an expert team working in the background supporting our clients, we have a high degree of technical flexibility that allows us to adapt to any foreseen and unforeseen challenges we may encounter.

Outlook

Moving into 2016, we intend to continue adding new subscribers organically as well as improving the diversity of our customer mix. We have also identified several target areas in the industry where we see greater opportunity to leverage our expertise and meet customer needs and therefore where we will engage more actively.

We will also invest into bringing on new technologies to refine our offerings and value added services as well as into human resources where required. Lastly, we will also ride on the increase in VSAT penetration and support customers in this migration activity, whilst also servicing their ongoing L-Band and other MSS needs.

Energy Industry

Although our Energy business is a relatively new player to the market we serve, we have strengthened our network, capabilities and scale through our growth strategy, which helped us land several major multi-year, multi-million-dollar projects that validate our ability to gain market share and our vision for the Energy sector.

Our primary market, the oil and gas sector, faced strong headwinds in 2015 however we have fared well in this tough market. The numerous strategic wins against our more established competitors in the market have allowed us to build a solid presence in the market. Despite the unstable oil prices, we were able to secure several wins to deliver growth. Our acquisitions this year have also contributed substantially to this revenue growth.

Business growth

We targeted our efforts primarily on securing several contracts from renowned oil and gas companies in 2015. We have been very successful in our tender processes in 2015 leveraging the scale of the company and its diversity. In addition, the acquisitions we made through 2015 gave us several critical points of geographical presence, allowing us to serve locally while providing global support. Of the contracts we have won this year, several have been previously announced to the public.

ConocoPhilips chose SpeedCast to increase the primary satellite communications service to its assets located in the Bayu-Undan field in the Timor Sea between Darwin and Timor-Leste and its regional headquarters in Perth, Australia. The contract had SpeedCast to increase the link to 60Mbps in both directions, which represents one of the largest point-to-point links for commercial purposes in the Australia region. The high-performance IP connectivity will be used for operational and social communications such as data and voice, as well as crew welfare applications.

InterOil Company appointed SpeedCast to deliver a field connectivity solution, including containerised satellite data and voice communications units, network services, and mobile satellite solutions, to 12 of its operating locations. InterOil will use the network to connect field locations for data and voice related instant messaging services.

OPERATIONAL AND FINANCIAL REVIEW

One of the most prestigious global oil and gas service companies awarded SpeedCast a contract to provide services to its onshore and offshore facilities located in over 20 countries in Asia Pacific and Africa. For this specific customer, we have deployed a dedicated project team, with the principle objective to deliver a superior customer experience throughout the lifecycle of the project.

Business challenges

As we are primarily serving the global oil and gas sector, the dramatic fall in oil prices have had an adverse effect on our industry last year. This has slowed down our growth outside of rebids and acquisitions.

The competition within our industry remained extremely fierce in 2015. Larger VSAT companies with a stronger portfolio in the energy sector have already established a strong market presence in this sector, however, the current market dynamics have created an opportunity for SpeedCast to utilise our existing global platform and strong customer focus to enter the market and establish ourselves as the obvious alternative to these companies.

Outlook

We expect the dynamics in the energy market to remain subdued due to the ongoing downward pressure on oil prices. However, we have started to see the decrease of oil rig count slowing down in the beginning of 2016, signifying that we may see the market recovering in the medium term.

The downward trend of the energy market has been an industry-wide phenomenon which negatively affected SpeedCast and its competitors. However, as our revenue streams are highly diversified, we have been able to mitigate the damage better than companies with a primary focus on serving the energy sector. We intend to take advantage of this opportunity as we focus on growing our market share in 2016.

The oil and gas industry needs satellite communications to operate effectively – satellite offers a single platform for all remote assets to communicate, and assets like rigs and service vessels are always on the move, often in remote areas. Therefore, the demand for VSAT remains very high in the energy sector. We are confident that as the market stabilises, the energy business will become an even bigger revenue contributor to our business.

Enterprise & Emerging Markets ('EEM') Industry

As EEM covers a broad range of industries, it is largely impacted by the overall trends in the satellite communications industry. In the past year, the industry has remained as a high growth, highly competitive and fragmented market. In terms of business potential, the VSAT market segment has grown considerably faster than other industry competitors such as traditional telecommunications wireless and wireline networks through the past year. In terms of competitiveness, major participants in the VSAT industry are all competing in the same areas, such as maritime, energy, NGO, media, government and telecom. Lastly, in terms of market fragmentation, the market has many small-to mid-size participants focused on serving specific geographies, and despite the on-going market consolidation led by bigger corporations including SpeedCast, the market remains very fragmented.

The EEM business was the largest contributor to SpeedCast's total revenue in the year 2015 and grew 22% year-on-year. The industries we cover include media, telecom (including cellular backhaul), NGO, government, aviation and mining. Among them, cellular backhaul in particular enjoyed exceptional growth as an increasing number of mobile operators are expanding into rural areas. Revenue in telecom, NGO and government grew steadily in the year offset by slower than anticipated growth in mining, although some signs of recovery were evident towards the second half of 2015.

OPERATIONAL AND FINANCIAL REVIEW

Business growth

As SpeedCast expands with continuous organic and acquisitive growth, we have started to win bigger and more prominent customers, one such example being a contract to supply a significant part of a mobile operator's backbone in Myanmar as they roll out 3G services throughout the country; another example being Save the Children - a satellite service to provide connectivity to a network of C-band VSAT systems across 35 sites in Africa.

In addition, SpeedCast has entered into multiple major contracts utilizing O3b Networks to provide low latency satellite broadband services to customers in the Pacific region. In Q1 2015 the first SpeedCast O3b hub was installed in Papa New Guinea and this has been followed with hubs in Christmas Island, Solomons, Kiribati and a second hub in Papa New Guinea with more orders in progress. The early adoption of this new technology has allowed SpeedCast to significantly improve the quality of internet services to business customers in the Pacific region.

Business challenges

One of the biggest challenges to EEM is the ever-changing market conditions of our target industries. Such change across a diversity of industry verticals provides challenges and also opportunities to SpeedCast. As the growth in one industry subsides, opportunities in others grow and SpeedCast must remain agile and responsive to take advantage of these changing dynamics.

Besides market conditions, as satellite service companies benefit greatly from scale, larger industry participants have been actively acquiring small to mid-size companies in attempt to consolidate the market. In order to counter the threat from large competitors consolidating into one or two entities to dominate the market, SpeedCast has been actively seeking out companies that could complement our operations to grow and augment our capabilities to serve our global customers.

Outlook

The diversity of EEM provides the Group with a strong foundation that will generate steady growth in the medium to long term. Within EEM, there are a number of potential industries which we expect to individually generate high growth in the medium term. Our team has been tracking over 20 industries through 2015, providing management with insights into different markets for us to identify high growth potential target industries.

From our analysis, government, NGO, media and mobile operators are showing the strongest growth potential with signs of light in the previously depressed mining sector.

Customers in many of these sectors often require connectivity in areas where infrastructure has not yet been developed or never will be but critical communication links are required. The underlying trend in the demand for data traffic is also a strong foundation block which will underpin growth in the medium and long term across these industries. With our new acquisitions, we have the scale and reach to provide satellite service to these customers. We are confident that our offerings will attract many new customers, allowing us to further expand our subscriber base.

EEM will also leverage our existing relationships with customers to develop our business in new growth frontiers. These new strategic initiatives will also be complemented by an increase in overall investments into EEM, to strengthen our capabilities in capturing market share in emerging markets in 2016.

OPERATIONAL AND FINANCIAL REVIEW

Business Risks

The Group takes a proactive approach to risk management. The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Group's objectives and activities are aligned with the risks and opportunities identified by the Board.

Satellite service providers face competition from a range of communications services and new technologies

Satellite communication competes with a number of different methods of transmission, including fibre-optic (such as Australia's National Broadband Network), Wi-Fi and WiMax. As competing networks expand, satellite communication's competitive advantage in providing connectivity to users outside established networks is reduced.

Consolidation of the satellite service industry could change the competitive landscape

The satellite service industry has recently undergone a period of consolidation and vertical integration. Some of SpeedCast's distributors have recently been acquired by competitors and SpeedCast anticipates that other distributors of its services may be acquired by competitors in the future.

Inability to secure sufficient satellite capacity

SpeedCast's business model is dependent on the availability of satellite capacity and SpeedCast expects to require significant additional satellite capacity to meet its anticipated growth. There is currently sufficient satellite capacity available, and additional capacity is expected to come online over the coming years, such that SpeedCast currently expects to have adequate satellite capacity available to meet its expected future requirements.

Loss of, or inability to attract, key personnel

SpeedCast's success depends to a significant extent on its key personnel. There is significant competition for key personnel with experience in the satellite service industry, and this competition is expected to increase. The loss of key personnel, the inability to recruit or retain personnel, may adversely affect SpeedCast's future financial performance.

Risks relating to acquisitions

SpeedCast has experienced rapid recent growth through acquisitions. This growth has placed, and may continue to place, significant demands on management, information reporting resources, and financial and internal controls and systems. Effective management of SpeedCast's growth will require, among other things, continued development and appropriate resourcing of its management information reporting systems and financial and internal controls. SpeedCast also expects to make future strategic acquisitions in circumstances where the Directors believe that those acquisitions support SpeedCast's growth strategy.

Foreign exchange rates

SpeedCast's financial reports are presented in United States dollars. However, a substantial proportion of SpeedCast's sales revenue, expenditures and cash flows are generated in various other currencies, including Australian dollars and Euros. Further, as SpeedCast expands its operations it is expected that it will be exposed to additional currencies. Any adverse exchange rate fluctuations or volatility in the currencies in which SpeedCast generates its revenues and cash flows, and incurs its costs, would have an adverse effect on SpeedCast's future financial performance and position.

Geo-political risks

As a consequence of the geographic areas that SpeedCast operates into we are exposed to a growing number of geopolitical and strategic risks. The risks include disruption as a result of war, civil unrest, security issues and government intervention. These risks exist predominantly in the Middle East, Russia and certain parts of Latin America and Asia.

OPERATIONAL AND FINANCIAL REVIEW

Management review of the Group's performance

Statutory Reconciliation

SpeedCast has presented the Underlying financial results for 2015 and Pro forma financial results for 2014 to aide comparability from period to period and provide a better understanding of the SpeedCast financial performance.

The pro forma basis reflects a consolidation of the SpeedCast group and the subsidiaries it controlled at 31 December 2014 as if they had been controlled from 1 January 2014, and adjusted for certain other non-recurring items. Full explanations of the reconciling items were included in the ASX announcement on 18 August 2014.

Underlying financial results are intended to exclude items which are non-recurring in nature, such as acquisition-related transaction costs, integration costs and restructuring costs.

Non-IFRS measures such as EBITDA and NPATA have also been presented to provide a better understanding of the SpeedCast financial performance.

- EBITDA is defined as earnings before interest, tax, depreciation and amortisation and is used to measure the underlying performance of the group, excluding non-cash items such as depreciation and amortisation;
- NPATA is defined as net profit after tax but prior to the amortisation of acquisition related intangibles, net of tax effect.

Statutory to underlying / pro forma reconciliation:	Underlying 2015 US$m	Pro forma 2014 US$m
Statutory revenue	**167.6**	**117.7**
Pro forma impact of 2014 acquisitions	-	3.8
Underlying/Pro forma revenue	**167.6**	**121.5**
Statutory net profit/(loss) after tax	**4.3**	**(6.9)**
IPO and acquisition related costs	3.8	8.0
Integration costs	0.3	-
Fair value loss (equity) deferred consideration	0.4	-
Pro forma share of profit of joint ventures	-	0.1
Non-recurring foreign exchange gain	-	(1.6)
Amortisation	-	2.0
Share-based payments	-	1.2
Net finance cost adjustment	-	5.9
Public company costs	-	(0.2)
Tax effect of underlying/pro forma adjustments	(0.1)	(2.0)
Underlying / Pro forma NPAT	**8.7**	**6.5**
Add back: Amortisation (net of tax)	6.0	4.6
Underlying / Pro forma NPATA	**14.8**	**11.1**

OPERATIONAL AND FINANCIAL REVIEW

Financial results

US$ million	Underlying 2015	Pro forma 2014	% change
Total Revenue	167.6	121.5	+38%
EBITDA	29.3	20.7	+42%
Depreciation	(7.4)	(4.4)	+68%
Amortisation	(7.7)	(5.9)	+31%
EBIT	14.2	10.4	+37%
Finance, costs	(3.2)	(2.0)	+60%
Share of profit from interest in joint ventures	0.1	0.2	-50%
Income tax expense	(2.4)	(2.1)	+14%
NPAT	8.7	6.5	+34%
Amortisation	6.0	4.6	+30%
NPATA	14.8	11.1	+33%

- Statutory revenue increased by 42.4% to USD167.6 million (2014: USD117.7 million) and underlying revenue was 38% higher than pro forma revenue in 2014. The revenue in 2015 includes the contributions from the 4 strategic acquisitions completed in 2015 as well as the full year impact of acquisitions completed in 2014. In addition to the acquisition related growth, the group also delivered organic growth in its key markets. The Maritime business delivered strong organic revenue growth, driven primarily by the increase in VSAT vessels from 689 at 31 December 2014 to 896 at 31 December 2015. Further organic growth was also achieved in the wholesale voice business underpinned by the Group's leadership position in the Pacific region.
- Underlying EBITDA of USD29.3 million was up 42% on prior year (Pro forma: USD20.7 million). EBITDA margins continue to improve from 17.0% to 17.5% as continued operating synergies from acquisitions were realised, offset by the initial dilutive impact of the acquisitions completed in 2015.
- Underlying NPATA increased significantly to USD14.8 million compared to pro forma NPATA of USD11.1 million for the year ended 31 December 2014, an increase of 33% year-on-year.
- Underlying depreciation and amortisation was higher than the comparative period due to the inclusion of Hermes, Geolink, SAIT and NewSat in 2015 from their acquisition dates.
- Increase in the underlying net finance costs is reflective of the increase in the average debt levels in 2015 as a consequence of the additional debt drawn down to fund the 2015 acquisitions.
- Statutory net cash flows from operating activities, including payments for financing costs and any applicable taxes, increased 28.8% to USD17.9 million (2014: USD13.9 million).

REMUNERATION REPORT

REMUNERATION REPORT

Dear shareholder,

On behalf of the Board, I am pleased to present our Remuneration Report for 2015, which has been designed to provide a clear summary of the remuneration strategy, arrangements and outcomes for your Directors and members of the senior executive team.

2015 was SpeedCast's first full year as a listed entity. 2015 has been a very successful year for our business, evidenced by the 125% growth in our share price over the reporting period (closing at AU$1.84 at 31 December 2014 and AU$4.15 at 31 December 2015), in addition to the payment of fully franked dividends per share of AU$0.03 and AU$0.0336 during the year.

The performance of our executive team has been central to this growth. The team has smoothly and effectively executed transactions to strategically grow our business in a variety of locations, and broaden our business scope. The team has also begun to successfully harness the synergies that these acquisitions have created, and integrate them into the company.

I have supreme confidence in the strength and quality of our executive team, and am proud of what they have achieved in 2015.

Despite the excellent performance of our executive team, we finished 2015 slightly behind on our ambitious revenue targets, resulting in our executives receiving, on average, 46% of their target short term incentive.

The Board is conscious that, to suit the needs of the business, our executives are based in a diverse range of countries, and that the remuneration arrangements that we offer need to reflect not only SpeedCast's status as a global business, but also the market conditions and expectations in the locations where the executives are based. The structure of our long term incentive is an example of this, whereby 50% of the award is assessed against a relative total shareholder return condition, while the other 50% is assessed based on continued employment of the executive. The Board sees the combination of these two conditions as the optimal approach to ensure that SpeedCast can continue to attract, motivate and retain the highest quality executives.

During 2016, the Board intends to review the remuneration arrangements of the executive team, with the view to ensuring that their remuneration is market competitive and appropriately encourages executives to continue to execute the company strategy and deliver shareholder value.

On behalf of the Board and the Nomination and Remuneration Committee, I invite you to read the 2015 Remuneration Report and welcome your feedback on our approach to, and disclosure of, SpeedCast's remuneration arrangements. I hope that you find this report useful and thank you for your continued support.

John Mackay
Chairman

REMUNERATION REPORT

This Remuneration Report details remuneration information as it applies to SpeedCast Group Key Management Personnel ('KMP') for the year ended 31 December 2015 in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations.

This information has been audited as required by section 208(3C) of the Act. Our remuneration disclosures aim to maintain a high standard of clarity and transparency in communications with all stakeholders. The KMP referenced throughout this report are listed below.

Non-executive Directors

John Angus Mackay
Michael Stuart Berk
Grant Scott Ferguson
Peter Edward Jackson
Michael Malone
Edward Francis Sippel

Executive Directors

Pierre-Jean Joseph Andre Beylier, Chief Executive Officer

Other KMP

Richard Frank Carden, Senior Vice President, Global Sales

Andre Eerland*, Vice President, Maritime

Piers Cunningham**, Vice President, Maritime Service

Chung Wai Kit, Senior Vice President, Operations and Engineering

Keith Johnson, Senior Vice President, Energy

Ian Baldwin, Chief Financial Officer

* Andre Willem Eerland resigned as VP, Maritime on 31 May 2015
** Piers Cunningham promoted to VP, Maritime Service on 1 July 2015

Remuneration Policy

The Board's objective is to ensure that SpeedCast Group's remuneration supports achievement of the Company's strategy, and drives performance and behaviour which are in the Company's best interests. Remuneration matters are handled by the Nomination and Remuneration Committee, which is a sub-committee of the Board.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee recommends to the Board the remuneration packages for the KMP on annual basis. In carrying out its duties, the Nomination and Remuneration Committee assesses the appropriateness of the nature and amount of remuneration on a periodic basis, by reference to relevant local employment market conditions. The overall objective is to ensure maximum stakeholder benefits from the attraction and retention of a high quality executive team. The Nomination and Remuneration Committee forms its own independent decisions on KMP remuneration.

The key principles which govern the Company's remuneration framework are to:

- Link executive rewards to the creation of shareholder value;
- Provide market-competitive remuneration packages, with appropriate balance of fixed and variable remuneration
- Ensure variable portion of executive remuneration is dependent upon meeting pre-determined performance objectives;
- Allowance for Board discretion to be applied, in order to ensure that remuneration outcomes are appropriate for the company's circumstances;
- Ensure that performance objectives for variable remuneration are aligned to the drivers of the Company's success and the achievement of overall company business objectives.

KMP incentive arrangement

SpeedCast has established a number of incentive arrangements to enable attraction, motivation and retention of KMP of SpeedCast.

The remuneration awarded for 2015 contains the following elements:

- Fixed remuneration;
- Variable remuneration;
  - Short-term incentive 'STI' (Cash Bonus);
  - Long -term incentive 'LTI'.

The target allocation of KMP remuneration between base salary and variable remuneration (excluding allowances and non-monetary benefits) for 2015 was as follows.

	Base Salary	STI	LTI
PJ Beylier	37%	19%	44%
I Baldwin	48%	20%	32%
K Johnson	51%	21%	28%
R Carden	59%	24%	17%
T Chung	59%	24%	17%
P Cunningham	63%	19%	18%

REMUNERATION REPORT

Fixed remuneration (base salary and fixed allowance) is reviewed on an annual basis taking into consideration the individual performance, competency levels, the consolidated entity's performance and market conditions relevant to the role and location.

Both the cash-based short-term incentive and the equity-based incentive are subject to achievement of key performance indicators 'KPI' or hurdles set and assessed by the Board.

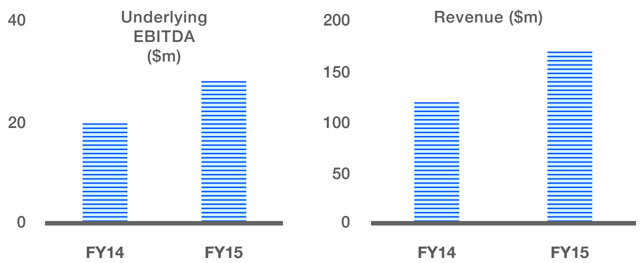
For the CEO, the target bonus is 50% of base salary, and for other KMP it ranges between 30% and 40% of base salary. Both financial and non-financial KPIs are set each year and measured at the end of each year.

The 2015 STI performance measures for the CEO were as follows:

- 50% - Group Revenue
- 50% - Group EBITDA

The 2015 STI performance measures for the Other KMP were as follows:

- 25% - Group Revenue
- 25% - Group EBITDA
- 50% - Role specific quantitative measures, including divisional revenue, profit and capacity utilisation targets, among other measures



The above measures were chosen as they represent the key milestones on the path to delivering the Group's strategy.

The Board retains discretion to increase or decrease incentive payments to take account of significant events and/or other factors that were not anticipated when the targets were established.

To the extent that an individual outperforms the rigorous targets set, it is possible for payout to be received that is in excess of 100% of their STI target.

Portion of target STI paid to CEO: 80%

Portion of target STI paid to other KMP: 39%

The Group has very high expectations of management and sets rigorous targets in each of the above areas, as it seeks to continue to drive maximum performance.

In addition to setting KPIs at a stretch level, the Group also requires the below conditions to be met in order for an individual to become entitled to receive payments under the STI:

- KMP still employed when bonus is paid;
- Group meeting all bank covenants (this operates to ensure that in the pursuit of challenging revenue targets, the executive team is also required to maintain suitable financial discipline in order to receive any bonus).

The STI is not the exclusive method of providing incentive remuneration for employees of SpeedCast Group and the Board has discretion to provide other forms of incentive remuneration in appropriate circumstances.

REMUNERATION REPORT

Long-term Incentive Plan (LTIP)

LTIP has been established in order to:

- align the interests of SpeedCast's executives with those of shareholders;
- encourage outperformance against the market; and
- encourage the retention of key executives.

Participation in the plan, which is approved by the Board, is based on sustained individual performance and value to the Company.

For 2014 and 2015, LTIP awards have been in the form of performance rights, which on vesting entitle the executive to receive a fully-paid ordinary share in SpeedCast, for no consideration. The Board considers that this method of delivering the LTIP allows for the best alignment between the interests of executives and shareholders, as the value of the LTIP will change in tune with the company's share price.

Features of the Plan are set out below:

Eligibility	Offers may be made at the Board's discretion to employees of SpeedCast or any other person that the Board determines to be eligible to receive a grant under the plan.
Types of securities	The Plan Rules provide flexibility for SpeedCast to grant one or more of the following securities as incentives, subject to the terms of individual offers: • Performance rights • Options; and • Restricted shares. Options are an entitlement to receive a share upon payment of an applicable exercise price. Performance rights and restricted shares are an entitlement to receive a share for no consideration.
Offers under the Plan	Offers are made at the Board's discretion. The Board can set the terms and conditions on which it will offer performance rights, options and restricted shares in individual offer documents. The offer document must contain the information required by the Plan Rules. Offers must be accepted by the employee and can be made on an opt-in or opt-out basis.
Issue Price	Unless the Board determines otherwise, no payment is required for a grant of a performance right, option or restricted share under the Plan.
Vesting	Vesting of performance rights, options and restricted shares under the Plan is subject to any vesting or performance conditions determined by the Board and specified in the offer document. Options must be exercised by the employee and the employee is required to pay the exercise price before share are allocated. Subject to the Plan Rules and the terms of the specific offer document, any performance rights, options or restricted shares will either lapse or be forfeited if the relevant vesting and performance conditions are not satisfied.
Cessation of employment	Under the Plan Rules, the Board has a broad discretion in relation to the treatment of entitlements on cessation of employment. It is intended that individual offer documents will provide more specific information on how the entitlements will be treated if the participating employee ceases employment.
Clawback and preventing inappropriate benefits	The Plan Rules provide the Board with broad "clawback" powers if, amongst other things: The participant has acted fraudulently or dishonestly, has willfully breached their duties, or the Company is required or entitled under law or company policy to reclaim remuneration from the participants; or The participant's entitlements vest as a result of a fraud, dishonesty or willful breach of duty of any other person and the Board is of the opinion that the incentives would not have otherwise vested.
Change of control	The Board may determine that all or a specified number of a participant's performance rights, options or restricted shares will vest or cease to be subject to restrictions in a change of control event in accordance with the Plan Rules.
Other terms	The Plan contains customary and usual terms for dealing with administration, variation, suspension and termination of the Plan. The terms of the Plan may be varied in cases where domestic legislation requires.

REMUNERATION REPORT

2015 LTIP Offer

The key terms of the 2015 LTIP arrangement are summarised in the table below:

Participants and value of grant	The Board intends for all executive members of KMP to participate in the 2015 LTIP. The participation of the Chief Executive Officer will require approval by shareholders at the forthcoming annual general meeting. The Board will seek approval to grant 197,148 performance rights to Mr Beylier, with a face value of USD 532,300, using the VWAP for the 10-day period following announcement of the Group's half-year financial results. Participation of other KMP who are not directors of the company was as follows, based on face value of the performance rights using the VWAP for the 10-day period following announcement of the Group's half-year financial results: • Chief Financial Officer – 65% of base salary; • Senior Vice President, Energy - 55% of base salary; • Other KMP – 30% of base salary. For 2016 and future periods, the target LTIP awards for the CFO and Senior VP, Energy are expected to be 50% and 40% of base salary respectively.
Grant of performance rights	The 2015 LTIP offer comprised of performance rights. A performance right entitles the holder to acquire a share for nil consideration at the end of the performance period, subject to meeting specific performance conditions. The number of performance rights granted will be based on a fixed percentage of the relevant participant's annual fixed remuneration and will be issued to the participant at no cost. No exercise price is payable in respect of the performance rights.
Performance conditions, performance period and vesting	Performance rights granted as part of the 2015 LTIP offer will vest subject to the satisfaction of the following performance conditions: • 50% will vest subject to the achievement of the Total Shareholder Return (TSR) performance target for the Company relative the performance of the S&P/ASX Small Ordinaries Index (AUD) (Index) over a performance period commencing on 8 September 2015 and ending on 31 December 2018 (TSR component); and • 50% will vest subject to the participant remaining an employee of the Group until 31 December 2018 (service component). Performance against the above conditions will be assessed by the Board as soon as practicable following the completion of the performance period (31 December 2018). Any performance rights that remain unvested following this assessment will lapse immediately.
Vesting conditions – TSR component	Full vesting of the TSR component can only occur when the TSR performance of the Company is at least equal to the performance of the Index over the performance period. Where the Company's TSR performance does not meet this threshold, there is no vesting unless the Board exercises its discretion to allow partial vesting of up to 50%.
Rights associated with performance rights	The performance rights do not attract dividends, voting rights or any capital distributions.
Restrictions on dealing	Participants must not sell, transfer, encumber, hedge or otherwise deal with performance rights.
Cessation of employment	If the participant ceases employment for death, permanent disability or is otherwise determined to be a 'good leaver' by the Board, unvested performance rights will vest in full, unless otherwise determined by the Board. If the participant ceases employment in any other circumstances, all unvested performance rights will lapse, unless otherwise determined by the Board.
Change of control	In a situation where there is likely to be a change of control, the Board has the discretion to accelerate vesting of some or all of the performance rights. Where only some of the performance rights are vested on a change of control, the remainder of the performance rights will immediately lapse.

The Board believes that the relative TSR measure against a comparator group comprising the ASX/S&P Small Cap index is appropriate for measuring the long-term performance of the executive team. SpeedCast competes for investment with the other companies in this index. The index also includes many companies which are seeking to grow rapidly to achieve competitive advantage in their industry, a stage in their development which is similar to SpeedCast.

The Board has determined that linking the remainder of the LTI performance rights to continued service with SpeedCast is in the best interests of retaining the talented executives who are necessary to the achievement of the company's strategy.

SpeedCast operates in a highly specialised field, and many of its senior executives are based in markets (such as Hong Kong, Singapore and certain other key markets) where longer-term incentives are typically linked solely to continued service.

REMUNERATION REPORT

Legacy LTI - Restricted Management Rights

Restricted Management Rights ('RMR') were issued by the Company under the equity incentive plan in previous financial years. The RMR effectively replace certain rights to shares of SpeedCast Acquisitions Limited which were issued by SpeedCast Acquisitions Limited to certain employees of SpeedCast prior to the Prospectus Date. The issue of RMR in substitution for existing rights held by management comprises an additional component of the corporate restructure undertaken during the year.

The Company made an offer of rights to acquire shares in the Company to the affected members of senior management. The offer of RMR is made on the terms set out below and pursuant to the Plan Rules.

Further details of the offer are set out below:

Participants	The RMR was granted to certain members of the senior management that the Board determines to be eligible to receive a right.
Grant Date, grant conditions and timing of future offers	The RMR was granted in October 2013, February 2014 and June 2014. There will be no future grants of RMR.
Grants of RMR	Each RMR will entitle the holder acquire a share for nil consideration at the end of the relevant vesting period, subject to meeting the vesting condition. The number of RMR granted is 1,120,674 and RMR is issued to the participants at no cost. No exercise price is payable in respect of the RMR.
Vesting condition and vesting periods	The offer is divided into tranches of RMR with different vesting periods. Each tranche of RMR will vest subject to the satisfaction of the vesting condition over the vesting period relevant to that tranche. The vesting condition is continued employment with SpeedCast. Vesting will occur over a total period of four years from grant date. • For each tranche, the vesting condition must be satisfied at the end of the relevant vesting period for that tranche in order for the RMR to vest. The tranches and vesting period is as follows: • 25% of the RMR will vest 12 months after grant date if the participant remains in employment with SpeedCast (first tranche); and • Following vesting of the first tranche, at the end of each three month period another 6.25% of the RMR will vest of the participant remains in the employment with SpeedCast. The RMR in each tranche will lapse immediately if the vesting condition for that tranche is not satisfied at the end of the relevant vesting period.
Entitlements associated with RMR	The RMR do not attract dividends, voting rights or any capital distributions.
Restrictions on dealing	Participants must not sell, transfer, encumber, hedge or otherwise deal with RMR. Shares acquired by participants on vesting of their RMR will be subject to the Company's Securities Dealing Policy.
Cessation of employment	If the participant resigns or the Company terminates the participant's employment in accordance with their employment contract, all unvested RMR will lapse, unless otherwise determined by the Board.
Change of Control	In a situation where there is likely to be on a change of control, the Board has the discretion to accelerate vesting of some or all of the RMR. Where only some of the RMR are vested on a change of control, the remainder of the RMR will immediately lapse.

REMUNERATION REPORT

Executive Service Agreements

Remuneration and other employment terms for the CEO and other key management personnel are formalised in a contract of employment. The main terms and conditions of the contracts are set out below.

	Position	Term	Employment Location	Notice Period	Termination Period***
Pierre-Jean Beylier	Chief Executive Officer	Open Ended	Hong Kong	3 months	3 months
Richard Carden	Senior Vice President, Global Sales	Open Ended	Singapore	2 months	2 months
Andre Eerland*	Vice President, Maritime	Open Ended	Netherlands	3 months	3 months
Piers Cunningham**	Vice President, Maritime Service	Open Ended	Hong Kong	3 months	3 months
Chung Wai Kit	Senior Vice President, Operations & Engineering	Open Ended	Hong Kong	3 months	3 months
Keith Johnson	Senior Vice President, Energy	Open Ended	U.S.A	3 months	3 months****
Ian Baldwin	Chief Financial Officer	Open Ended	Australia	3 months	3 months

* Andre Willem Eerland resigned as VP, Maritime on 31 May 2015
** Piers Cunningham promoted to VP, Maritime Service on 1 July 2015
***Termination with notice and without cause
****30 days' notice if with good reason

Loans to KMP

Details of loans made to KMP of SpeedCast are set out as below:

US$'000	Balance at the beginning of the year	Addition during the year	Interest charged during the year	Repaid during the year	Amount written off	Balance at the end of the year
2015						
Keith Johnson	27	-	-	(27)	-	-
2014						
Keith Johnson	-	40	-	(13)	-	27
Andre Eerland	481	126	13	(392)	(228)	-
	481	166	13	(405)	(228)	27

The USD40,000 cash advance made to Keith Johnson in October 2014, was repaid in full by April 2015.

There are no outstanding loans to KMP as at 31 December 2015.

Non-Executive Directors

The Board decides the remuneration from the Company to which each Non-executive Director is entitled for his or her services as a Director. However, the total amount provided to all Directors for their services as Directors must not exceed in aggregate in any financial year the amount fixed by the Company in general meeting. This amount has been fixed at USD500,000.

For 2015, the annual base non-executive Director fee to be paid by the Company are USD65,000 to the Chairman, USD50,000 to each other non-executive Director and an additional USD10,000 to the chair of Audit, Business Risk and Compliance Committee and an additional USD5,000 to the chair of the Nomination and Remuneration Committee.

Michael Berk and Edward Sippel do not receive fees for acting as Directors of SpeedCast.

REMUNERATION REPORT

Remuneration of Key Management Personnel

Name	Position		Short term benefits: Cash Salary and Fees US$	Short term benefits: Fixed Allowance US$	Short term benefits: Short Term Incentive (Cash Bonus) US$	Non-monetary benefits US$	Post employment: Super-annuation or equivalent US$	Long term benefits: Long Service Leave US$	Share-based payments US$	Total Remuneration US$
Non Executive Directors										
John Angus Mackay	Independent Non-executive	2015	65,766	-	-	-	-	-	-	65,766
		2014	35,288	-	-	-	-	-	43,948	79,236
Michael Stuart Berk	Non-executive Director	2015	-	-	-	-	-	-	-	-
		2014	-	-	-	-	-	-	-	-
Grant Scott Ferguson	Independent Non-executive Director	2015	60,591	-	-	-	-	-	-	60,591
		2014	51,937	-	-	-	-	-	43,948	95,885
Peter Edward Jackson	Non-executive Director	2015	41,830	-	-	-	-	-	-	41,830
		2014	23,110	-	-	-	-	-	43,948	67,058
Michael Malone	Independent Non-executive Director	2015	37,741	-	-	-	-	-	-	37,741
		2014	32,234	-	-	-	-	-	230,799	263,033
Edward Francis Sippel	Non-executive Director	2015	-	-	-	-	-	-	-	-
		2014	-	-	-	-	-	-	-	-
William Barney[1]	Non-Executive Director	2015	-	-	-	-	-	-	-	-
		2014	28,000	-	-	-	-	-	-	28,000
Sub-total non-executive Directors		2015	205,928	-	-	-	-	-	-	205,928
		2014	170,569	-	-	-	-	-	362,643	533,212
Executive Directors										
Pierre-Jean Joseph Andre Beylier[2]	Chief Executive Officer	2015	416,050	32,423	173,354	13,574	62,408	-	5,461	703,270
		2014	400,048	31,752	68,005	22,826	60,007	-	334,197	916,835
Other KMP										
Mark Ellison[3]	Chief Financial Officer	2015	-	-	-	-	-	-	-	-
		2014	243,104	55,214	-	3,595	24,310	-	44,496	370,719
Richard Frank Carden	Senior Vice President, Global Sales	2015	261,842	-	16,365	4,500	8,039	-	90,616	381,362
		2014	280,629	-	14,263	2,850	6,614	-	203,899	508,255
Andre Willem Eerland[4]	Vice President, Maritime	2015	70,871	632	-	5,005	5,979	-		82,487
		2014	183,965	1,813	21,107	14,338	14,148	-	28,095	263,466
Piers Cunningham[5]	Vice President, Maritime	2015	57,986	5,672	18,613	-	5,509	-	14,580	102,360
		2014	-	-	-	-	-	-	-	-
Chung Wai Kit	Senior Vice President, Operations & Engineering	2015	164,530	615	27,422	4,729	24,680	-	3,474	225,450
		2014	158,202	615	18,983	3,670	23,730	-	23,199	228,399
Keith Jimmie Johnson[6]	Senior Vice President, Energy	2015	295,000	13,740	24,583	26,535	11,786	-	8,453	380,097
		2014	68,682	2,696	-	7,184	-	-		78,562
Ian Baldwin[7]	Chief Financial Officer	2015	268,209	-	77,196	-	15,369	-	8,368	369,142
		2014	25,076	-	-	-	2,382	-	-	27,458
Total KMP remuneration		2015	1,740,416	53,082	337,533	54,343	133,770	-	130,952	2,450,096
		2014	1,530,275	92,090	122,358	54,463	131,191	-	996,529	2,926,906

1 William Barney resigned as a Non-Executive Director on 13 June 2014
2 Refer to 2015 LTIP Offer Participants and value of grant section on page 32
3 Mark Ellison resigned as Chief Financial Officer on 23 November 2014
4 Andre Willem Eerland resigned as VP, Maritime on 31 May 2015
5 Piers Cunningham promoted to VP, Maritime Service on 1 July 2015
6 Keith Johnson joined SpeedCast on 20 October 2014 and received US$10,000 as sign on bonus
7 Ian Baldwin joined SpeedCast on 1 December 2014

Cash salary and Fees

Fixed Allowance	Education and company car allowance to PJ Beylier Expenses allowance and vacation pay to Andre Eerland Transportation allowance to Chung Wai Kit Car allowance and golf club membership fee to Keith Johnson	Non-monetary benefits	Medical and life insurance to PJ Beylier, Richard Carden and Chung Wai Kit Company car to Andre Eerland COBRA and golf course initiation fee to Keith Johnson
Short Term Incentive	Cash based bonus	Superannuation or equivalent	MPF plus voluntary contribution in Hong Kong CPF in Singapore Pension Plan in the Netherlands Superannuation in Australia

REMUNERATION REPORT

Movement in Performance Rights for the year ended 31 December 2015

	PERFORMANCE RIGHTS (number)							
	Held at 1 January 2015	Granted as compensation	Exercised	Lapsed	Forfeited	Held at 31 December 2015	Vested during the year	Vested and exercisable at 31 December 2015
Executive Directors								
Pierre-Jean Joseph Andre Beylier	117,030	-	-	-	-	117,030	-	-
Other KMP								
Richard Frank Carden	44,751	29,170	-	-	-	73,921	-	-
Andre Eerland	27,194	-	-	-	(27,194)	-	-	-
Piers Cunningham	14,490	12,269	-	-	-	26,759	-	-
Chung Wai Kit	16,830	19,491	-	-	-	36,321	-	-
Keith Johnson	-	61,284	-	-	-	61,284	-	-
Ian Baldwin	-	60,667	-	-	-	60,667	-	-

Movement in Restricted Management Rights for the year ended 31 December 2015

	RESTRICTED MANAGEMENT RIGHTS (number)							
	Held at 1 January 2015	Granted as compensation	Exercised	Lapsed	Forfeited	Held at 31 December 2015	Vested during the year	Vested and exercisable at 31 December 2015
Richard Frank Carden	533,650	-	-	-	-	366,885	(166,765)	-
Piers Cunningham	76,237	-	-	-	-	52,413	(23,824)	-

Key Management Personnel Shareholdings

The number of ordinary shares in SpeedCast Limited held by each key management personnel of the Group is as follows:

Name	Position	Balance SDA#	Balance SDAESC##	Total share held as at 31 Dec 2014	Movement during the year	Total share held as at 31 Dec 2015	% of shareholding
Non-Executive Directors							
John Mackay	Independent Non-Executive Director	259,210	-	259,210	-	259,210	0.21%
Michael Berk*	Non-Executive Director	-	-	-	-	-	-
Grant Ferguson	Independent Non-Executive Director	259,210	-	259,210	-	259,210	0.21%
Peter Jackson	Non-executive Director	259,210	-	259,210	-	259,210	0.21%
Michael Malone	Independent Non-Executive Director	259,210	-	259,210	7,900	267,110	0.22%
Edward Sippel**	Non-Executive Director	-	-	-	-	-	-
Sub-total Non-Executive Directors		1,036,840	-	1,036,840	7,900	1,044,740	
Executive Directors							
Pierre-Jean Beylier	Chief Executive Officer	15,000	7,078,859	7,093,859	6,175	7,100,034	5.88%
Other KMP							
Mark Ellison***	Chief Financial Officer	-	1,201,288	1,201,288	(1,201,288)	-	-
Richard Carden	Senior Vice President, Global Sales	5,000	282,077	287,077	166,766	453,843	0.38%
Andre Eerland****	Vice President, Maritime	-	1,154,474	1,154,474	(200,000)	954,474	0.79%
Piers Cunnigham*****	Vice President, Maritime				116,071	116,071	0.10%
Chung Wai Kit	Senior Vice President, Operations & Engineering	2,552	457,416	459,968	-	459,968	0.38%
Keith Johnson	Senior Vice President, Energy	-	-	-	-	-	-
Ian Baldwin	Chief Financial Officer	-	-	-	-	-	-
Total KMP		1,059,392	10,174,114	11,233,506	(1,104,376)	10,129,130	

* Michael Berk has an indirect interest in shares held by TA Investors IV, L.P.
** Edward Sippel has an indirect interest in shares held by TA Investors IV, L.P.
*** Mark Ellison resigned as Chief Financial Officer on 23 November 2014
**** Andre Willem Eerland resigned as VP, Maritime on 31 May 2015
***** Piers Cunningham promoted to VP, Maritime on 31 May 2015

SDA represented the ordinary shares for SpeedCast International Limited
SDAESC represented the SpeedCast International Limited's shares subject to voluntary escrow period.
The escrow period applying to these shares ended on 26 August 2015, being the release date of the Company's results for the six months ending 30 June 2015 to the ASX.

CORPORATE GOVERNANCE REPORT

The Corporate Governance section of the Company's website is a convenient way for shareholders to access information about governance practices of SpeedCast International Limited.

Please visit http://www.speedcast.com/images/Corporate_Governance_Statement.pdf

AUDITOR'S INDEPENDENCE DECLARATION

Auditor's Independence Declaration

As lead auditor for the audit of SpeedCast International Limited for the year ended 31 December 2015, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of SpeedCast International Limited and the entities it controlled during the period.

Andrew Forman
Partner
PricewaterhouseCoopers

Adelaide
30 March 2016

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FINANCIAL REPORT

FINANCIAL REPORT

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2015

	Note	2015 US$'000	2014 US$'000
Revenue from continuing operations	6	167,591	117,679
Cost of equipment and bandwidth services		(103,754)	(72,162)
Other gain	7	4	201
Staff costs	8	(23,524)	(17,406)
Depreciation of property, plant and equipment	17	(7,417)	(4,256)
Amortisation of intangible assets	18	(7,694)	(7,872)
IPO and transaction related costs		(3,844)	(7,662)
Integration costs		(296)	-
Other expenses		(11,050)	(9,115)
Finance costs, net	10	(3,563)	(6,287)
Share of profit from interest in joint ventures		145	45
Profit/(Loss) before income tax		6,598	(6,835)
Income tax (expense)	11	(2,279)	(109)
Profit/(Loss) for the year attributable to owners of the Company		4,319	(6,944)
Other comprehensive income			
Item that may be reclassified to profit and loss			
- Currency translation difference		(743)	(5,246)
Total comprehensive profit/(loss) for the year attributable to members of the entity		3,576	(12,190)

Earnings per share

	Note	2015	2014
• Basic profit/(loss) per share (cents)	28	3.59	(7.28)
• Diluted profit/(loss) per share (cents)	28	3.54	(7.28)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

FINANCIAL REPORT

Consolidated Statement of Financial Position

As at 31 December 2015

	Note	2015 US$'000	2014 US$'000
ASSETS			
Current assets			
Cash and cash equivalents	14	15,114	10,079
Trade and other receivables	15	43,288	23,695
Inventories	16	5,171	3,238
Total current assets		63,573	37,012
Non-current assets			
Interests in joint ventures		190	45
Property, plant and equipment	17	26,238	14,527
Goodwill and intangible assets	18	96,723	52,743
Deferred tax assets	19	3,088	1,504
Total non-current assets		126,239	68,819
Total assets		189,812	105,831
LIABILITIES			
Current liabilities			
Trade and other payables	20	50,692	31,874
Obligations under finance leases	21	46	67
Derivative financial instruments	23	6	10
Income tax payable		2,691	94
Total current liabilities		53,435	32,045
Non-current liabilities			
Borrowings	22	99,354	41,278
Deferred tax liabilities	19	6,164	3,793
Obligations under finance leases	21	21	50
Other payables	20	3,595	66
Total non-current liabilities		109,134	45,187
Total liabilities		162,569	77,232
Net assets		27,243	28,599
EQUITY			
Equity attributable to owners of the Company			
Contributed equity	24(a)	84,892	84,126
Other reserves	24(b)	(1,171)	(487)
Accumulated losses	24(c)	(56,478)	(55,040)
Total equity		27,243	28,599

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

FINANCIAL REPORT

Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2015

	Attributable to owners of SpeedCast International Limited			
	Contributed Equity US$'000	Accumulated Losses US$'000	Other Reserves (Note 24(b)) US$'000	Total US$'000
Balance at 1 January 2014	35,864	(18,096)	4,708	22,476
Loss for the year	-	(6,944)	-	(6,944)
Other comprehensive income	-	-	(5,246)	(5,246)
Total comprehensive (loss) for the year	-	(6,944)	(5,246)	(12,190)
Dividend (note 27)	-	(30,000)	-	(30,000)
Issue of preference shares (note 24(a))	991	-	-	991
Transfer from share based payment reserve for vested performance shares (note 24(a))	1,391	-	(1,391)	-
Issue of ordinary shares (note 24(a))	48,327	-	-	48,327
Capital raising costs, net of tax (note 24(a))	(2,447)	-	-	(2,447)
Employee share scheme – value of employee services (notes 8 and 12)	-	-	1,442	1,442
	48,262	(30,000)	51	18,313
Balance at 31 December 2014	84,126	(55,040)	(487)	28,599
Profit for the year	-	4,319	-	4,319
Other comprehensive income	-	-	(743)	(743)
Total comprehensive profit/(loss) for the year	-	4,319	(743)	3,576
Dividend (note 27)	-	(5,757)	-	(5,757)
Issue of ordinary shares (note 24(a))	602	-	-	602
Capital raising costs, net of tax (note 24(a))	(43)	-	-	(43)
Transfer from share based payment reserve for vested performance rights (note 24(b))	207	-	(207)	-
Employee share scheme – value of employee services (note 24(b))	-	-	266	266
	766	(5,757)	59	(4,932)
Balance at 31 December 2015	84,892	(56,478)	(1,171)	27,243

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the Year Ended 31 December 2015

	Note	2015 US$'000	2014 US$'000
Cash flows from operating activities			
Cash generated from operations	25	23,577	20,727
Interest paid		(3,193)	(3,621)
Taxes paid		(2,461)	(3,229)
Net cash inflows from operating activities		17,923	13,877
Cash flows from investing activities			
Payments for acquisition of subsidiaries, net of cash acquired	26(g)	(57,510)	(9,296)
Business acquisition transaction costs		(4,178)	(543)
Payments for property, plant and equipment	17	(7,318)	(6,555)
Payments for intangible assets		(629)	-
Proceeds from disposal of property, plant and equipment	25	426	104
Interest received		32	44
Net cash (outflows) from investing activities		(69,177)	(16,246)
Cash flows from financing activities			
Proceeds from initial public offering		-	48,326
Transaction costs of initial public offering		-	(8,703)
Proceeds from issuance of preference shares		-	991
Proceeds from borrowings, net of transaction costs		61,611	73,352
Repayment of borrowings		-	(83,064)
Dividend paid	27	(5,757)	(30,000)
Repayments of obligations under finance leases		(42)	34
Net cash inflows from financing activities		55,812	936
Net increase/(decrease) change in cash and cash equivalents		4,558	(1,433)
Cash and cash equivalents at beginning of the year		10,079	12,250
Effects of exchange rate changes on cash and cash equivalents		477	(738)
Cash and cash equivalents at the end of the year	14	15,114	10,079

FINANCIAL REPORT

Notes to the Consolidated Financial Statements

Notes to the Consolidated Financial Statements

1 Background and summary of significant changes

This financial report covers the consolidated financial statements and notes of SpeedCast International Limited (henceforth 'SIL', 'SpeedCast' or 'the Company'), its controlled entities and jointly controlled entities (the 'Group').

During the year the financial position and performance of the group was particularly affected by the following events and transactions during the reporting period:

The Company completed 4 strategic acquisitions in 2015, all funded by debt. The Company acquired 100% of the issued share capital of Hermes, Geolink and SAIT as well as acquired the assets of NewSat, all of which have been accounted for under AASB 3 *Business Combinations*.

Matters relevant to the comparative period

During 2014, the financial position and performance of the Group was particularly affected by the following events and transactions occurring during this reporting period:

The Company was incorporated as an Australian public company on 14 July 2014 and undertook an initial public offering ('IPO') on 12 August 2014.

In connection with the IPO, SpeedCast International Limited undertook a capital reconstruction. Under the reconstruction SpeedCast International Limited acquired SpeedCast Acquisitions Limited ('SAL') and its controlled entities ('SAL Group'). The Company determined that the acquisition of SAL did not represent a business combination as defined by Australian Accounting Standard AASB 3 'Business Combinations'. This is because the reorganisation is considered to be a combination of entities under common control immediately prior to the IPO, and such common control transactions are outside the scope of AASB 3 'Business Combinations'.

Accordingly the IPO and related restructuring represents a reorganisation of the economic entity historically known as SAL Group and results in the Company becoming the new parent entity of that group. As such, the consolidated financial statements of the Company reflect a continuation of the existing SAL consolidated financial statements.

2 Summary of significant accounting policies

SpeedCast is a company limited by shares, incorporated and domiciled in Australia which shares are publicly traded on the Australian Securities Exchange ('ASX').

The financial report was authorised for issue by the Board of Directors on 30 March 2016. The Directors have the power to amend and reissue the financial statements.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. The financial statements are for the consolidated entity consisting of SpeedCast and its subsidiaries.

a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. The Company is a for-profit entity for the purpose of preparing the financial statements.

Compliance with IFRS

These financial statements also comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board.

Notes to the Consolidated Financial Statements

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for the circumstances when fair value method has been applied as detailed in the accounting policies below.

New and amended standards adopted by the Group

The consolidated entity has applied the following standards for the first time in the financial year commencing 1 January 2015:

- AASB 2 (2014-1 amendment) Share-based payment
- AASB 3 (2014-1 amendment) Business combinations
- AASB 8 (2014-1 amendment) Operating segments
- AASB 13 (2014-1 amendment) Fair value measurement
- AASB 116 (2014-1 amendment) Property, plant and equipment
- AASB 124 (2014-1 amendment) Related party disclosures
- AASB 138 (2014-1 amendment) Intangible assets

Adoption of the above standards has not resulted in any significant impact on the results or financial position of the Group.

New standards and interpretations not yet adopted

The following are new standards, amendments to standards and interpretations which have been issued but are not effective for the financial period beginning 1 January 2015:

- AASB 9 - Financial Instruments applicable 1 January 2018
- AASB 2014-3 - Accounting for acquisitions of interests in joint operations applicable 1 January 2016
- AASB 2014-4 - Clarification of acceptable methods of depreciation and amortisation applicable 1 January 2016
- AASB 2014-9 - Equity method in separate financial statements applicable 1 January 2016
- AASB 2014-10 - Sale or contribution of assets between an investor and its associate or joint venture applicable 1 January 2016
- AASB 2015-1 - Annual Improvements 2012-2014 applicable 1 January 2016
- AASB 2015-2 – Disclosure Initiative: Amendments to AASB 101 applicable 1 January 2016

The group did not early adopt any of these new standards, amendments to standards and interpretations. The adoption of these new standards, amendments to standards and interpretations in future periods is not expected to result in substantial changes to the Group's accounting policies.

AASB 15 – Revenue from contracts with customers applicable 1 January 2018

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118, which covers contracts for goods and services, and AASB 111, which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The Company has not assessed the impact at this time.

Notes to the Consolidated Financial Statements

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

IFRS 16 Leases

In January 2016 the IASB has issued a new standard for lease accounting, which will replace IAS 17. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). It is expected that the AASB will endorse the standard to replace AASB 117 'Leases'. It is expected that the standard will be effective for the 31 December 2019 financial year. The Company has not assessed the impact at this time.

Critical accounting estimates and judgments

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of adopting the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 5.

Rounding of amounts

The company is of a kind referred to in Class Order 98/100 issues by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report and financial statements. Amounts in the Directors' Report and financial statements have been rounded off in accordance with that class order to the nearest thousand dollars.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 34.

b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Group as at 31 December 2015 and the results of all subsidiaries for the year then ended. The Company and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on that control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Notes to the Consolidated Financial Statements

2. Summary of significant accounting policies (continued)

c) Foreign currency translation

(i) Functional currency

The functional currency for each entity in the Group, and for joint arrangements and associates, is the currency of the primary economic environment in which that entity operates. For many entities, this is the currency of the country in which they are located.

(ii) Transactions and balances

Transactions denominated in other currencies are converted to the functional currency at the exchange rate prevailing at the date of the transaction or valuation where items are re-measured. Monetary assets and liabilities denominated in foreign currencies are retranslated at year end exchange rates.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss and other comprehensive income within 'finance costs, net'. All other foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss and other comprehensive income within 'Other Expenses'.

(iii) Presentation currency

The Group's financial statements are presented in United States dollars, ('USD'), as that presentation currency most reliably reflects the global business performance of the Group as a whole. On consolidation, income statement items for each entity are translated from the functional currency into US dollars at average rates of exchange where the average is a reasonable approximation of rates prevailing on the transaction date. The consolidated statement of financial position items are translated into US dollars at period end exchange rates.

Exchange differences arising from the translation of the net assets of entities with functional currencies other than US dollars are recognised directly in the foreign currency translation reserve. These translation differences are shown as other comprehensive income in the consolidated statement of profit or loss and other comprehensive income.

d) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be a financial liability are recognised in profit and loss in accordance with AASB 139 'Financial Instruments – Recognition and Measurement'. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Notes to the Consolidated Financial Statements

2 Summary of significant accounting policies (continued)

e) Joint ventures

Joint ventures are those joint arrangements which provide the venture with the right to the net assets of the arrangements. Interest in joint ventures are accounted for using the equity method in accordance with AASB 128 'Investments in Associates and Joint Ventures'.

Under this method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of profit or loss and other comprehensive income of the investee after the date of acquisition.

If the ventures share of losses of a joint venture equals or exceeds its interest in the joint venture, the venture discontinues recognising its share of further losses.

Adjustments are made to the joint ventures accounting policies where they are different from those of the venture for the purpose of the consolidated financial statements.

f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivables, and represents amounts receivable for goods supplied, net of discounts returns and value added taxes.

The Group recognises revenue when the amount of revenue and costs can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

(i) Broadband access revenue

Broadband access revenue is recognised when the broadband access services are rendered.

(ii) Sale of broadband services equipment

Sale of broadband services equipment is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when goods are delivered to customers and title is passed.

(iii) Interest income

Interest income is recognised using the effective interest method.

Notes to the Consolidated Financial Statements

2 Summary of significant accounting policies (continued)

g) Goodwill

Goodwill arises on the acquisition of a business and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business is allocated to each of the individual entities, or groups of entities, that is expected to benefit from the synergies of the combination. Each entity or group of entities to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Within the Group, goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

h) Intangible assets

Intangibles have been identified by the group in the form of customer relationships, supplier contracts, trademarks and brand names.

The acquired customer relationships and trademark in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the assets, as follows:

Customer relationship	5 to 12 years
Supplier contracts	5 years
Trademark	5 to 20 years
Brand name	5 years

i) Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units – 'CGU'). Non-financial assets other than goodwill that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

j) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with financial institutions, other short term, highly liquid investments, with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to the Consolidated Financial Statements

2 Summary of significant accounting policies (continued)

k) Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

l) Financial assets

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

(ii) Impairment of financial assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments.

The Group first assesses whether objective evidence of impairment exists.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss and other comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of profit or loss and other comprehensive income.

Notes to the Consolidated Financial Statements

2 Summary of significant accounting policies (continued)

m) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first out (FIFO) method and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

n) Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are expensed in the consolidated statement of profit or loss and comprehensive income during the financial year in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, at the following rates per annum:

Office equipment	15% - 20%
2-way equipment	20% - 50%
Teleport equipment	20%
Computer equipment	25% - 50%
Leasehold improvements	2-10 years over the unexpired period of the lease, whichever is shorter
Network operations center ('NOC') equipment	6% - 20%
Remote content servers ('RCS') equipment	50%
Motor vehicles	20% - 33%

Assets held under finance lease are depreciated over the shorter of their expected useful lives or the term of the lease.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are recognised within 'Other expenses or other gains' in the consolidated statement of profit or loss and other comprehensive income.

Notes to the Consolidated Financial Statements

2 Summary of significant accounting policies (continued)

o) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except for deferred income tax liability where the timing of reversal of the temporary difference is controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

p) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and service providers. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, unless the effect of discounting is insignificant and in which case they are stated at historical cost.

Notes to the Consolidated Financial Statements

2 Summary of significant accounting policies (continued)

q) Provisions

Provisions for asset retirement obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

r) Employee benefits

(i) Pension obligations

The Group participates in defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(ii) Performance-based bonus

The expected costs of performance-based bonuses are recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for performance-based bonuses are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(iii) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the equity instruments is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted: (i) including any market performance conditions; (ii) excluding the impact of any service and nonmarket performance vesting conditions (for example, profitability and sales growth targets); and (iii) including the impact of any non-vesting conditions. Non-market vesting conditions are included in assumptions about the number of shares that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of equity instruments that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of profit or loss and other comprehensive income, with a corresponding adjustment to equity.

Notes to the Consolidated Financial Statements

2 Summary of significant accounting policies (continued)

s) Leases

(i) Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed in the consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

(ii) Finance leases

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in liabilities. The interest element of the finance cost is charged to the consolidated statement of profit or loss and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

t) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised is the consolidated statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowing costs are recognised in the consolidated statement of profit or loss and other comprehensive income in the period in which they are incurred.

Notes to the Consolidated Financial Statements

2 Summary of significant accounting policies (continued)

u) Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised immediately in the 'Other gain' in the consolidated statement of profit or loss and other comprehensive income.

v) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as deduction from equity, net of any tax effects.

w) Dividends

Provision is made for the amount of any dividend declared, being approximately authorised and no longer at the discretion of the entity, on or before the end of the reporting period, but not distributed at the end of the reporting period.

x) Earnings per share

The Group presents basic and diluted earnings per share information for its ordinary shares.

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

y) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer (CEO).

z) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the consolidated balance sheet.

Cash flows in the consolidated statement of cash flows are included on a gross basis amount and the GST component of cash flow arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Notes to the Consolidated Financial Statements

2 Summary of significant accounting policies (continued)

aa) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification. An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current.

ab) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement. For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

ac) Parent entity financial information

The financial information for the parent entity, SpeedCast International Limited, disclosed in note 34 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in financial statements of SpeedCast International Limited. Dividends received from subsidiaries and associates are recognised in the parent entity's profit or loss when its right to receive the dividend is established.

Notes to the Consolidated Financial Statements

2 Summary of significant accounting policies (continued)

ac) Parent entity financial information (continued)

(ii) Tax consolidation legislation

SpeedCast International Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, SpeedCast International Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, SpeedCast International Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate SpeedCast International Limited for any current payable assumed and are compensated by SpeedCast International Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to SpeedCast International Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due on receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amount receivable from or payable to other entities in the group.

Any difference between the amounts assumed and amounts receivable or payable under tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(iii) Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

(iv) Share-based payments

The grant by the company of options over its equity instruments to the employees of subsidiaries in the group is treated as a capital contribution to that subsidiary. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary, with a corresponding credit to equity.

Notes to the Consolidated Financial Statements

3 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow interest rate risk), credit risk and liquidity risk.

The Group does not have formal risk management policies or guidelines. However, the Board of Directors generally adopts conservative strategies which focus on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

a) Market Risk

(i) Foreign exchange risk

The Group trades with international customers and suppliers and may potentially be exposed to foreign exchange risk arising from various currency exposures. The Group operates in an industry for which commercial transactions are primarily denominated in United States dollars. A large proportion of the Group's revenues and costs are denominated in US dollars. Foreign exchange risk arises from those revenues denominated in a currency other than US dollars to the extent these are not offset by costs in the same currency. Foreign currency risk also arises from assets and liabilities denominated in currencies other than the functional currency of the Group's entities to which they relate.

As at 31 December 2015, if the US dollar had strengthened/weakened by 10% against the Australian dollar and Euro with all other variables held constant, the profit before tax would have increased/decreased by approximately USD 543,000 as a result of the translation of cash, trade and other receivables/payables denominated in Australian dollars and Euro. As at 31 December 2014, if the US dollars had strengthened/weakened by 10% against the Australian dollar and Euro with all other variables held constant, the loss before tax would have increased/decreased by approximately USD 276,000 as a result of the translation of cash, trade and other receivables/payables denominated in Australian dollars and Euro.

(ii) Cash flow interest rate risk

The Group is exposed to interest rate risk.

The derivative instruments acquired by the Group are designed to manage a proportion of those risks albeit the Group does not engage in hedge accounting as defined by AASB 139.

The Group's interest rate risk arises principally from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group mitigates a proportion of this risk using interest rate caps, collars and swaps which fix the interest rate ranged from 2.08% to 3.15% for USD 24 million which represents 24% of the drawn facilities. In 2014, the Group held interest rate caps and collars for the previous borrowing arrangement which fixed the interest rate and ranged from 2.08% to 3.15% for USD 24 million which represented 58% of the principal amount. The mark-to-market valuation of these interest rate swaps and options is negative and amounts to USD 6,000 as of 31 December 2015 and a gain of USD 4,000 was recognised in profit or loss (2014: gain of USD 201,000).

As at 31 December 2015, an increase in interest rate of 100 basis points, would result in a decrease of profit before tax amounting to approximately USD 926,000.

Notes to the Consolidated Financial Statements

3 Financial risk management (continued)

b) Credit risk

The Group has no significant concentrations of credit risk. Credit risk of the Group arises from credit exposures to its customers and cash and cash equivalents. The Group only places cash and deposits with reputable banks and financial institutions.

For credit exposure to customers, the Group trades only with recognised, creditworthy third parties. The Group's policy is to carry out credit verification procedures on new customers before grant of credit terms. In addition, the Group may request customers to make deposits and advance payments before delivery of services or goods. Further disclosure of credit risk of customers is set out in note 15.

Four customers accounted for approximately 17% and 23% of the Group's trade receivables as at 31 December 2015 and 2014 respectively. These customers have long term business relationships with the Group and there is no history of default.

c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with debt covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from banks and other financial institutions to meet its liquidity requirement in the short and longer term. Management believes there is no liquidity risk as the Group has sufficient committed facilities to fund its operations.

The Directors of the Company have reviewed the Group's profit and cash flow projections prepared by management. The projections make key assumptions with regard to the anticipated sales, profit margins and cash flows from the Group's operations. These assumptions include an assessment of the impact of the uncertainties surrounding the industry but do not include the potential impact of any significant worsening of the various conditions that the Group is operating in and around the globe. The Directors, after making due enquiries, believe that there will be sufficient financial resources available to the Group at least in the coming twelve months to meet its financial obligations as and when they fall due. Accordingly, the Directors consider that it is appropriate to prepare the consolidated financial statements on a going concern basis.

The following table analyses the Group's non-derivative financial liabilities as at 31 December into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Notes to the Consolidated Financial Statements

3 Financial risk management (continued)

	Within 1 year US$'000	2 to 5 years US$'000	Total US$'000
At 31 December 2015			
Trade and other payables	40,745	3,595	44,340
Obligations under finance leases and interest	52	22	74
Borrowings and interest	3,481	106,092	109,573
	44,278	109,709	153,987

	Within 1 year US$'000	2 to 5 years US$'000	Total US$'000
At 31 December 2014			
Trade and other payables	24,893	66	24,959
Obligations under finance leases and interest	70	55	125
Borrowings and interest	1,597	44,590	46,187
	26,560	44,711	71,271

The table below analyses the Group's derivative financial instruments that will be settled on a net basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. For details, please refer to note 23.

	Within 1 year US$'000	2 to 5 years US$'000	Total US$'000
At 31 December 2015			
Outflow in US dollars	19	-	19
Inflow in US dollars	4	-	4
At 31 December 2014			
Outflow in US dollars	39	19	58
Inflow in US dollars	9	4	13

As at 31 December 2015, the Group had access to the following undrawn borrowing facilities:

	Total US$'000
Bank Revolving Loan (Floating rate)	
Expiring within one year	-
Expiring beyond one year	2,646

Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in either Australian or United States dollars and have maturity of 1.9 to 3.6 years (2014: 3 to 5 years). The undrawn banking facilities are subject to annual review.

Notes to the Consolidated Financial Statements

4 Capital management

a) Risk management

The Group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, raise new debt facilities or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the following leverage ratio:

Leverage ratio = Net debt / Pro forma EBITDA

The Group's strategy is to maintain a leverage ratio (as calculated above) within a target range of 1.75 - 2.25 in the long term. A ratio outside of this range is acceptable for a short period of time if an appropriate transaction is identified. The Group completed 4 strategic acquisitions in 2015, all funded by debt, causing the leverage ratio to fall outside of the target range. It is expected that strong operating cashflows of the group and earnings growth are expected to return the leverage ratio back to within the target range within a 12 - 18 month period.

At 31 December 2015 the Leverage ratio was as follows:

	31 December 2015
Net Debt (US$'000)	85,333
Pro forma EBITDA (US$'000)	31,758
Leverage ratio	2.7

(i) Loan covenants

Under the terms of the major borrowing facilities, the Group is required to comply with financial covenants in relation to:

(a) The ratio of pro forma EBITDA* to net interest expense; and
(b) The ratio of net debt to pro forma EBITDA.

The Group has complied with these covenants from initial drawdown to 31 December 2015.

* Pro forma EBITDA is based on the previous 12 months as if all Group members as at 31 December 2015 were Group members for the whole of that 12 month period.

(ii) Dividends

Relevant information on dividends paid during the year and disclosed since the end of the year has been included in note 27. The Group aims to pay a total dividend during the year of 40-60% of underlying NPATA. NPATA is defined as net profit after tax but prior to the amortisation of acquisition related intangibles, net of tax effect. This reconciliation is on page 25.

Notes to the Consolidated Financial Statements

4 Capital management (continued)

a) Risk management (continued)

(iii) Fair values

As of 31 December 2015, the carrying values of the Group's financial assets and financial liabilities are reasonable approximation of their fair values due to their relatively short term nature of these financial instruments.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's financial assets and liabilities that are measured at fair value.

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
At 31 December 2015				
Liabilities				
Derivative financial instruments				
- Interest rate swap contracts	-	3	-	3
- Interest rate cap/floor/collar contracts	-	3	-	3

	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
At 31 December 2014				
Liabilities				
Derivative financial instruments				
- Interest rate swap contracts	-	2	-	2
- Interest rate cap/floor/collar contracts	-	8	-	8

Notes to the Consolidated Financial Statements

4 Capital management (continued)

a) Risk management (continued)

(iii) Fair values (continued)

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The carrying amounts of the Group's financial assets, including trade and other receivables, and cash and cash equivalents, and the Group's other financial liabilities, including trade and other payables, obligations under finance leases and borrowings, approximate their fair values due to their short maturities. The carrying amounts of the Group's non-current liabilities, including obligations under finance leases and borrowings, approximate to their fair value as their interest rates approximate to market interest rates. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

5. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed on the following page.

Notes to the Consolidated Financial Statements

5 Critical accounting estimates and judgments (continued)

a) Recognition and measurement of identifiable assets acquired and liabilities assumed in acquisition of a business and subsidiaries

The Group applies the acquisition method of accounting to account for acquisitions of businesses. The determination and allocation of fair values to the identifiable assets acquired and liabilities assumed is based on various assumptions and valuation methodologies requiring considerable management judgment. The most significant variables in these valuations are discount rates, terminal values, the number of years on which the cash flow projections are based, as well as the assumptions and estimates used to determine the cash inflows and outflows. Management determines discount rates to be used based on the risk inherent in the acquirees current business model and industry comparisons. Terminal values are based on the expected life of products and forecasted life cycle and forecasted cash flows over that period. Although the assumptions applied in the determination are reasonable based on information available at the date of acquisition, actual results may differ from the forecasted amounts.

b) Impairment assessment of goodwill and other intangible assets

An impairment charge is required for both goodwill and other intangible assets when the carrying amount exceeds the recoverable amount, defined as the higher of fair value less costs to sell and value in use. The Group's approach in determining the recoverable amount utilises a discounted cash flow methodology, which necessarily involves making numerous estimates and assumptions regarding revenue growth, operating margins, tax rates, appropriate discount rates and working capital requirements. Although the assumptions applied in the determination are reasonable based on information available, actual results may differ from the forecasted amounts.

c) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes, including the recognition of deferred tax assets to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues, if any, based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

d) Accounting for the internal restructure at IPO

During the previous year, an internal restructure took place in preparation for the listing of the Group on the Australian Stock Exchange. This resulted in a newly incorporated company, SpeedCast International Limited, becoming the legal parent of the Group.

The Directors elected to account for the restructure as a capital re-organisation rather than a business combination. In the Directors' judgment, the continuation of the existing accounting values were consistent with the accounting that would have occurred if the assets and liabilities had already been in a structure suitable to IPO and most appropriately reflects the substance of the internal restructure.

As such, the consolidated financial statements of SpeedCast International Limited have been presented as a continuation of the pre-existing accounting values of assets and liabilities in the financial statements of SpeedCast Acquisitions Limited. The Directors believe that this presentation is consistent with that of other similar IPO transactions in the Australian market. The international accounting standard setters (International Accounting Standards Board) may review accounting for common control transactions. If any changes are made and are required to be applied retrospectively, there remains the risk that the accounting treatment may need to be amended from that currently adopted.

Notes to the Consolidated Financial Statements

5 Critical accounting estimates and judgments (continued)

d) Accounting for the internal restructure at IPO (continued)

Acquisition accounting would require SAL's identifiable assets and liabilities to be fair valued by the new parent at the acquisition date in accordance with AASB 3 Business Combinations. The impact of acquisition accounting cannot be accurately determined at this time, as a formal purchase price allocation exercise has not been carried out. Nevertheless, it would likely result in a material increase in:

- intangible asset balances and subsequent amortisation charges in the consolidated income statements of the Group; and
- goodwill balances and the resulting potential risk and quantum of goodwill impairment charges in future periods.

As discussed in the prospectus for the company's IPO in August 2014, based on SpeedCast's market capitalisation at the offer price, the pro forma net assets of SpeedCast at 31 December 2013 would increase by approximately USD190 million. The Directors have provided a preliminary indicative analysis of revised values of certain intangible assets, notably trademarks and customer relationships, which would increase by approximately USD4 million and USD35 million respectively, which would result in an additional annual amortisation charge for these assets of approximately USD4 million before the impact of tax. The balance of any increase in net assets would be recorded as goodwill and not subject to amortisation. In addition, tax accounting is also likely to be materially different as a result of acquisition value accounting.

The impact of acquisition accounting, should this subsequently be required by the IASB, is non-cash in nature and will not impact future cash flows. In addition, acquisition accounting in the consolidated financial statements of the Company should not impact the ability of SpeedCast to pay future dividends, as the overall financial position of the parent entity, the Company, will be the determinant of whether or not dividends are able to be paid in future financial periods.

6 Revenue

	2015 US$'000	2014 US$'000
Broadband access revenue	158,228	107,687
Sale of broadband services equipment	9,363	9,992
	167,591	117,679

7 Other gain

	2015 US$'000	2014 US$'000
Fair value gain on derivative financial instruments	4	201

8 Staff costs

	2015 US$'000	2014 US$'000
Salaries and allowances	22,893	15,489
Contributions to defined contribution plans	365	475
Share-based payment expense (note 12)	266	1,442

Notes to the Consolidated Financial Statements

9 Other expenses

Other expenses are analysed as follows:

	2015 US$'000	2014 US$'000
(Gain)/loss on disposal of property, plant and equipment	(1)	25
Operating lease payments in respect of office premises, property, plant and equipment	1,959	1,034
Provision for impairment of trade receivables (note 15)	645	253
Foreign exchange (gain)/loss	(204)	622

10 Finance costs, net

	2015 US$'000	2014 US$'000
Finance income:		
- Interest income from bank deposits	32	31
- Interest income from amount due from a shareholder	-	13
- Foreign exchange gain on borrowings	-	1,631
	32	1,675
Finance charges on:		
- Obligations under finance leases	(3)	(4)
- Accelerated amortisation of loan establishment costs	-	(3,298)
- Interest on deferred consideration	-	(445)
- Fair value loss on deferred consideration (note 35)	(409)	-
Interest expenses on:		
- borrowings	(2,543)	(3,474)
- fees on undrawn facility	(133)	(125)
- other bank charges	(507)	(616)
Finance costs	(3,595)	(7,962)
Finance costs, net	(3,563)	(6,287)

Notes to the Consolidated Financial Statements

11 Income tax expense

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2015 US$'000	2014 US$'000
Current tax	4,499	1,580
(Over)/under provision for prior years	(124)	237
Deferred income tax (note 19)	(2,096)	(1,708)
Total income tax expense	2,279	109

The tax on the Group's profit/(loss) before income tax differs from the theoretical amount that would arise using the applicable tax rate prevailing in the countries in which the Group operates as follows:

	2015 US$'000	2014 US$'000
Profit/(loss) before income tax	6,598	(6,835)
Tax calculated at domestic tax rates applicable to profits/losses in the respective countries	1,155	(876)
Tax effects of:		
Expenses not deductible for tax purposes	1,504	1,234
Income not subject to tax	(6)	(588)
Utilisation of previously unrecognised tax losses	-	(8)
Tax losses for which no deferred income tax asset was unrecognised	-	110
(Over)/under provision for prior years	(124)	237
Recognition of previously unrecognised temporary difference	(250)	-
Income tax expense	2,279	109

The aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income, but directly credited to equity is as follows:

	2015 US$'000	2014 US$'000
Deferred tax asset – credited directly to equity	-	907

Notes to the Consolidated Financial Statements

12 Share-based payment

a) Restricted Management Rights

Restricted Management Rights ('RMR') were issued by the Company under the equity incentive plan on 12 August 2014, the IPO date. The Restricted Management Rights effectively replaced certain rights to shares of SpeedCast Acquisitions Limited which were issued by SpeedCast Acquisitions Limited to certain employees prior to the IPO.

Each RMR entitles the holder to acquire a share for nil consideration at the end of the relevant vesting period, subject to meeting vesting condition. A total of 1.1 million RMR, representing approximately 0.9% of the issued share capital of the Company, were issued on 12 August 2014 to the participants at no cost. No exercise price is payable in respect of the RMR.

The offer was divided into tranches of RMR with differing vesting periods. Each tranche of RMR will vest subject to the satisfaction of the vesting condition over the vesting period relevant to that tranche. The vesting condition is continued employment with the Group. Vesting will occur over a total period of approximately four years from grant date.

For each tranche, the vesting condition must be satisfied at the end of the relevant vesting period for that tranche in order for RMR to vest. The tranches and vesting periods are as follows:

(1) 25% of the RMR will vest 12 months after grant date; and
(2) following vesting of first tranche, at the end of each three month period another 6.25% of the RMR will vest if the participate remains the employment with SpeedCast.

The RMR in each tranche will lapse immediately if the vesting condition for that tranche is not satisfied at the end of relevant vesting period.

The RMR do not attract dividends, voting rights or any capital distributions.

Participants must not sell, transfer, encumber, hedge or otherwise deal with RMR. If the participant resigns or the Company terminates the participants' employment in accordance with their employment contract, all unvested RMR will lapse, unless otherwise determined by the Board. In a situation where there is likely to be a change of control, the Board has the discretion to accelerate vesting of some or all of the RMR. Where only some of the RMR are vested on a change of control, the remainder of the RMR will immediately lapse.

The movement in the number of RMR's are as follow:

	Number of RMR's	
	2015	2014
At 1 January	1,120,674	-
Granted 31 October 2013	-	533,650
Granted 28 February 2014	-	320,192
Granted 2 June 2014	-	266,832
Shares issued on vesting	(350,212)	-
Lapsed / forfeited	(39,310)	-
At 31 December	731,152	1,120,674

The weighted average remaining contractual life of RMR outstanding as at 31 December 2015 was 2.6 years (2014: 3.6 years).

Notes to the Consolidated Financial Statements

12 Share-based payment (continued)

a) Restricted Management Rights (continued)

The fair value of the RMR granted to employees is deemed to represent the value of employee service received over the vesting period. Fair value is determined using the Monte Carlo simulation method. The factors considered in the valuation included the terms and structure of the share schemes, price and volatility of companies in similar industries and any other relevant information in relation to the shares such as dividend policy and expected exercise pattern of the shares.

Key assumptions adopted are set out below:

Grant date	31 October 2013	28 February 2014	2 June 2014
Expected volatility	38.21%	36.86%	35.66%
Risk-free rate	1.32%	1.36%	3.24%
Fair value at grant date per share (AU$)	AU$0.5840	AU$0.6706	AU$1.3812

b) Long term incentive plan

In 2014, SpeedCast established a long term incentive plan ('LTIP') in order to facilitate remuneration for the Group's senior management and enhance the alignment of their interests with those of shareholders.

Offers may be made at the Board's discretion to employees of the Group or any other person that the Board determines to be eligible to receive a grant under the Plan.

The Plan Rules provide flexibility for the Company to grant one or more of the following securities as incentives, subject to the terms of individual offers:

(i) performance rights;
(ii) options;
(iii) restricted shares

Options are entitlement to receive a share on payment of any applicable exercise price. Performance rights and restricted shares are an entitlement to receive shares for no consideration.

The Board may make offers at its discretion and any offer document must contain the information required by the Plan Rules. The Board has the discretion to set the terms and conditions on which it will offer performance rights, options and restricted shares in individual offer documents. Offers must be accepted by the employee and can be made on an opt-in or opt out basis. Unless the Board determines otherwise, no payment is required for a grant of a performance right, option or restricted share under the Plan.

In 2015, the Board made offers to the CEO, CFO and other members of senior management to receive a grant of the LTIP ('the 2015 LTIP'). The 2015 LTIP award was made on 9 September 2015, and comprised performance rights.

In 2014, the Board made offers to the CEO, CFO and other members of senior management to receive a grant of the LTIP ('the 2014 LTIP'). The 2014 LTIP award was made on 12 August 2014, the IPO date and comprised performance rights.

Notes to the Consolidated Financial Statements

12 Share-based payment (continued)

(b) Long term incentive plan (continued)

A performance right entities the holder to acquire a share for nil consideration at the end of the performance period, subject to meeting specific performance conditions. The number of performance rights granted will be based on a fixed percentage of relevant participant's annual fixed remunerations and will be issued to the participant at no cost. No exercise price is payable in respect of the performance rights.

Performance rights granted as part of both the 2015 LTIP and the 2014 LTIP offer will vest subject to the satisfaction of performance conditions. The performance condition will be vested over a performance period of at least three years. The 2015 LTIP performance period commenced on 9 September 2015 and ends on 31 December 2018. The 2014 LTIP performance period commenced on 12 August 2014 and ends on 31 December 2017.

The performance condition must be satisfied in order for the performance right to vest. For both the 2015 LTIP and 2014 LTIP offers the performance conditions are as follows:

(i) 50% of the performance will vest subject to the achievement of a Total Shareholder Return (TSR) performance target for the Company relative to the S&P/ASX Small Ordinaries Index (AUD) (Index) over the performance period ('TSR component'); and

(ii) 50% of the performance right will vest subject to the participant being an employee at the end of the performance period ('service component').

In relation to the TSR component, the percentage of performance right that vest, if any, will be determined by reference to the performance target for the Company as above. Any performance right that remain unvested at the end of the performance period will lapse immediately.

The performance rights do not attract dividends, voting right or any capital distributions.

Participants must not sell, transfer, encumber, hedge or otherwise deal with performance rights.

If the participant ceases employment for death, permanent disability or is otherwise determined to be a 'good leaver' by the Board, unvested performance rights will vest in full, unless otherwise determined by the Board. If the participant ceases employment in any other circumstances, all unvested performance rights will lapse, unless otherwise determined by the Board. In a situation where there is likely to be a change of control, the Board has the discretion to accelerate vesting of some or all of the performance rights. Where only some of the performance rights are vested on a change of control, the remainder of the performance rights will immediately lapse.

The movements in the number of performance rights are as follows:

	Number of rights	
	2015	2014
At 1 January	367,621	-
LTIP 2014 - Granted on 12 August 2014	-	367,621
LTIP 2014 – Lapsed / forfeited	(89,491)	-
LTIP 2015 – Granted on 9 September 2015[1]	395,593	-
At 31 December	673,723	367,621

The weighted average remaining contractual life of the LTIP outstanding as at 31 December 2015 was 2.6 years (2014: 3 years).

1 The participation of the Chief Executive Officer will require approval by shareholders at the forthcoming annual general meeting. The Board will seek approval to grant 197,148 performance rights to Mr Beylier, with a face value of USD 532,300, using the VWAP for the 10-day period following announcement of the Group's half-year financial results.

Notes to the Consolidated Financial Statements

12 Share-based payment (continued)

(b) Long term incentive plan (continued)

The fair value of the LTIP granted to employees is deemed to represent the value of employee service received over the vesting period. The fair value is determined using the Monte Carlo simulation method. The factors considered in the valuation included the terms and structure of the share schemes, price and volatility of companies in similar industries and any other relevant information in relation to the shares such as dividend policy and expected exercise pattern of the shares.

Key assumptions adopted are set out below:

Grant date	9 September 2015	12 August 2014
Vesting period	3 years	3 years
Expected volatility	25% to 30%	25% to 30%
Risk-free rate	2.30%	3.17%
Dividend yield	1.5%	4.0%
Fair value at grant date per share (AU$)	AU$3.04	AU$1.11

c) Employee Option Plan

For the year ended 31 December 2013 and up to 12 August 2014, SpeedCast Acquisition Limited had an equity-settled ownership based compensation scheme for key members of management and certain Directors for SpeedCast Acquisitions Limited. The objective of the plan was to motivate and align the interests of management with those of the investors in the Company. In accordance with the provisions of the plan, key managers were offered the right to subscribe to performance shares at a price of USD0.0001 per share. The shares were to vest according to the following schedule:

On 12th month of the grant date	25%
On 15th month of the grant date	6.25%
On 18th month of the grant date	6.25%
On 21st month of the grant date	6.25%
On 24th month of the grant date	6.25%
On 27th month of the grant date	6.25%
On 30th month of the grant date	6.25%
On 33rd month of the grant date	6.25%
On 36th month of the grant date	6.25%
On 39th month of the grant date	6.25%
On 42nd month of the grant date	6.25%
On 45th month of the grant date	6.25%
On 48th month of the grant date	6.25%

Vesting ceased at resignation of a manager, at which point 50% of the vested shares were redeemed at nil value, as are non-vested shares. On the occurrence of certain events, including liquidation, dissolution or winding-up of the Company, and a sale of the majority of the equity of the Company, the unvested shares would be deemed to be vested for managers in good standing.

Under certain circumstances, including a manager's departure or bankruptcy, the Company has the right to repurchase vested shares at fair market value (or the lower of USD0.0001 and fair market value in case the manager is dismissed for cause).

The shares were non-transferable, except under the following cases:

- Under certain circumstances, as described above, the Company could repurchase the shares.
- In case of a change of control of the Company, the ultimate holding company had the right to require transfer of the performance shares, and the holders of the performance shares had the right to sell their shares.

Notes to the Consolidated Financial Statements

12 Share-based payment (continued)

(c) Employee Option Plan (continued)

The movement in the number of shares are as follow:

	Number of shares	
	2015	2014
At beginning of year	-	12,500,000
Granted on 28 February 2014	-	140,625
Granted on 2 June 2014	-	429,688
Fully vested on IPO	-	(13,070,313)
At 31 December	-	-

On IPO on 12 August 2014, all performance shares which fully vested were converted into ordinary shares of SIL.

During the year, the Group recognised share-based payment expense of USD nil (2014: USD1,210,000) in the consolidated statement of profit or loss and other comprehensive income and a corresponding increase in share based payment reserve of the same amount in respect of the fair value of the shares granted by the Company to certain employees of the Group in connection with their services rendered to the Group for the period to 12 August 2014, being the date of IPO defined as a liquidation event. This includes an amount relating to shares formally issued in 2014 but which had a grant date in 2013.

Fair value of shares and assumptions

The fair value of services received in return for shares granted is measured by reference to the fair value of shares granted. The estimate of the fair value of services received is measured based on the Monte Carlo simulation method. The factors considered in the valuation included the terms and structure of the share schemes, price and volatility of companies in similar industries and any other relevant information in relation to the shares such as dividend policy and expected exercise pattern of the shares.

Holders of performance shares are entitled to specified variable returns upon the occurrence of liquidation events. Key assumptions adopted are set out below:

Grant date	28 February 2013	31 October 2013	28 February 2014	2 June 2014
Fair value	USD0.2713	USD0.5239	USD0.5985	USD1.4771
Exercise price	USD0.0001	USD0.0001	USD0.0001	USD0.0001
Expected volatility	37.79%	38.21%	36.86%	36.50%
Risk-free rate	0.92%	1.32%	1.36%	1.36%
Expected dividend yield	0%	0%	0%	0%

Since the performance shares vested on 12 August 2014, and converted to ordinary shares, an amount of USD1,391,000, which was included in the share based payment reserve relating to these shares, was transferred to share capital in the 2014 financial year.

Notes to the Consolidated Financial Statements

12 Share-based payment (continued)

A summary of the Company's share-based compensation schemes is as follows:

Grant date	Scheme	Expiry date	Start of the year Number	Granted/ (forfeited) during the year Number	Vested during the year	Balance at the end of the year Number	Vested and exercisable at the end of the year Number
2015	RMR	July 2018	1,120,674	(39,310)	(350,212)	731,152	-
	LTIP – 2014	December 2017	367,621	(89,491)	-	278,130	-
	LTIP – 2015	December 2018	-	395,593	-	395,593	-
			1,488,295	266,792	(350,212)	1,404,875	-
2014	Employee Option Plan	September 2016 to June 2018	11,796,875	1,273,438	(13,070,313)	-	-
	RMR	July 2018	-	1,120,674	-	1,120,674	-
	LTIP	December 2017	-	367,621	-	367,621	-
			11,796,875	2,761,733	(13,07,313)	1,488,295	-

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movement.

The share price as at 31 December 2015 was AU$4.15 (2014: AU$1.84).

The life of the option is based on the historical exercise patterns, which may not eventuate in the future.

An option will vest and become exercisable to the extent that the relevant performance conditions specified at the time of grant are satisfied. The Board has discretion in relation to those performance conditions.

Total expenses arising from share-based payment transactions recognised during the year in relation to shares issued under the RMR and LTIP were USD266,000 (2014 USD1,442,000).

Notes to the Consolidated Financial Statements

13 Operating Segments

Identification of reportable segments
The Group has identified its operating segment based on the reports reviewed by the Chief Executive Officer ('CEO') that are used to make strategic decisions. The group consists of one operating segment being the sale of broadband access services in various geographic markets.

a) Segment performance

	Satellite network services	
	2015 US$'000	2014 US$'000
Revenue		
Revenue from external customers	167,591	117,679
Adjusted EBITDA	29,267	19,197
IPO and transaction related costs	(3,844)	(7,662)
Integration costs	(296)	-
Depreciation of property, plant and equipment	(7,417)	(4,256)
Amortisation of intangible assets	(7,694)	(7,872)
Finance costs, net	(3,563)	(6,287)
Share of profits from interests in joint venture	145	45
Income tax expense	(2,279)	(109)
Total net profit/(loss) after tax	4,319	(6,944)

b) Segment assets

	2015 US$'000	2014 US$'000
Segment assets – total assets other than deferred tax assets	186,724	104,327
Segment liabilities – total liabilities other than financial liabilities and deferred tax liabilities	156,399	73,429

c) Geographical information

Under one operating segment, the table below presents geographical information of total revenue based on customers' geography.

Service revenue by customers' geography

	Maritime US$'000	Australia US$'000	Pacific Islands US$'000	EMEA and other (ex-Afghanistan) US$'000	Afghanistan US$'000	Broadband services equipment revenue[1] US$'000	Total US$'000
Year ended 31 December 2015	41,034	37,688	31,228	44,219	4,059	9,363	167,591
Year ended 31 December 2014	26,614	30,289	26,815	18,635	5,334	9,992	117,679

1 Equipment revenue is not available by geography.

Notes to the Consolidated Financial Statements

13 Operating Segments (continued)

(c) Geographical information (continued)

The table below presents geographical information of the Group's non-current assets.

Year ended 31 December 2015	Maritime US$'000	Australia US$'000	Pacific Islands US$'000	EMEA and other (ex-Afghanistan) US$'000	Afghanistan US$'000	Total US$'000
Property, plant and equipment	901	8,935	2,303	14,099	-	26,238
Goodwill and intangible assets	20,648	18,707	11,367	46,001	-	96,723
Interest in joint ventures	-	-	-	190	-	190
	21,549	27,642	13,670	60,290	-	123,151

Year ended 31 December 2014	Maritime US$'000	Australia US$'000	Pacific Islands US$'000	EMEA and other (ex-Afghanistan) US$'000	Afghanistan US$'000	Total US$'000
Property, plant and equipment	1,047	2,941	1,025	9,541	-	14,527
Goodwill and intangible assets	2,422	12,720	22,080	15,521	-	52,743
Interest in joint ventures	-	-	-	45	-	45
	3,469	15,661	23,105	25,080	-	67,315

d) Major customers

There is no individual customer contributed more than 5% of total revenue for both 2015 and 2014.

14 Cash and cash equivalents

	2015 US$'000	2014 US$'000
Cash at banks and in hand	15,114	10,079

Cash and cash equivalents includes USDD304,000 (2014:Nil) which is restricted by legal or contractual arrangements.

Notes to the Consolidated Financial Statements

15 Trade and other receivables

	2015 US$'000	2014 US$'000
Trade receivables	38,784	21,777
Less: Provision for impairment of trade receivables	(3,389)	(1,621)
Trade receivables, net	35,395	20,156
Deposits and prepayments	4,145	1,538
Other receivables	3,748	1,986
Amounts due from joint ventures	-	15
	43,288	23,695

The carrying values of the trade and other receivables approximate their fair values.

The majority of the Group's sales are with credit terms of 30 to 60 days. As at 31 December 2015, trade receivables of USD20,345,000 were past due (2014: USD7,962,000) and USD3,389,000 (2014: USD1,621,000) were impaired and fully provided for. The impaired receivables mainly relate to customers' failure to make payment for more than six months from invoice date. The remaining asset after the provision relating to these receivables represents management's best estimate of the recoverable amount.

Movements on the provision for impairment of trade receivables are as follows:

	2015 US$'000	2014 US$'000
At beginning of year	1,621	1,517
Acquisitions	1,346	-
Provision for impairment of trade receivables (note 9)	645	253
Amounts written off	(179)	(149)
Exchange differences	(44)	-
At 31 December	3,389	1,621

The creation and release of provision for impaired receivables have been included in 'Other expenses' in the consolidated statement of profit or loss and other comprehensive income.

Amounts charged to the allowance accounts are generally written off when there is no expectation of recovery of additional cash.

At 31 December 2015, the other classes within trade and other receivables did not contain impaired assets (2014: Nil).

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

16 Inventories

	2015 US$'000	2014 US$'000
Merchandise	5,051	3,238
Work in progress	120	-
	5,171	3,238

The cost of inventories recognised as expense and included in cost of equipment amounted to USD6,217,000 (2014: USD5,263,000).

Notes to the Consolidated Financial Statements

17 Property, plant and equipment

	Office Equipment US$'000	2-way Equipment US$'000	Teleport Equipment US$'000	Computer Equipment US$'000	Leasehold Improvements US$'000	NOC Equipment US$'000	RCS Equipment US$'000	Motor Vehicles US$'000	Land and buildings US$'000
At 1 January 2014									
Cost	490	13,083	749	1,922	838	7,590	617	167	25,456
Accumulated depreciation	(238)	(6,337)	(565)	(1,382)	(737)	(4,050)	(603)	(61)	(13,973)
Net book amount	252	6,746	184	540	101	3,540	14	106	11,483
Year ended 31 December 2014									
Opening net book amount	252	6,746	184	540	101	3,540	14	106	11,483
Acquisition of Satcomms	22	-	-	20	7	1,047	-	-	1,096
Acquisition of Oceanic	1	-	-	-	32	171	-	14	218
Additions	105	4,148	1	167	560	1,534	11	29	6,555
Disposals	(4)	(4)	-	(4)	-	(116)	-	-	(128)
Depreciation	(78)	(2,213)	(16)	(295)	(141)	(1,469)	(3)	(41)	(4,256)
Exchange differences	(20)	(27)	(16)	(71)	(14)	(282)	-	(11)	(441)
Closing net book amount	278	8,650	153	357	545	4,425	22	97	14,527
At 31 December 2014									
Cost	693	17,192	702	2,301	1,420	11,512	627	306	34,753
Accumulated depreciation	(415)	(8,542)	(549)	(1,944)	(875)	(7,087)	(605)	(209)	(20,226)
Net book amount	278	8,650	153	357	545	4,425	22	97	14,527

Notes to the Consolidated Financial Statements

17 Property, plant and equipment (continued)

	Office Equipment US$'000	2-way Equipment US$'000	Teleport Equipment US$'000	Computer Equipment US$'000	Leasehold Improvements US$'000	NOC Equipment US$'000	RCS Equipment US$'000	Motor Vehicles US$'000	Land and buildings US$'000	Total Amount US$'000
Year ended 31 December 2015										
Opening net book amount	278	8,650	153	357	545	4,425	22	97	-	14,527
Acquisition of Hermes (Note 26(a))	179	-	365	-	42	-	5,449	14	-	6,049
Acquisition of Geolink (Note 26(b))	20	-	372	-	3	-	-	-	-	395
Acquisition of NewSat (Note 26(c))	8	-	1,009	39	-	2,119	-	33	3,982	7,190
Acquisition of SAIT (Note 26(d))	-	-	-	24	-	-	-	-	-	24
Additions	274	2,619	316	301	330	2,424	1,452	38	-	7,754
Disposals	(2)	(119)	-	(6)	-	(47)	-	(8)	(243)	(425)
Depreciation	(198)	(2,856)	(525)	(260)	(210)	(1,701)	(1,619)	(48)	-	(7,417)
Exchange differences	(18)	-	(22)	(58)	(41)	(478)	(1,229)	(13)	-	(1,859)
Closing net book amount	541	8,294	1,668	397	669	6,742	4,075	113	3,739	26,238
At 31 December 2015										
Cost	1,050	19,800	2,705	2,658	1,244	15,625	5,909	259	3,739	52,989
Accumulated depreciation	(509)	(11,506)	(1,037)	(2,261)	(575)	(8,883)	(1,834)	(146)	-	(26,751)
Net book amount	541	8,294	1,668	397	669	6,742	4,075	113	3,739	26,238

At 31 December 2015, the Group had USD 79,000 (2014: USD 129,000) office equipment held under finance leases.

Notes to the Consolidated Financial Statements

18 Goodwill and intangible assets

	Goodwill US$'000	Customer Relationship US$'000	Supplier Contracts US$'000	Trademark US$'000	Other US$'000	Total US$'000
Year ended 31 December 2014						
Opening net book amount	25,877	14,105	14,560	7,064	88	61,694
Acquisition	4,117	1,778	-	296	146	6,337
Amortisation charge	-	(1,629)	(3,810)	(2,332)	(101)	(7,872)
Exchange differences	(5,973)	(1,394)	-	(28)	(21)	(7,416)
Closing net book amount	24,021	12,860	10,750	5,000	112	52,743
As at 31 December 2014						
Cost	29,994	18,302	19,051	15,378	579	83,304
Accumulated amortisation	(5,973)	(5,442)	(8,301)	(10,378)	(467)	(30,561)
Net book amount	24,021	12,860	10,750	5,000	112	52,743
Year ended 31 December 2015						
Opening net book amount	24,021	12,860	10,750	5,000	112	52,743
Acquisition	39,185	12,264	-	1,915	2,172	55,536
Amortisation charge	-	(2,927)	(3,810)	(592)	(365)	(7,694)
Exchange differences	(2,542)	(1,288)	-	(21)	(11)	(3,862)
Closing net book amount	60,664	20,909	6,940	6,302	1,908	96,723
As at 31 December 2015						
Cost	60,664	25,928	19,051	14,536	2,639	122,818
Accumulated amortisation	-	(5,019)	(12,111)	(8,234)	(731)	(26,095)
Net book amount	60,664	20,909	6,940	6,302	1,908	96,723

Other includes brand names, capitalised research costs and other intangibles.

Notes to the Consolidated Financial Statements

18 Goodwill and intangible assets (continued)

Goodwill is allocated to the Group's cash generating units ('CGU') identified according to the operating segment. The Chief Executive Officer regards the Group's business as a single operating segment and reviews the financial information of the Group accordingly. The Group performs impairment tests on goodwill annually, or more frequently if there is any indication that it may be impaired, by comparing the recoverable amount to the carrying amount as at the balance sheet date.

As at 31 December 2015, the recoverable amount of the CGU was determined based on value-in-use calculations. These calculations used cash flow projections based on financial budgets approved by management covering a 5-year period. The pre-tax discount rate and the estimated weighted average annual sales growth rate after the 5-year budgeted period applied to the cash flow projections was approximately 11.8% and 13.6% respectively. The budgeted gross profit margin and net profit margin were determined by the management for the CGU based on past performance and its expectations for market development.

Discount rates reflect the Group's estimate of the time value of money and risks specific to each CGU that are not already reflected in the cash flows. In determining appropriate discount rates regard has been given to the weighted cost of capital of the group and business risks.

Management assessment of reasonably possible changes in the key assumptions has not identified any reasonably possible changes that would cause the carrying amount of the CGU, including goodwill, to be higher than the recoverable amount of the CGU.

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Notes to the Consolidated Financial Statements

19 Deferred tax

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	2015 US$'000	2014 US$'000
Deferred tax assets	3,088	1,504
Deferred tax liabilities	(6,164)	(3,793)
Net deferred tax liabilities	(3,076)	(2,289)

The balance comprises of temporary difference attributable to:

	Deferred tax assets		Deferred tax liabilities	
	2015 US$'000	2014 US$'000	2015 US$'000	2014 US$'000
Intangible assets	-	-	(8,334)	(6,521)
IPO Costs	-	-	1,676	2,105
Accruals and provisions	680	225	(215)	888
Tax losses	1,060	1,124	-	-
Other	1,348	155	709	(265)
Deferred tax assets/(liabilities)	3,088	1,504	(6,164)	(3,793)

The following outlines the expected settlement deferred tax amounts:

	2015 US$'000	2014 US$'000
Settled within 12 months	246	(1,592)
Settled after more than 12 months	(3,322)	(697)
Net deferred tax liabilities	(3,076)	(2,289)

The movement on the net deferred tax amounts is as follows:

	2015 US$'000	2014 US$'000
Net deferred tax liabilities at beginning of year	(2,289)	(5,088)
Acquisitions – net deferred tax liabilities	(3,377)	(164)
Acquisitions – prior year true-up	(364)	-
Credited to equity	-	907
Credited to tax expense	2,096	1,708
Exchange differences	858	348
Net deferred tax liabilities at 31 December	(3,076)	(2,289)

The deferred tax balance includes an amount of USD1,060,000 (2014: USD1,124,000) which relates to carried forward tax losses of subsidiaries in the SpeedCast International Group. For each subsidiary where the losses have been carried forward management estimate that future taxable income will be available to recover the net deferred tax asset in each of these subsidiaries based on the business plans and budgets.

Notes to the Consolidated Financial Statements

20 Trade and other payables

	2015 US$'000	2014 US$'000
Trade payables due to third parties	25,563	17,769
Other payables		
Accrued charges and other creditors	15,182	7,191
Advance receipts	3,024	3,166
Deferred revenue	6,994	3,814
Deferred consideration	3,524	-
	28,724	14,171
Total trade and other payables	54,287	31,940
Less: non-current portion		
Asset retirement obligation	(71)	(66)
Deferred contingent consideration	(3,524)	-
	(3,595)	(66)
Current portion	50,692	31,874

Trade payables are unsecured and usually paid 30–90 days from recognition.

Additional potential consideration comprising an earn-out of up to USD7.5 million is payable in relation to the acquisition of SAIT if certain revenue targets are reached in 2016. (Note 35)

On 3 August 2015, the group initially provided USD3,115,000 of additional consideration for this acquisition, comprising USD1.0 million in cash and USD2.1 million in potentially issuable ordinary SpeedCast shares. The potentially issuable ordinary SpeedCast shares are required to be re-measured to fair value at each balance date. Between the acquisition date (3 August 2015) and 31 December 2015 the fair value of these shares increased to USD2.5 million, increasing the deferred potential consideration, with the movement being charged to the income statement in accordance with Accounting Standards. (Note 10)

If the actual additional consideration varies from this amount the difference will be included in the income statement in accordance with Accounting Standards.

Notes to the Consolidated Financial Statements

21 Obligations under finance leases

At 31 December 2015, the Group had obligations under finance lease repayable as follows:

	As at 31 December 2015		As at 31 December 2014	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
	US$'000	US$'000	US$'000	US$'000
Within one year	52	46	70	67
Later than one year but not later than five years	22	21	55	50
Less: Future finance charges	(7)	-	(8)	-
Present value of lease obligations	67	67	117	117

The interest rates of the finance leases ranged from 4% to 21% (2014: 4% to 21%) for office equipment and motor vehicles.

22 Borrowings

As at 1 January 2015, the Group had revolving facilities of USD57 million with Westpac Banking Corporation, HSBC and Siemens Financial Services Inc. On 23 March 2015, the multi-currency revolving facilities were increased to USD87 million with a further increase of USD15 million on the 30 July 2015, increasing the total facility to USD102 million as at 31 December 2015. Following the increases, the revolving facilities comprised USD35 million with a 3 year term, and USD67 million with a 5 year term. All other terms remain unchanged. A further USD2.0 million bank guarantee facility is available as at 31 December 2015 of which USD1.2 million has been issued at period end.

As at 31 December 2015, USD99.4 million was drawn of which USD47.4 million was drawn in AUD and USD52.0 million in USD. USD33.5 million of the drawn amount relates to the 3 year facility and USD65.9 million relates to the 5 year facility.

The credit lines are subject to the completion of affirmative and negative covenants, including the commitment not to exceed certain financial ratios semiannually. As of 31 December 2015 the Group has met all its financial covenants. The covenants include the following ratios, which are contractually defined in the agreement: Interest Cover Ratio (pro forma EBITDA / net interest expense) and Net Leverage Ratio (net debt/pro forma EBITDA).

At 31 December 2015, interest-bearing bank loans and overdrafts were due for payment as follows:

	2015	2014
	US$'000	US$'000
Portion of bank loans due for repayment within one year	-	-
After 1 year but within 2 years	33,450	-
After 2 years but within 5 years	65,904	41,278
	99,354	41,278

Notes to the Consolidated Financial Statements

23 Derivative financial instruments

	2015 US$'000	2014 US$'000
Carried at fair value		
- Interest rate swap contracts	3	2
- Interest rate cap/floor/collar contracts	3	8
	6	10

During the year ended 31 December 2015, the Group obtained AUD and USD denominated borrowings (note 22). Certain derivative contracts were entered into to partially hedge the cash flow interest rate risk. The balances shown above represented the fair values of these derivative contracts as at 31 December 2015. The Group recognised a net fair value gain of USD4,000 in relation to these financial instruments in the 'other gain' in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2015 (2014: gain of USD201,000).

The total notional principal amount of the outstanding interest rate swap contracts as at 31 December 2015 was USD5,000,000 (2014: USD5,000,000).

The total notional principal amount of the outstanding interest rate cap/floor/collar contracts as at 31 December 2015 was USD19,000,000 (2014: USD19,000,000).

24 Equity

a) Contributed equity

	2015		2014	
	No. of Shares	US$'000	No. of Shares	US$'000
Contributed equity				
Share capital as at 1 January	120,168,355	84,126	23,365,400*	35,864
Preference shares issued	-	-	152,805	991
Performance shares issued	-	-	1,273,438	-
Transfer from share-based payment reserve for vested performance shares	-	-	-	1,391
Conversion of performance shares to ordinary shares**	-	-	69,390,644	-
Conversion of performance shares to ordinary shares	-	-	(317,347)	-
Issue of ordinary shares by SpeedCast International at IPO	-	-	26,303,415	48,327
Conversion of restricted management rights to ordinary shares (note 12)	350,212	207	-	-
Issue of ordinary shares – Geolink	132,940	202	-	-
Issue of ordinary shares – SAIT	167,706	400	-	-
Capital raising costs	-	(43)	-	(3,354)
Deferred tax recorded directly in equity	-	-	-	907
	120,819,213	84,892	120,168,355	84,126

* Share capital of SpeedCast Acquisitions Limited, is pre-reorganisation capital structure, which included Preference Shares, Performance Shares and Share Premium Reserve. All amounts in these accounts are transferred to Ordinary Share Capital as part of the reorganization at the time of the IPO.

** The existing shares in SpeedCast Acquisitions Limited were converted to shares in SpeedCast International as part of the reorganization, which had no impact on the total value of contributed equity.

Notes to the Consolidated Financial Statements

24 Equity (continued)

a) Contributed equity (continued)

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Group. On a show of hands at meetings of the Group, each holder of ordinary shares has one vote in person or by proxy, and on a poll each share is entitled to one vote.

The Group does not have a limited amount of authorised capital or par value in respect of its shares.

Options

For information relating to share options including details of options issued, exercised and lapsed during the financial year and the options outstanding at year end, refer to the Directors' Report and note 12.

b) Other reserves

	Share-based payments US$'000	Foreign currency translation US$'000	Total other reserves US$'000
As at 1 January 2014	181	4,527	4,708
Currency translation differences	-	(5,246)	(5,246)
	181	(719)	(538)
Share-based payment expenses	1,442	-	1,442
Transfer from share based payment reserve for vested performance shares	(1,391)	-	(1,391)
As at 31 December 2014	232	(719)	(487)
As at 1 January 2015	232	(719)	(487)
Currency translation differences	-	(743)	(743)
	232	(1,462)	(1,230)
Transactions with owners in their capacity as owners			
Share-based payment expenses	266	-	266
Transfer from share based payment reserve for vested performance rights	(207)	-	(207)
As at 31 December 2015	291	(1,462)	(1,171)

Share-based payment reserve

The share-based payment reserve is used to recognise the fair value of options at grant date issued to employees and Directors. When shares are issued the amount recognised in this reserve is transferred to equity.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed.

The decrease in the foreign currency reserve translation reserve is primarily due to effect of the appreciation of the United States dollar against the Australian dollar, Euro and Great British Pound during the year.

Notes to the Consolidated Financial Statements

24 Equity (continued)

c) Accumulated losses

	2015 US$'000	2014 US$'000
Balance as at 1 January	55,040	18,096
Net (profit)/loss for the year	(4,319)	6,944
Dividend declared and paid	5,757	30,000
Balance as at 31 December	56,478	55,040

The Final dividend for the year ended 31 December 2014 was paid in April 2015 and an Interim dividend for the year ended 31 December 2015 was paid in October 2015. Refer to note 27.

25 Reconciliation of profit/(loss) before income tax to net cash inflows from operating activities

	2015 US$'000	2014 US$'000
Profit/(Loss) before income tax	6,598	(6,835)
Adjustments for:		
Depreciation of property, plant and equipment	7,417	4,256
Amortisation of intangible assets	7,694	7,872
(Gain)/loss on disposal of property, plant and equipment	(1)	25
Share-based payment expense	266	1,442
Fair value (gain) on derivative financial instruments	(4)	(201)
Provision for impairment of trade receivables	645	253
Provision for impairment of inventory	197	-
Share of profits from interest in joint ventures	(145)	(45)
Finance costs	3,186	7,918
Exchange (gain) from borrowings	-	(1,631)
Foreign exchange losses	659	622
IPO and transaction related costs	4,141	7,662
Changes in working capital:		
(Increase) in inventories	(1,103)	(1,442)
(Increase) in trade and other receivables	(14,707)	(4,423)
Increase in trade and other payables	9,473	5,254
Capitalised labour costs	(739)	-
Cash generated from operating activities	23,577	20,727

In the consolidated statement of cash flows, proceeds from sale of property, plant and equipment comprise:

	2015 US$'000	2014 US$'000
Net book amount	425	129
Gain/(loss) on disposal of property, plant and equipment	1	(25)
Proceeds from disposal of property, plant and equipment	426	104

Notes to the Consolidated Financial Statements

26 Business combinations

As of the date of this report, verifications of individual assets or liabilities of the acquired businesses are in progress and the Group has not finalised the fair value assessments. The fair value of individual assets or liabilities stated below are based on the Director's best estimation. The fair values of the assets or liabilities acquired and the amounts of goodwill to be recorded will be adjusted in the consolidated financial statements for the year ending 31 December 2016 on the finalisation of the purchase price allocation.

a) Hermes

On 13 March 2015, the Group entered into a definitive agreement to acquire 100% shares of Hermes, a leading global provider of managed network services for the upstream oil and gas industry. The acquisition was completed on 26 March 2015.

Goodwill of USD18.7 million arises mainly from the ability to strengthen the Group's ability to serve and support energy customers worldwide including areas such as Russia, the Middle East and North, West and East Asia.

The following table summarises the consideration paid, the estimated fair value of assets and liabilities acquired at the acquisition date.

	US$'000
Consideration:	
Cash	28,369
Recognised amounts of identifiable assets acquired and liabilities assumed:	
Cash and cash equivalents	1,919
Inventory	559
Trade and other receivables	4,841
Property, plant and equipment (note 17)	6,049
Intangible assets	5,251
Trade and other payables	(7,849)
Deferred tax liabilities	(1,139)
Total identified net assets	9,631
Goodwill	18,738

The fair value of the acquired identifiable intangible assets was determined using income based approach based on the valuations performed by Roma Appraisals Limited, an independent professional valuer.

Notes to the Consolidated Financial Statements

26 Business combinations (continued)

b) Geolink

On 1 May 2015, the Group completed the acquisition of 100% of the shares of Geolink, a leading provider of satellite communications solution in the African region.

Goodwill of USD5.8 million arises from a number of factors. The most significant amongst these is the premium attributable to a pre-existing, well-positioned business that is in operation in a competitive market. Other significant factors include synergies through accessing a highly skilled workforce and obtaining economies of scale.

The following table summarises the consideration paid, the estimated fair value of assets and liabilities acquired at the acquisition date.

	US$'000
Consideration:	
Cash	8,964
Ordinary Issued Shares	202
Total Purchase Consideration	9,166
Recognised amounts of identifiable assets acquired and liabilities assumed:	
Cash and cash equivalents	457
Inventory	318
Trade and other receivables	3,085
Property, plant and equipment (note 17)	395
Intangible assets	2,486
Trade and other payables	(2,855)
Deferred tax liabilities	(492)
Total identified net assets	3,394
Goodwill	5,772

The fair value of the acquired identifiable intangible assets was determined using income based approach based on the valuations performed by Roma Appraisals Limited, an independent professional valuer.

Notes to the Consolidated Financial Statements

26 Business combinations (continued)

c) NewSat

On 10 July 2015, the Group entered into a definitive agreement to acquire assets of NewSat, the largest satellite communications company in Australia, for AUD12 million. The acquisition was completed on the same day.

Goodwill of USD2.3 million arises from a number of factors. The most significant amongst these include synergies through accessing a highly skilled workforce and obtaining economies of scale.

The following table summarises the consideration paid, the estimated fair value of assets and liabilities acquired at the acquisition date.

	US$'000
Consideration:	
Cash	8,754
Recognised amounts of identifiable assets acquired and liabilities assumed:	
Inventory	372
Property, plant and equipment (note 17)	7,189
Intangible assets	394
Trade and other payables	(1,456)
Deferred tax liabilities	(5)
Total identified net assets	6,494
Goodwill	2,260

The fair value of the acquired identifiable intangible assets was determined using income based approach based on the valuations performed by Roma Appraisals Limited, an independent professional valuer.

Notes to the Consolidated Financial Statements

26 Business combinations (continued)

d) SAIT

On 28 July 2015, the Group entered into a share purchase agreement to purchase 100% of the share capital of SAIT, a leading supplier of L-band satellite service in the southern European maritime market, for an initial consideration of USD14.2 million. Further consideration of up to USD7.5 million is potentially payable on the achievement of certain revenue targets in 2016. The acquisition was completed on 3 August 2015.

Goodwill of USD12.4 million arises mainly from the ability for the Group to increase its market share in the maritime market, enhance its service portfolio with additional offerings and significantly expand into important shipping sectors.

	US$'000
Consideration:	
Cash	13,800
Ordinary Issued Shares	400
Contingent Consideration (note 35)	3,115
Total Purchase Consideration	17,315
Recognised amounts of identifiable assets acquired and liabilities assumed:	
Cash and cash equivalents	1
Property, plant and equipment (note 17)	24
Intangible assets	6,674
Deferred tax liabilities	(1,741)
Total identified net assets	4,958
Goodwill	12,357

The fair value of the acquired identifiable intangible assets was determined using income based approach based on the valuations performed by Roma Appraisals Limited, an independent professional valuer.

e) ST Teleport

On 13 November 2015, the Group entered into a definitive agreement to acquire the shares of ST Teleport, a leading satellite communications service provider based in Singapore with a key focus on global maritime and oil and gas customers. The acquisition is not complete at 31 December 2015.

f) NewCom

On 29 December 2015, the Group entered into a definitive agreement to acquire the shares of NewCom, a leading satellite communications service provider specialising in the South and Central American regions and extending into the Caribbean, Mexico and Africa. The acquisition is not complete at 31 December 2015.

Notes to the Consolidated Financial Statements

26 Business combinations (continued)

g) Additional information

Acquisition-related costs of USD3,844,000 (2014: USD543,000) have been charged to IPO and transaction related costs in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2015.

In the consolidated statement of cash flows, payment for acquisition of these businesses comprises:

	Hermes US$'000 (Note 26(a))	Geolink US$'000 (Note 26(b))	NewSat US$'000 (Note 26(c))	SAIT US$'000 (Note 26(d))	Total US$'000
Outflow of cash to acquire subsidiaries					
Cash consideration paid	28,369	8,964	8,754	13,800	59,887
Cash and cash equivalents of subsidiaries acquired	(1,919)	(457)	-	(1)	(2,377)
Cash outflow on acquisition of subsidiaries, net of cash acquired					57,510

The total revenue (service, equipment sales and voice) included in the consolidated income statement since the dates of the above acquisitions contributed USD45,539,000 for the year ended 31 December 2015.

Due to financial, legal and operational integration activities completed since the acquisition dates, it is impracticable to disclose either the profit or loss of the combined entities as though the acquisitions dates had been 1 January 2015, or the amount of the acquired entities' profit or loss since the acquisition included in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2014.

27 Dividends

	2015 US$'000	2014 US$'000
Dividends declared during the year		
Interim dividend for the year ended (2015: AU3.00 cents per fully paid ordinary share, 2014: USD2.5932 per fully-paid preference share pre-IPO)	2,630	30,000
Final dividend for the year ended 31 December 2014 of AU3.36 cents per fully-paid share post-IPO and paid in 2015	3,127	-

On 24 February 2016, the Directors approved the payment of a dividend of AU3.65 cents per share which will be fully franked.

Notes to the Consolidated Financial Statements

28 Earnings per share

		2015 Cents	2014 Cents
a	Basic profit/(loss) per share attributable to ordinary equity holder of the Group	3.59	(7.28)
b	Diluted profit/(loss) per share attributable to ordinary equity holder of the Group	3.54	(7.28)

		2015 US$'000	2014 US$'000
c	Earnings used in calculating earnings per share		
	Basic profit/(loss) per share	4,319	(6,944)
	Diluted profit/(loss) per share	4,319	(6,944)

		2015 Number	2014 Number
d	Weighted average number of share used as denominator		
	Number of ordinary shares used as the denominator in calculating basic earnings per share	120,428,974	95,391,242
	Adjustments for calculation of diluted earnings per share:		
	Weighted average of Restricted Management Rights and long term incentives	1,460,172	-
	Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	121,889,146	95,391,242

29 Commitments

a) Capital commitments

Capital expenditure contracted for at the end of the year but not yet purchased is as follows:

	2015 US$'000	2014 US$'000
Purchase of property, plant and equipment	1,305	658

b) Operating lease commitments

The Group leases certain of its office premises under non-cancellable operating leases. Leases are negotiated for an average term of one to five years. The lease expenditure charged in the consolidated statement of profit or loss and other comprehensive income during the year is disclosed in note 9.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2015 US$'000	2014 US$'000
No later than 1 year	1,159	1,376
Later than 1 year and no later than 5 years	2,351	2,403
Later than 5 years	293	-
	3,803	3,779

Notes to the Consolidated Financial Statements

30 Related party transactions

The following transactions were carried out with related parties:

a) **Key management personnel compensation**

Key management personnel includes Chief Executive Officer, Chief Financial Officer, Head of Operations, Business Unit Heads and the Board of Directors. Their remuneration included within employee expenses for the year is shown below:

	2015 US$'000	2014 US$'000
Short-term employee benefit	2,182	1,799
Post-employment benefits	137	131
Share-based payments	131	997
	2,450	2,927

The Remuneration Report contained in the Annual Report contains details of the remunerations paid or payable to each member of the Group's key management personnel for the year ended 31 December 2015.

No termination payments were made in 2015 or 2014.

FINANCIAL REPORT

Notes to the Consolidated Financial Statements

31 Investments in subsidiaries

The following is the list of the principal subsidiaries at 31 December 2015:

Name	Place of incorporation and kind of legal entity	Principal activities and place of Operation	Particulars of issued share capital and debt securities	2015 Interest Held	2014 Interest Held
Directly held:					
SpeedCast Group Holdings Pty Ltd	Australia, limited liability company	Investment holding company	1 ordinary share of A$1 each	100%	100%
SpeedCast Limited	Hong Kong, limited liability company	Provision of satellite communication service and network solution in Asia-Pacific	10,000,000 ordinary shares of HK$0.01 each (2014: HK$100,000)	100%	100%
SpeedCast Malaysia Sdn. Bhd.	Malaysia, limited liability company	Provision of satellite communication service in Malaysia.	500,000 ordinary shares of MYR 1.00 each (2014: MYR 500,000)	100%	100%
SpeedCast UK Holdings Limited	United Kingdom, limited liability company	Investment holding company	100 ordinary shares of £1 each (2014: N/A)	100%[1]	0%
SAIT Communications Limited	Cyprus, limited liability company	Provision of maritime and offshore satellite communication services	1,000 ordinary share of EUR1 each (2014: N/A)	100%[2]	0%
Indirectly held:					
SpeedCast Singapore Pte. Ltd	Singapore, limited liability company	Provision of maritime and offshore satellite communication services in Singapore	1 ordinary share of SG$1 each (2014: 1 ordinary share of SG$1)	100%	100%
SpeedCast (Beijing) Communication Technology Company Limited	The People's Republic of China (the 'PRC'), limited liability company	Provision of satellite communication network solutions and technical consultancy services in the PRC	Registered capital of USD340,000 (2014: USD340,000)	100%	100%
SpeedCast Australia Pty. Ltd (Formerly known as Australian Satellite Communications Pty. Ltd. ('ASC'))	Australia, limited liability company	Provision of satellite communication network solutions and technical consultancy services in Asia Pacific	1 ordinary share of A$1 each (2014: A$1)	100%	100%
SpeedCast Pacific Pty. Ltd. (Formerly known as Pactel International Pty Limited)	Australia, limited liability company	Provision of satellite communications service in Asia Pacific	1,600 ordinary shares of A$0.625 each (2014: 1,600 ordinary shares of A$ 0.625 each)	100%	100%
Pactel PNG Limited	Papua New Guinea, limited liability company	Provision of satellite communications service provider in Papua New Guinea	100 ordinary shares of PNG Kina $1 each (2014: 100 ordinary shares of PNG Kina $1 each)	100%	100%
SpeedCast Europe B.V.	Netherlands, limited liability company	Provision of maritime and offshore satellite communication services	180 ordinary shares of EUR 100 each (2014: 180 ordinary shares of EUR 100 each)	100%	100%
SpeedCast Netherlands B.V.	Netherlands, limited liability company	Investment holding company	1 ordinary share of EUR 1 each (2014: 1 ordinary share of EUR 1 each)	100%	100%

1 SpeedCast UK Holdings Limited was first incorporated on 10 March 2015 as a wholly owned subsidiary of SpeedCast International Limited.
2 SAIT Communications Limited was first incorporated on 8 October 2015 as a wholly owned subsidiary of the Group.

Notes to the Consolidated Financial Statements

31 Investments in subsidiaries (continued)

Name	Place of incorporation and kind of legal entity	Principal activities and place of Operation	Particulars of issued share capital and debt securities	2015 Interest Held	2014 Interest Held
Indirectly held (Continued)					
Satellite Communications Australia Pty Limited	Australia, limited liability company	Provision of satellite communications service in Asia Pacific	1,000 ordinary share of A$0.1 each (2014: 1,000 ordinary share of A$0.1 each)	100%	100%
Oceanic Broadband Solutions Pty Ltd	Australia, limited liability company	Provision of satellite communications service based in Queensland.	100 ordinary shares of A$1 each (2014: 100 ordinary shares of A$1 each)	100%	100%
SpeedCast Americas, Inc.	State of Delaware. United States of America, limited liability company	Provision of satellite communications service based in Houston.	10,000 common stock of USD0.01 each (2014: 10,000 common stock of USD0.01 each)	100%	100%
Hermes Datacommunications International Limited	United Kingdom, limited liability company	Provision of satellite communications service based in UK.	950,000 ordinary shares of £0.01 each (2014: N/A)	100%[3]	0%
LLC Connect VSAT (Formerly known as SARL Connect VSAT)	Algeria, limited liability company	Provision of satellite communications service based in Algeria.	DZD 1,000,000 (2014: N/A)	100%[4]	0%
Connect VSAT Angola, LDA	Angola, limited liability company	Provision of satellite communications service based in Angola.	100,000 Angolan Kwanzas (2014: N/A)	100%[5]	0%
Euphrates Crescent General Trading Private Limited Liability Company	Iraq, limited liability company	Provision of satellite communications service based in Iraq.	IQD 1,000,000 (2014: N/A)	100%[6]	0%
Hermes Datacomms LLP	Kazakhstan, limited liability company	Provision of satellite communications service based in Kazakhstan.	KZT 107,899 (2014: N/A)	100%[7]	0%
Hermes Datacommunications Kenya Limited	Kenya, limited liability company	Dormant	KES 100,000 (2014: N/A)	100%[8]	0%
Hermes Datacommunications International Limited	Kurdistan, limited liability company	Dormant	1,000,000 Iraqi Dinars (2014: N/A)	100%[9]	0%
Hermes Communications Libya	Libya, limited liability company	Provision of satellite communications service based in Libya.	IQD 1,000,000 (2014: N/A)	100%[10]	0%

3 Hermes Datacommunications International Limited became a wholly owned subsidiary of SpeedCast UK Holdings Limited on 13 March 2015.
4 LLC Connect VSAT, formerly known as SARL Connect VSAT, became a wholly owned subsidiary of SpeedCast UK Holdings Limited on 13 March 2015.
5 Connect VSAT Angola, LDA became a wholly owned subsidiary of SpeedCast UK Holdings Limited on 13 March 2015.
6 Euphrates Crescent General Trading Private Limited Liability Company became a wholly owned subsidiary of SpeedCast UK Holdings Limited on 13 March2015.
7 Hermes Datacomms LLP became a wholly owned subsidiary of SpeedCast UK Holdings Limited on 13 March 2015.
8 Hermes Datacommunications Kenya Limited became a wholly owned subsidiary of SpeedCast UK Holdings Limited on 13 March 2015.
9 Hermes Datacommunications International Limited became a wholly owned subsidiary of SpeedCast UK Holdings Limited on 13 March 2015.
10 Hermes Communications Libya became a wholly owned subsidiary of SpeedCast UK Holdings Limited on 13 March 2015.

Notes to the Consolidated Financial Statements

31 Investments in subsidiaries (continued)

Name	Place of incorporation and kind of legal entity	Principal activities and place of Operation	Particulars of issued share capital and debt securities	2015 Interest Held	2014 Interest Held
Indirectly held (Continued)					
SpeedCast Energy SDN. BHD (Formerly known as Hermes Datacommunications (M) SDN. BHD)	Malaysia, limited liability company	Provision of satellite communications service based in Malaysia.	MYR 350,000 (2014: N/A)	100%[11]	0%
Hermes Datacomms Myanmar Co. Limited	Myanmar, limited liability company	Dormant	USD50,000 (2014: N/A)	100%[12]	0%
OOO Hermsat	Russia, limited liability company	Provision of satellite communications service based in Russia.	RUB 10,000 (2014: N/A)	100%[13]	0%
Hermes Datacomms Singapore Pte Limited	Singapore, limited liability company	Liquidated	SGD 1,000 (2014: N/A)	100%[14]	0%
Orta Aziya Aragatnashyk	Turkmenistan, limited liability company	Provision of satellite communications service based in Turmenistan.	6,000 Manats (2014: N/A)	100%[15]	0%
Hermes Datacommunications USA, Inc.	United States of America, limited liability company	Provision of satellite communications service based in US.	USD1,000 (2014: N/A)	100%[16]	
SpeedCast France, formerly known as Geolink Satellite Services SAS	France	Provision of maritime and offshore satellite communication services in Europe and Africa.	EUR 100,000 (2014: N/A)	100%[17]	

11 SpeedCast Energy SDN. BHD, formerly known as Hermes Datacommunications (M) SDN. BHD, became a wholly owned subsidiary of SpeedCast UK Holdings Limited on 13 March 2015.
12 Hermes Datacomms Myanmar Co. Limited became a wholly owned subsidiary of SpeedCast UK Holdings Limited on 13 March 2015.
13 OOO Hermsat became a wholly owned subsidiary of SpeedCast UK Holdings Limited on 13 March 2015.
14 Hermes Datacomms Singapore Pte Limited became a wholly owned subsidiary of SpeedCast UK Holdings Limited on 13 March 2015.
15 Orta Aziya Aragatnashyk became a wholly owned subsidiary of SpeedCast UK Holdings Limited on 13 March 2015.
16 Hermes Datacommunications USA, Inc. became a wholly owned subsidiary of SpeedCast UK Holdings Limited on 13 March 2015.
17 SpeedCast France, formerly known as Geolink Satellite Services SAS, became a wholly owned subsidiary of SpeedCast UK Holdings Limited on 1 May 2015.

32 Investments in joint ventures

Name	Type of joint arrangement	Place of incorporation and kind of legal entity	Principal activities and place of Operation	Percentage owned (%) 2015	Percentage owned (%) 2014
Satcomms Limited	Joint Venture	British Virgin Islands	Provision of satellite communications service	50	50
Satellite Communications NZ Limited	Joint Venture	New Zealand	Provision of satellite communications service in New Zealand	50	50
Vcomms Limited	Joint Venture	Papua New Guinea	Dormant	50	50

Notes to the Consolidated Financial Statements

33 Deed of Cross-Guarantee

The subsidiaries listed below are parties to a deed of cross guarantee under which each company guarantees the debts of the others. Under ASIC class order 98/1418 there is no requirement for these subsidiaries to prepare and lodge a financial report and Director's report.

The subsidiaries subject to the deed are:

(i) SpeedCast Australia Pty Ltd

(ii) SpeedCast Group Holdings Pty Ltd

(iii) SpeedCast Pacific Pty Ltd

(iv) Satellite Communications Australia Pty Ltd

(v) Oceanic Broadband Solutions Pty Ltd

These companies represent a closed group for the purposes of the class order.

The consolidated statement of profit or loss and other comprehensive income and consolidated balance sheet, comprising the closed group, after eliminating all transactions between parties to the deed of cross guarantee are shown below. The deed of cross guarantee was executed on 15 December 2014.

Consolidated statement of profit or loss and other comprehensive income

	2015 US$'000	2014 US$'000
Revenue from continuing operations	85,617	73,742
Cost of equipment and bandwidth services	(58,967)	(46,481)
Other gain	-	140
Staff costs	(8,063)	(7,784)
Depreciation of property, plant and equipment	(1,455)	(1,068)
Amortisation of intangible assets	(1,646)	(3,623)
IPO and transaction related costs	(3,755)	(7,282)
Other expenses, net	(4,973)	(8,943)
Finance costs, net	(2,511)	(5,302)
Share of profit from interest in joint venture	5	5
Profit/(loss) before income tax	4,252	(6,596)
Income tax (expense)/credit	(2,695)	276
Profit/(loss) for the year attributable to owners of the Company	1,557	(6,320)
Other comprehensive income		
Item that may be reclassified to profit and loss		
- Currency translation difference	(2,612)	(13,086)
Total comprehensive (loss) for the year attributable to members of the entity	(1,055)	(19,406)

Notes to the Consolidated Financial Statements

33 Deed of Cross-Guarantee (continued)

Consolidated Statement of Financial Position	2015 US$'000	2014 US$'000
ASSETS		
Current assets		
Cash and cash equivalents	5,476	8,056
Trade and other receivables	17,504	13,995
Inventories	1,308	891
Total current assets	24,288	22,942
Non-current assets		
Interests in joint ventures	5	5
Property, plant and equipment	11,238	3,966
Goodwill and intangible assets	32,550	34,800
Investment in subsidiaries	38,429	10,174
Deferred tax asset	1,078	-
Total non-current assets	83,300	48,945
Total assets	107,588	71,887
LIABILITIES		
Current liabilities		
Trade and other payables	25,130	19,812
Income tax payable	1,791	110
Deferred tax liability	-	558
Amount due to related companies	2,754	2,871
Total current liabilities	29,675	23,351
Non-current liabilities		
Borrowings	62,354	29,478
Obligations under finance leases	14	51
Other payables	2,524	-
Total non-current liabilities	64,892	29,529
Total liabilities	94,567	52,880
Net assets	13,021	19,007
EQUITY		
Equity attributable to owners of the Company		
Contributed equity	46,647	45,880
Other reserves	(15,407)	(12,855)
Retained earnings	(18,219)	(14,018)
Total equity	13,021	19,007

Notes to the Consolidated Financial Statements

34 Parent entity financial information

The following information has been extracted from the books and records of the parent entity, SpeedCast International Limited and has been prepared in accordance with Australian Accounting Standards.

The financial information for the parent entity, SpeedCast International Limited has been prepared on the same basis as the consolidated financial statements.

Statement of Financial Position	2015 US$'000	2014 US$'000
Assets		
Current assets	69,204	77,335
Non-current assets	75,223	42,659
Total assets	144,427	119,994
Liabilities		
Current liabilities	2,522	1,997
Non-current liabilities	39,340	4,236
Total liabilities	41,862	6,233
Equity attributable to owners of the Company		
Contributed equity	46,647	45,880
Other reserves	(17,256)	(11,074)
Retained earnings	73,174	78,955
	102,565	113,761
Profit/(loss) for the year	(23)	78,955

Contingent liabilities for the parent entity are included in note 35 below.

35 Contingent liabilities

Additional potential consideration comprising an earn-out of up to USD7.5 million is payable in relation to the acquisition of SAIT if certain revenue growth targets are reached in 2016, starting at USD1.5 million (split between cash of USD0.5 million and ordinary shares of USD1.0 million) for the achievement of USD23 million of revenue in 2016 and increasing progressively with revenue growth. The total amount potentially payable is capped at an amount of USD7.5 million for significant outperformance split into cash consideration of USD4.5 million and SpeedCast ordinary shares of USD3.0 million.

On 3 August 2015 the parent initially provided USD3,115,000 of additional consideration for this acquisition, comprising USD1.0 million in cash and USD2.1 million in potentially issuable ordinary SpeedCast shares. The potentially issuable ordinary SpeedCast shares are required to be re-measured to fair value at each balance date. Between the acquisition date (3 August 2015) and 31 December 2015 the fair value of these shares increased to USD2.5 million, increasing the deferred potential consideration, with the movement being charged to the income statement in accordance with Accounting Standards.

Other than as noted above the Group did not have any material contingent assets or liabilities as at 31 December 2015 (2014: Nil).

Notes to the Consolidated Financial Statements

36 Auditors' remuneration

	2015 US$	2014 US$
Remuneration of auditor of the parent entity – PricewaterhouseCoopers Australia ("PwC")		
Audit and review of financial statements	363,626	207,688
Taxation services	39,907	9,134
Total remuneration of PricewaterhouseCoopers Australia	403,533	216,822
Remuneration to other related entities of PwC Australia		
Audit and review of financial statements	208,341	181,271
Transaction related services	382,576	1,246,224
Other services	16,274	109,912
Total remuneration of other related entities of PricewaterhouseCoopers Australia	607,191	1,537,407
Remuneration to auditors other than PwC Australia or its related entities		
Audit and other assurance services	14,769	-
Taxation services	54,906	-
Total remuneration to auditors other than PwC Australia or its related entities	69,675	-

37 Events after the balance sheet date

On 15 January 2016, the Group entered into a definitive agreement to acquire assets of United Satellite Group, a satellite communications company operating in Australia and Oceanic, for AU1.5 million. The acquisition was completed on the same day.

Other than the above, there have been no other material post balance sheet events since 31 December 2015.

DIRECTORS' DECLARATION

In the Directors' Opinion:

1. the financial statements and notes set out on pages 40 to 102 are in accordance with the Corporations Act 2001, including:

   a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

   b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the financial year ended on that date, and

2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable, and

3. at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in note 33 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 33.

Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Directors dated on 30 March 2016.

Pierre-Jean Beylier
Chief Executive Officer, Executive Director
30 March 2016

Teleport Facilities at
ST Teleport, Singapore

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of SpeedCast International Limited

Report on the financial report

We have audited the accompanying financial report of SpeedCast International Limited (the company), which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income , consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for SpeedCast International Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the consolidated entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757
Level 11, 70 Franklin Street, ADELAIDE SA 5000, GPO Box 418, ADELAIDE SA 5001
T: +61 8 8218 7000, F: +61 8 8218 7999, www.pwc.com.au

INDEPENDENT AUDITOR'S REPORT

Auditor's opinion

In our opinion:

(a) the financial report of SpeedCast International Limited is in accordance with the *Corporations Act 2001,* including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

(b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 2.

Report on the Remuneration Report

We have audited the remuneration report included in pages 27 to 37 of the directors' report for the year ended 31 December 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of SpeedCast International Limited for the year ended 31 December 2015 complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

Andrew Forman
Partner

Adelaide
30 March 2016

ASX ADDITIONAL INFORMATION

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 7 April 2016.

Substantial Shareholders

Substantial shareholders as disclosed in substantial shareholder notices given to the company are as follows:

	Shareholders	Number of shares	Percentage held %
1	Merrill Lynch (Australia) Nominees Pty Ltd	29,509,093	24.29%
2	JCP Investment Partners Ltd	11,366,848	9.36%
3	Greencape Capital Pty Limited	10,757,318	8.85%
4	Mr Pierre-Jean Joseph Andre Beylier	7,093,859	5.84%
		58,727,118	48.33%

Voting Rights

Ordinary Shares

On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options

No voting rights.

Distribution of equity security holders

Range	Securities	No. of holders
100,001 and Over	116,387,480	28
10,001 to 100,000	2,458,383	103
5,001 to 10,000	1,298,289	164
1,001 to 5,000	1,170,418	426
1 to 1,000	189,956	419
Total	121,504,526	1,140
Unmarketable Parcels	821	37

ASX ADDITIONAL INFORMATION

Twenty largest shareholders			
1	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	29,551,558	24.32%
2	J P MORGAN NOMIN[EES AUSTRALIA LIMITED	28,644,550	23.57%
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	17,640,395	14.52%
4	CITICORP NOMINEES PTY LIMITED	14,730,729	12.12%
5	NATIONAL NOMINEES LIMITED	10,006,614	8.24%
6	UBS NOMINEES PTY LTD	5,041,093	4.15%
7	BNP PARIBAS NOMS PTY LTD	2,263,733	1.86%
8	BNP PARIBAS NOMINEES PTY LTD	1,733,287	1.43%
9	RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED	870,547	0.72%
10	UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	675,711	0.56%
11	MR MARK ERIC BORGAS	533,165	0.44%
12	BRISPOT NOMINEES PTY LTD	477,994	0.39%
13	MR WAI KIT CHUNG	459,968	0.38%
14	MR RICHARD FRANK CARDEN	362,196	0.30%
15	MR ALLEN HARTMAN SCHOONMAKER	340,125	0.28%
16	CITICORP NOMINEES PTY LIMITED	326,832	0.27%
17	DEW DROPS PTY LTD	259,210	0.21%
17	PETER JACKSON	259,210	0.21%
17	GRANT FERGUSON	259,210	0.21%
18	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	230,933	0.19%
19	IPDO COMMUNICATIONS PTY LTD	230,666	0.19%
20	CS FOURTH NOMINEES PTY LIMITED	200,225	0.16%
	Total	**115,097,951**	**94.73%**
	Balance of register	**6,406,575**	**5.27%**
	Grand total	**121,504,526**	**100.00**

Unissued Equity Securities

Options issued 1,338,406.

Securities under escrow

132,940 Shares issued as part of the acquisition of Geolink Satellite Services SAS, under escrow until 14 May 2016.

167,706 Shares issued as part of the acquisition of SAIT Communications Limited, under escrow until 10 August 2017.

618,844 Shares issued as part of the acquisition of Newcom International Inc., under escrow until 31 March 2018.

Securities exchange

The Company is listed on the Australian Securities Exchange.

CORPORATE DIRECTORY

Directors

John Mackay – Chairman
PJ Beylier – Chief Executive Officer
Grant Ferguson
Peter Jackson
Ed Sippel
Michael Malone
Michael Berk

Company Secretary

Andrew Metcalfe

Notice of Annual General Meeting

The Annual General Meeting of SpeedCast International Limited will be held at:

Museum of Sydney

Phillip St & Bridge Street, Sydney NSW 2000, Australia

Time: 9am (Sydney local time)

Date: Friday, 20 May 2016

Registered Office

Suite 4F, 12 Lord Street, Bontany, NSW, 2019, Australia

Principal Place of Business

SpeedCast Headquarters

2405-08, Dah Sing Financial Center 108 Gloucester Road, Wanchai, Hong Kong

Share Register

Link Market Services Limited

Level 12, 680 George Street , Sydney, NSW, 2000, Australia

Auditor

PricewaterhouseCoopers

Level 11, 70 Franklin Street, Adelaide, SA 5000

Stock Exchange Listing

SpeedCast International Limited shares are listed on the Australian Securities Exchange (ASX Code: SDA)

Website

www.speedcast.com