



ViaSat, Inc.

FY 10 Q3 Results

February 8, 2010

Safe Harbor Disclosure



Forward-Looking Statements

This presentation contains “forward-looking statements” - that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” or “will.” Forward-looking statements by their nature address matters that are, to different degrees, uncertain. Accordingly, our actual future results could differ materially from those expressed in or contemplated by our forward-looking statements. For us, particular risk factors that could adversely or positively affect our future results include: continued turmoil in global financial markets and economies; the availability and cost of credit; the ability to have manufactured or successfully launch ViaSat-1, our first broadband satellite, or implement our related satellite service; our ability to successfully develop, introduce and sell new products and enhancements; reduced demand for our products as a result of continued constraints on capital spending by our customers; our reliance on U.S. Government contracts; changes in relationships with, or the financial condition of, key customers or suppliers; recent disruptions in the geopolitical environment in many parts of the world; increased price competition for our products; and other factors affecting the communications industry generally. In addition, please refer to the risk factors contained in our SEC filings available at www.sec.gov, including our Annual Report on Form 10-K and our Quarterly Reports on Form 10-Q. We undertake no obligation to update our forward-looking statements.

GAAP Reconciliation

During this presentation, references to financial measures will include references to non-GAAP financial information. We will provide a reconciliation between GAAP and non-GAAP financial information later in this briefing. For more information regarding our use of non-GAAP financial information, please see the “investor relations” section of our website at www.viasat.com.

- **WildBlue Transaction**
- **Financial Summary**
- **Highlights**
- **CEO Business Overview**
- **CFO's Discussion**
- **Business Outlook**
- **Summary**

WildBlue Transaction Wrap Up



- **Preserved more cash**
- **Issued less stock**
- **Started with more subscribers**
- **Planned outlook intact**
 - ✓ **Incurred some unplanned interest expense in Q3**
 - ✓ **Known impact on equipment sales**



- WildBlue Transaction
- Financial Summary
- Highlights
- CEO Business Overview
- CFO's Discussion
- Business Outlook
- Summary

Q3 Financial Summary



(amounts in \$millions, except per share data)

	<u>FY 10 Q3</u>	<u>FY 09 Q3</u>	<u>\$ Change</u>	<u>% Change</u>
Awards	\$ 157.1	\$ 143.1	\$ 14.0	10%
Revenues	\$ 156.4	\$ 150.4	\$ 6.0	4%
Income from operations**	\$ 1.9	\$ 11.6	\$ (9.7)	(84%)
Income before income taxes**	\$ 0.1	\$ 11.5	\$ (11.4)	(99%)
GAAP Diluted EPS *	\$ 0.09	\$ 0.34	\$ (0.25)	(74%)
Non-GAAP Diluted EPS *	\$ 0.39	\$ 0.43	\$ (0.04)	(9%)

* attributable to ViaSat, Inc. common stockholders

** For FY 10, includes WildBlue transaction related expenses of \$7.3 million.

Q3 YTD Financial Summary



(amounts in \$millions, except per share data)	<u>FY 10 YTD</u>	<u>FY 09 YTD</u>	<u>\$ Change</u>	<u>% Change</u>
Awards	\$ 503.4	\$ 604.5	\$ (101.1)	(17%)
Revenues	\$ 475.4	\$ 462.6	\$ 12.8	3%
Income from operations**	\$ 25.2	\$ 30.0	\$ (4.8)	(16%)
Income before income taxes**	\$ 23.2	\$ 31.1	\$ (7.9)	(25%)
GAAP Diluted EPS *	\$ 0.62	\$ 0.82	\$ (0.20)	(24%)
Non-GAAP Diluted EPS *	\$ 1.12	\$ 1.11	\$ 0.01	1%

* attributable to ViaSat, Inc. common shareholders

** For FY 10, includes WildBlue transaction related expenses of \$9.8 million.


- WildBlue Transaction
- Financial Summary
- Highlights
- CEO Business Overview
- CFO's Discussion
- Business Outlook
- Summary

- 
- **WildBlue**
 - **Cash**
 - **Margins**
 - **Competitive positions**
 - **Broadband stimulus**
 - **FY 11 Earnings Growth Opportunities**
 - ✓ DoD R&D and procurement spending down 7% YoY in our Q3
 - ✓ R&D tax credit timing

- WildBlue Transaction
- Financial Summary
- Highlights
- **CEO Business Overview**
- CFO's Discussion
- Business Outlook
- Summary



- 
- **Satellite Networks: Still going strong & Ka-band gaining momentum**
 - ✓ **ISR**
 - ✓ **DoD Broadband**
 - ✓ **Mobile Satcom**
 - **Data Links: Delays, but a big milestone & an important win**
 - ✓ **MIDS JTRS: Production Start-Up**
 - ✓ **MIDS LVT**
 - **Cyber Security: delays but several market positives**
 - ✓ **Strong competitive position**
 - ✓ **Potential to benefit from procurement consolidation**
 - ✓ **Product sales, mix, and new introductions**
 - ✓ **Media encryption in the Cyber Security environment**

- 
- **Ka Band broadband: continued momentum**
 - ✓ International – Barrett (Canada)
 - ✓ Increasing global coverage
 - ✓ International project timing
 - ✓ WildBlue effects
 - ✓ Stimulus opportunity
 - **Antenna Systems Growth**
 - **Global mobile broadband**
 - **AcceleNet: OEM WAAS Mobile**

- **WildBlue: More Subs**
 - ✓ **Service improvement opportunities**
- **Broadband Stimulus Potential Upside**
- **ViaSat-1: Project Execution**
- **International**
- **Adjacent Ka band markets**



- WildBlue Transaction
- Financial Summary
- Highlights
- CEO Business Overview
- CFO's Discussion
- Business Outlook
- Summary



Condensed P&L – Q3

(amounts in \$000's, except per share data)

	<u>FY 10 Q3</u>	<u>FY 09 Q3</u>	<u>% Change</u>
Product sales	\$ 137,146	\$ 141,157	(3%)
Service revenues	<u>19,218</u>	<u>9,205</u>	109%
Total Revenues	\$ 156,364	\$ 150,362	4%
Cost of product sales	98,708	100,786	(2%)
Cost of service revenues	11,613	4,743	145%
Selling, general & administrative	34,416	23,952	44%
Research & development	7,864	6,985	13%
Amortization of intangibles	<u>1,901</u>	<u>2,337</u>	<u>(19%)</u>
Income from operations	1,862	11,559	(84%)
Other expense, net	<u>(1,739)</u>	<u>(19)</u>	
Income before income taxes	123	11,540	(99%)
(Benefit) provision for income taxes	<u>(2,940)</u>	<u>914</u>	<u>(422%)</u>
Net income	<u>3,063</u>	<u>10,626</u>	<u>(71%)</u>
Less: Net loss attributable to the noncontrolling interest, net of tax	(183)	(40)	
Net income attributable to ViaSat, Inc.	<u>\$ 3,246</u>	<u>\$ 10,666</u>	<u>(70%)</u>
EPS Diluted attrib. to ViaSat, Inc. common stockholders	\$ 0.09	\$ 0.34	(74%)
Non-GAAP EPS Diluted attrib. to ViaSat Inc common stockholders	\$ 0.39	\$ 0.43	(9%)

Condensed P&L – Q3 YTD

(amounts in \$000's, except per share data)

	<u>FY 10 YTD</u>	<u>FY 09 YTD</u>	<u>% Change</u>
Product sales	\$ 437,889	\$ 436,972	0%
Service revenues	<u>37,549</u>	<u>25,631</u>	46%
Total revenues	\$ 475,438	\$ 462,603	3%
Cost of product sales	309,105	312,675	(1%)
Cost of service revenues	24,585	16,425	50%
Selling, general & administrative	90,259	72,986	24%
Research & development	21,559	23,481	(8%)
Amortization of intangibles	<u>4,768</u>	<u>7,017</u>	<u>(32%)</u>
Income from operations	25,162	30,019	(16%)
Other income (expense), net	<u>(1,950)</u>	<u>1,074</u>	<u>(282%)</u>
Income before income taxes	23,212	31,093	(25%)
Provision for income taxes	<u>2,765</u>	<u>4,822</u>	<u>(43%)</u>
Net income	<u>20,447</u>	<u>26,271</u>	<u>(22%)</u>
Less: Net (loss) income attrib. to the noncontrolling interest, net of tax	(243)	56	(534%)
Net income attributable to ViaSat, Inc.	<u>\$ 20,690</u>	<u>\$ 26,215</u>	<u>(21%)</u>
EPS Diluted attrib. to ViaSat, Inc. common stockholders	\$ 0.62	\$ 0.82	(24%)
Non-GAAP EPS Diluted attrib. to ViaSat Inc common stockholders	\$ 1.12	\$ 1.11	1%

Segment Results

(amounts in \$000's)

Revenues:

	<u>FY 10 Q3</u>	<u>FY 09 Q3</u>	<u>FY 10 YTD</u>	<u>FY 09 YTD</u>
Government Systems	\$ 89,078	\$ 93,757	\$ 284,453	\$ 279,704
Commercial Networks	55,009	54,208	172,709	176,364
Satellite Services	12,277	2,397	18,276	6,535
Corporate / Eliminations	-	-	-	-
Total	\$ 156,364	\$ 150,362	\$ 475,438	\$ 462,603

Operating Earnings:

Government Systems	\$ 10,780	\$ 14,255	\$ 37,182	\$ 39,638
Commercial Networks	(835)	72	2,950	629
Satellite Services	(6,177) *	(431)	(10,219) **	(3,256)
Corporate / Eliminations	(5)	-	17	25
Total	\$ 3,763 *	\$ 13,896	\$ 29,930 **	\$ 37,036

* Includes acquisition related expenses related to WildBlue acquisition of \$7.3 million

** Includes acquisition related expenses related to WildBlue acquisition of \$9.8 million

GAAP and Non-GAAP EPS

(In thousands, except per share data)

	FY 10 Q3	FY 09 Q3	FY 10 YTD	FY 09 YTD
GAAP net income attributable to ViaSat, Inc.	\$ 3,246	\$ 10,666	\$ 20,690	\$ 26,215
Diluted common equivalent shares	34,725	31,699	33,591	31,826
GAAP diluted net income per share *	\$ 0.09	\$ 0.34	\$ 0.62	\$ 0.82

(In thousands, except per share data)

	FY 10 Q3	FY 09 Q3	FY 10 YTD	FY 09 YTD
GAAP net income attributable to ViaSat, Inc.	\$ 3,246	\$ 10,666	\$ 20,690	\$ 26,215
Amortization of intangible assets	1,901	2,337	4,768	7,017
Acquisition related expenses	7,266	-	9,762	-
Stock-based compensation expense	3,318	2,532	8,412	7,581
Income tax effect	(2,253)	(1,852)	(6,170)	(5,509)
Non-GAAP net income attributable to ViaSat, Inc.	\$ 13,478	\$ 13,683	\$ 37,462	\$ 35,304
Diluted common equivalent shares	34,725	31,699	33,591	31,826
Non-GAAP diluted net income per share *	\$ 0.39	\$ 0.43	\$ 1.12	\$ 1.11

* attributable to ViaSat, Inc. common shareholders

Condensed Balance Sheet

(amounts in \$000's)

	<u>@ 1/01/10</u>	<u>@ 4/03/09</u>
Cash and S/T investments	\$ 69,264	\$ 63,491
A/R - billed, net	93,075	76,637
A/R - unbilled	92,526	87,469
Inventories	80,173	65,562
Deferred taxes	38,218	26,724
Prepaid & other current assets	<u>21,532</u>	<u>18,941</u>
Total current assets	394,788	338,824
Goodwill & intangibles, net	168,019	82,084
PP&E, net	147,228	59,637
Satellites, net	293,632	-
Satellites under construction	171,471	110,588
Deferred taxes	43,686	13,771
Other assets	<u>35,207</u>	<u>18,038</u>
Total assets	\$ 1,254,031	\$ 622,942

(amounts in \$000's)

	<u>@ 1/01/10</u>	<u>@ 04/03/09</u>
Accounts payable	\$ 67,022	\$ 63,397
Advances & customer deposits	48,957	26,811
Other current liabilities	<u>51,264</u>	<u>45,226</u>
Total current liabilities	167,243	135,434
Other liabilities	31,251	24,718
Line of credit	140,000	-
Senior Notes	<u>271,677</u>	<u>-</u>
Total Liabilities	610,171	160,152
Stockholders' Equity - ViaSat	640,062	458,748
Non-controlling interest	<u>3,798</u>	<u>4,042</u>
Total Stockholders' equity	643,860	462,790
Total liabilities & equity	\$ 1,254,031	\$ 622,942

Condensed Cash Flow

(amounts in \$000's)	<u>FY 10 Q3</u>	<u>FY 10 YTD</u>
Cash flows from operating activities:		
Net income	\$ 3,063	\$ 20,447
Non cash adjustments to reconcile net income to net cash from operating activities:	7,257	25,187
Increase in cash from changes in working capital accounts:	<u>46,631</u>	<u>12,229</u>
Net cash provided by operating activities	<u>56,951</u>	<u>57,863</u>
Cash flows from investing activities:		
Acquisition of business (WildBlue)	(377,987)	(377,987)
Cash paid for licenses, patents and other assets	(4,118)	(10,004)
Cash paid for satellites under construction	(20,164)	(65,018)
Purchases of property and equipment, net	(9,481)	(20,411)
Changes in restricted cash and S/T investments, net	<u>5,150</u>	<u>5,150</u>
Net cash used in investing activities	<u>(406,600)</u>	<u>(468,270)</u>
Cash flows from financing activities:		
Proceeds from line of credit	183,000	263,000
Repayments of line of credit	(123,000)	(123,000)
Proceeds from Senior Notes due 2016	271,582	271,582
Payment of debt issuance costs	(8,729)	(11,598)
Incremental tax benefits from stock based compensation	579	1,104
Purchases of common stock in treasury	(998)	(2,297)
Net proceeds from issuance of common stock	<u>10,365</u>	<u>14,764</u>
Net cash provided by financing activities	<u>332,799</u>	<u>413,555</u>
Effect of exchange rate changes on cash	<u>82</u>	<u>477</u>
Net (decrease) increase in cash and cash equivalents	\$ (16,768)	\$ 3,625

- WildBlue Transaction
- Financial Summary
- Highlights
- CEO Business Overview
- CFO's Discussion
- Business Outlook
- Summary



■ FY 10 targets

- ✓ Revenue: \$685M – \$695M revenue
- ✓ Non-GAAP EPS: \$1.55 – \$1.60
- ✓ GAAP EPS*: \$0.85 – \$0.90

■ FY 11 targets

- ✓ Revenue: ~\$900M – \$925M
- ✓ Non-GAAP EPS: \$1.90 – \$2.00
- ✓ GAAP EPS**: \$1.33 – \$1.43

■ FY12: contain ViaSat-1 effects

* Assumes amortization of acquisition related intangibles of ~\$0.28 per share, non-cash compensation expense of ~\$0.22 per share and transaction related expenses of \$0.20 per share

** Assumes R&D tax credit is restored, amortization of acquisition related intangibles of ~\$0.27 per share and non-cash compensation expense of ~\$0.30 per share

- WildBlue Transaction
- Financial Summary
- Highlights
- CEO Business Overview
- CFO's Discussion
- Business Outlook
- Summary



- 
- **WildBlue**
 - **Cash**
 - **Margins**
 - **Competitive positions**
 - **Broadband stimulus**
 - **FY 11 Earnings Growth Opportunities**

ViaSat[®]

Q & A