UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the quarterly period ended January 2, 2009.

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.**

For the transition period from _________ to _________

Commission File Number (0-21767)

ViaSat, Inc.
(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**33-0174996** **(I.R.S. Employer Identification No.)**

6155 El Camino Real
Carlsbad, California 92009
(760) 476-2200
(Address of principal executive offices and telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The number of shares outstanding of the registrant's common stock, $0.0001 par value, as of February 6, 2009 was 30,992,102.

VIASAT, INC.

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

VIASAT, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	As of January 2, 2009	As of March 28, 2008
Assets		
Current assets:		
Cash and cash equivalents	$ 63,711	$125,176
Short-term investments	—	43
Accounts receivable, net	166,149	155,484
Inventories	62,391	60,326
Deferred income taxes	18,664	18,664
Prepaid expenses and other current assets	21,383	15,933
Total current assets	332,298	375,626
Property, equipment and satellite, net	145,644	64,693
Other acquired intangible assets, net	18,460	25,477
Goodwill	66,407	66,407
Other assets	21,986	18,891
Total assets	$584,795	$551,094
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 53,357	$ 52,317
Accrued liabilities	66,679	73,957
Payables to former stockholders of acquired business	—	1,101
Total current liabilities	120,036	127,375
Other liabilities	18,693	17,290
Total liabilities	138,729	144,665
Commitments and contingencies (Note 9)		
Minority interest in consolidated subsidiary	3,823	2,289
Stockholders' equity:		
Common stock	3	3
Paid-in capital	269,154	255,856
Retained earnings	175,355	149,140
Common stock held in treasury	(1,694)	(1,034)
Accumulated other comprehensive (loss) income	(575)	175
Total stockholders' equity	442,243	404,140
Total liabilities and stockholders' equity	$584,795	$551,094

See accompanying notes to condensed consolidated financial statements.

VIASAT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
(In thousands, except per share data)

	Three months ended		Nine months ended	
	January 2, 2009	December 28, 2007	January 2, 2009	December 28, 2007
Revenues	$ 150,362	$ 152,053	$ 462,603	$ 427,240
Operating expenses:				
Cost of revenues	105,529	105,842	329,100	306,751
Selling, general and administrative	23,952	20,920	72,986	59,074
Independent research and development	6,985	8,405	23,481	24,215
Amortization of acquired intangible assets	2,337	2,389	7,017	7,173
Income from operations	11,559	14,497	30,019	30,027
Other income (expense):				
Interest income	97	1,578	1,390	4,462
Interest expense	(116)	(269)	(316)	(606)
Income before income taxes and minority interest	11,540	15,806	31,093	33,883
Provision for income taxes	914	4,803	4,822	9,863
Minority interest in net (loss) earnings of subsidiary, net of tax	(40)	778	56	1,029
Net income	$ 10,666	$ 10,225	$ 26,215	$ 22,991
Basic net income per share	$ .35	$ .34	$ .85	$ .76
Diluted net income per share	$ .34	$ .32	$ .82	$ .71
Shares used in computing basic net income per share	30,836	30,338	30,699	30,164
Shares used in computing diluted net income per share	31,699	32,458	31,826	32,309

See accompanying notes to condensed consolidated financial statements.

VIASAT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(In thousands)

	Nine months ended	
	January 2, 2009	December 28, 2007
Cash flows from operating activities:		
Net income	$ 26,215	$ 22,991
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	13,744	11,660
Amortization of intangible assets	8,143	9,053
Stock compensation expense	7,581	5,550
Other non-cash adjustments	(2,030)	2,873
Increase (decrease) in cash resulting from changes in operating assets and liabilities, net of the effect of acquisitions:		
Accounts receivable	(10,945)	(7,417)
Inventories	(2,178)	(9,772)
Other assets	(4,886)	(9,888)
Accounts payable	(3,069)	7,491
Accrued liabilities	(2,526)	12,085
Other liabilities	1,403	1,461
Net cash provided by operating activities	31,452	46,087
Cash flows from investing activities:		
Purchase of property, equipment and satellite	(90,712)	(13,584)
Payment related to acquisitions of businesses, net of cash acquired	(925)	(9,826)
Purchase of short-term investments held-to-maturity	—	(11,835)
Cash paid for patents and other assets	(2,225)	—
Net cash used in investing activities	(93,862)	(35,245)
Cash flows from financing activities:		
Proceeds from issuance of common stock	5,333	6,763
Purchase of common stock in treasury	(660)	(1,034)
Payment on secured borrowing	(4,720)	—
Proceeds from sale of stock of majority-owned subsidiary	1,500	—
Incremental tax benefits from stock-based compensation	191	934
Net cash provided by financing activities	1,644	6,663
Effect of exchange rate changes on cash	(699)	223
Net (decrease) increase in cash and cash equivalents	(61,465)	17,728
Cash and cash equivalents at beginning of period	125,176	103,345
Cash and cash equivalents at end of period	$ 63,711	$ 121,073
Non-cash investing and financing activities:		
Issuance of stock in satisfaction of a payable to former stockholders of an acquired business	$ —	$ 5,631
Issuance of payable in connection with acquisition	$ —	$ 800
Issuance of common stock in connection with acquisition	$ —	$ 452

See accompanying notes to condensed consolidated financial statements.

VIASAT, INC.
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(UNAUDITED)
(In thousands, except share data)

	Common Stock				Common Stock in Treasury				
	Number of Shares Issued	Amount	Paid-in Capital	Retained Earnings	Number of Shares	Amount	Accumulated Other Comprehensive Income	Total	Comprehensive Income
Balance at March 28, 2008	30,500,605	$ 3	$255,856	$149,140	(33,238)	$(1,034)	$ 175	$404,140	
Exercise of stock options	237,883	—	2,210	—	—	—	—	2,210	
Tax benefit from exercise of stock options and release of restricted stock unit (RSU) awards	—	—	384	—	—	—	—	384	
Issuance of stock under Employee Stock Purchase Plan	182,024	—	3,123	—	—	—	—	3,123	
Stock-based compensation expense	—	—	7,581	—	—	—	—	7,581	
RSU awards vesting	93,006	—	—	—	—	—	—	—	
Purchase of treasury shares pursuant to vesting of certain RSU agreements	—	—	—	—	(33,350)	(660)	—	(660)	
Net income	—	—	—	26,215	—	—	—	26,215	$ 26,215
Foreign currency translation, net of tax	—	—	—	—	—	—	(750)	(750)	(750)
Comprehensive income	—	—	—	—	—	—	—	—	$ 25,465
Balance at January 2, 2009	31,013,518	$ 3	$269,154	$175,355	(66,588)	$(1,694)	$ (575)	$442,243	

See accompanying notes to condensed consolidated financial statements.

VIASAT, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Note 1 — Basis of Presentation

The accompanying condensed consolidated balance sheet at January 2, 2009, the condensed consolidated statements of operations for the three and nine months ended January 2, 2009 and December 28, 2007, the condensed consolidated statements of cash flows for the nine months ended January 2, 2009 and December 28, 2007 and the condensed consolidated statement of stockholders' equity for the nine months ended January 2, 2009 have been prepared by the management of ViaSat, Inc. (the Company), and have not been audited. These financial statements have been prepared on the same basis as the audited consolidated financial statements for the fiscal year ended March 28, 2008 and, in the opinion of management, include all adjustments (consisting only of normal recurring adjustments) necessary for a fair statement of the financial position, results of operations and cash flows for all periods presented. These financial statements should be read in conjunction with the financial statements and notes thereto for the fiscal year ended March 28, 2008 included in the Company's Annual Report on Form 10-K. Interim operating results are not necessarily indicative of operating results for the full year. The year-end condensed balance sheet data was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America.

The Company's consolidated financial statements include the assets, liabilities and results of operations of TrellisWare Technologies, Inc. (TrellisWare), a majority-owned subsidiary of the Company. All significant intercompany amounts have been eliminated.

The Company's fiscal year is the 52 or 53 weeks ending on the Friday closest to March 31 of the specified year. For example, references to fiscal year 2009 refer to the fiscal year ending on April 3, 2009. The Company's quarters for fiscal year 2009 end on June 27, 2008, October 3, 2008, January 2, 2009 and April 3, 2009. This results in a 53 week fiscal year approximately every four to five years. Fiscal year 2009 is a 53 week year, compared with a 52 week year in fiscal year 2008. As a result of the shift in the fiscal calendar, the second quarter of fiscal year 2009 included an additional week. The Company does not believe that the extra week results in any material impact on its financial results.

During the Company's second quarter of fiscal year 2008, the Company completed the acquisition of JAST, S.A. (JAST), a company based in Switzerland. The acquisition was accounted for as a purchase and accordingly, the operating results of JAST have been included from the date of acquisition in the Company's condensed consolidated financial statements.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Estimates have been prepared on the basis of the most current and best available information and actual results could differ from those estimates. Significant estimates made by management include revenue recognition, stock-based compensation, self-insurance reserves, allowance for doubtful accounts, warranty accrual, valuation of goodwill and other intangible assets, valuation of derivatives, long-lived assets and valuation allowance on deferred tax assets.

Property, Equipment and Satellite

Equipment, computers and software, furniture and fixtures and the Company's satellite under construction are recorded at cost, net of accumulated depreciation. The Company generally computes depreciation using the straight-line method over the estimated useful lives of the assets ranging from two to eleven years. Leasehold improvements are capitalized and amortized using the straight-line method over the shorter of the lease term or the life of the improvement. Additions to property, equipment and satellite, together with major renewals and betterments, are capitalized. Maintenance, repairs and minor renewals and betterments are charged to expense. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation or amortization are removed from the accounts and any resulting gain or loss is recognized.

Satellite construction costs, including launch services and insurance, are generally procured under long-term contracts that provide for payments over the contract periods and are capitalized as incurred.

VIASAT, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Payables to Former Shareholders of Acquired Businesses

In August 2007, in connection with the terms of the Company's JAST acquisition, the Company recorded an obligation to pay the remaining portion of the initial purchase price of approximately $0.8 million on the first anniversary of the closing date. Accordingly, in August 2008, the Company paid approximately $0.8 million in cash to the former stockholders of JAST.

Self-Insurance Liabilities

The Company has a self-insurance plan to retain a portion of the exposure for losses related to employee medical benefits. The Company also has a self-insurance plan for a portion of the exposure for losses related to workers' compensation costs. The self-insurance policies provide for both specific and aggregate stop-loss limits. The Company utilizes internal actuarial methods, as well as other historical information, for the purpose of estimating ultimate costs for a particular policy year. Based on these actuarial methods along with currently available information and insurance industry statistics, the Company recorded self-insurance liabilities as of January 2, 2009 and March 28, 2008 of $1.3 million and $1.1 million, respectively. The Company's estimate, which is subject to inherent variability, is based on average claims experience in the Company's industry and its own experience in terms of frequency and severity of claims, including asserted and unasserted claims incurred but not reported, with no explicit provision for adverse fluctuation from year to year. This variability may lead to ultimate payments being either greater or less than the amounts presented above. Self-insurance liabilities have been classified as current in accordance with the estimated timing of the projected payments.

Secured Borrowings

Occasionally, the Company enters into secured borrowing arrangements in connection with customer financing in order to provide additional sources of funding. As of January 2, 2009, the Company had no secured borrowing arrangements. As of March 28, 2008, the Company had one secured borrowing arrangement, under which the Company pledged a note receivable from a customer to serve as collateral for the obligation under the borrowing arrangement. In the first quarter of fiscal year 2009, the Company paid all obligations related to its secured borrowing totaling $4.7 million plus accrued interest.

During fiscal year 2008, due to the customer's payment default under the note receivable, the Company wrote down the note receivable by approximately $5.3 million related to the principal and interest accrued to date. Pursuant to a notes receivable insurance arrangement which provides for the recovery of certain principal and interest amounts on the note, the Company has recorded a current asset of approximately $4.5 million as of March 28, 2008 and January 2, 2009.

Indemnification Provisions

In the ordinary course of business, the Company includes indemnification provisions in certain of its contracts, generally relating to parties with which the Company has commercial relations. Pursuant to these agreements, the Company will indemnify, hold harmless and agree to reimburse the indemnified party for losses suffered or incurred by the indemnified party, including but not limited to losses relating to third party intellectual property claims. To date, there have not been any costs incurred in connection with such indemnification clauses. The Company's insurance policies do not necessarily cover the cost of defending indemnification claims or providing indemnification, so if a claim was filed against the Company by any party the Company has agreed to indemnify, the Company could incur substantial legal costs and damages. A claim would be accrued when a loss is considered probable and the amount can be reasonably estimated. At January 2, 2009 and March 28, 2008, no such amounts were accrued.

Minority Interest

Minority interest represents the proportionate share of the equity of the Company's consolidated majority-owned subsidiary owned by minority shareholders in that subsidiary. This proportionate share of the equity changes when additional shares of common or preferred stock are issued or purchased back by the majority-owned subsidiary. Such changes result in a decrease or increase of the Company's ownership proportion, which results in the Company recording losses or gains on investment. Minority interest is adjusted for earnings (losses) net of tax attributable to the minority interest shareholders of the consolidated subsidiary. All earnings (losses), net of tax, are allocated to the shareholders of the consolidated subsidiary in proportion to their share of the equity ownership of the consolidated subsidiary. Earnings (losses), net of tax, allocated to such minority interest shareholders are recorded as minority interest in net earnings (losses) of subsidiary, net of tax, in the accompanying consolidated statements of operations.

VIASAT, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

In April 2008, the Company's majority-owned subsidiary, TrellisWare, issued additional shares of preferred stock in which the Company invested $1.8 million in order to retain a constant ownership interest. As a result of the transaction, TrellisWare also received $1.5 million in cash proceeds from the issuance of preferred stock to its other principal stockholders.

Common Stock Held in Treasury

During the third quarters of fiscal year 2009 and fiscal year 2008, the Company delivered 93,006 and 94,165 shares, respectively, of common stock based on the vesting terms of certain restricted stock unit agreements. In order for employees to satisfy minimum statutory employee tax withholding requirements related to the delivery of common stock underlying these restricted stock unit agreements, the Company repurchased 33,350 and 33,238 shares of common stock with a total value of $0.7 million and $1.0 million during the third quarters of fiscal year 2009 and fiscal year 2008, respectively. Repurchased shares of common stock of 66,588 and 33,238 were held in treasury as of January 2, 2009 and March 28, 2008, respectively.

Derivatives

The Company enters into foreign currency forward and option contracts to hedge certain forecasted foreign currency transactions. Gains and losses arising from foreign currency forward and option contracts not designated as hedging instruments are recorded in interest income (expense) as gains (losses) on derivative instruments. Gains and losses arising from the effective portion of foreign currency forward and option contracts that are designated as cash-flow hedging instruments are recorded in accumulated other comprehensive income (loss) as unrealized gains (losses) on derivative instruments until the underlying transaction affects the Company's earnings at which time they are then recorded in the same income statement line as the underlying transaction.

During the three months ended January 2, 2009, the Company did not settle any foreign exchange contracts. During the three months ended December 28, 2007, the Company settled certain foreign exchange contracts and in connection therewith recognized a gain of approximately $0.2 million. During the nine months ended January 2, 2009 and December 28, 2007, the Company settled certain foreign exchange contracts and in connection therewith recognized a loss of approximately $0.3 million and a gain of approximately $0.2 million, respectively, recorded in cost of revenues based on the nature of the underlying transactions. The Company had no foreign currency forward contracts outstanding as of January 2, 2009 or March 28, 2008.

Stock-Based Payments

The Company records compensation expense associated with stock options, restricted stock unit awards and other equity based compensation in accordance with SFAS No. 123 (revised 2004), "Share-Based Payment" (SFAS 123R). The Company recognizes these compensation costs on a straight-line basis over the requisite service period of the award. The Company recognized $2.5 million and $7.6 million of stock-based compensation expense for the three and nine months ended January 2, 2009, respectively, and $1.9 million and $5.6 million of stock-based compensation expense for the three and nine months ended December 28, 2007, respectively.

The Company recorded incremental tax benefits from stock options exercised and restricted stock unit awards vesting of $0.2 million and $0.9 million for the nine months ended January 2, 2009 and December 28, 2007, respectively, which are classified as part of cash flows from financing activities in the condensed consolidated statements of cash flows. At January 2, 2009, the total unrecognized estimated compensation cost, net of estimated forfeitures, related to unvested stock options and restricted stock units was approximately $7.5 million and $14.6 million, respectively. These costs are expected to be recognized over a weighted average period of 2.3 years and 3.0 years, respectively. At January 2, 2009, there was no unrecognized estimated compensation cost related to the Company's employee stock purchase plan.

Income Taxes

On March 31, 2007, the Company adopted the provisions of Financial Accounting Standards Board (FASB) Interpretation No. 48 (FIN 48), "Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109." FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS No. 109, "Accounting for Income Taxes" (SFAS 109). FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. The amount recognized is measured as the largest amount of benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. The Company's policy is to recognize interest expense and penalties related to income tax matters as a component of income tax expense.

VIASAT, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

Current income tax expense is the amount of income taxes expected to be payable for the current year. A deferred income tax asset or liability is established for the expected future tax consequences resulting from differences in the financial reporting and tax bases of assets and liabilities and for the expected future tax benefit to be derived from tax credit and loss carryforwards. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred income tax expense (benefit) is the net change during the year in the deferred income tax asset or liability.

Recent Accounting Pronouncements

In September 2006, the FASB issued Statement No. 157 (SFAS 157), "Fair Value Measurements." SFAS 157 defines fair value, establishes a framework and gives guidance regarding the methods used for measuring fair value, and expands disclosures about fair value measurements. In February 2008, the FASB issued FASB Staff Position (FSP) FAS 157-1, "Application of FASB Statement No. 157 to FASB Statement No. 13 and Other Accounting Pronouncements That Address Fair Value Measurement for Purpose of Lease Classification of Measurement under Statement 13," which amends SFAS 157 to exclude accounting pronouncements that address fair value measurements for purpose of lease classification or measurement under SFAS No. 13, "Accounting for Leases." In February 2008, the FASB also issued FSP FAS 157-2, "Effective Date of FASB Statement No. 157," which delays the effective date of SFAS 157 until the fist fiscal year that begins after November 15, 2008 (fiscal year 2010 for the Company) for all non-financial assets and non-financial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). SFAS 157 does not require any new fair value measurements but rather eliminates inconsistencies in guidance found in various prior accounting pronouncements. SFAS 157 was effective for financial assets and liabilities beginning in fiscal year 2009. The Company adopted this standard for financial assets and liabilities in the current fiscal year without any material impact to its consolidated financial statements. The Company is currently evaluating the impact that SFAS 157 may have on its consolidated financial statements and disclosures when it is applied to non-financial assets and non-financial liabilities that are not measured at fair value on a recurring basis beginning in the first quarter of fiscal year 2010.

In October 2008, the FASB issued FSP SFAS 157-3 (FSP 157-3), "Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active," to clarify how an entity would determine fair value in an inactive market. FSP 157-3 was effective immediately beginning with the Company's financial statements for the quarter ended October 3, 2008. The application of the provisions of FSP 157-3 did not materially impact the Company's consolidated financial statement disclosures.

In February 2007, the FASB issued Statement No. 159 (SFAS 159), "The Fair Value Option for Financial Assets and Financial Liabilities," which permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. As the Company did not elect to measure any of its financial instruments at fair value under the provisions of SFAS 159, the adoption of this statement effective March 29, 2008 did not have an impact on the Company's consolidated financial statements.

In June 2007, the FASB ratified Emerging Issues Task Force (EITF) Issue No. 07-3 (EITF 07-3), "Accounting for Nonrefundable Advance Payments for Goods or Services to Be Used in Future Research and Development Activities." This issue provides that nonrefundable advance payments for goods or services that will be used or rendered for future research and development activities should be deferred and capitalized. Such amounts should be recognized as an expense as the related goods are delivered or the related services are performed. The Company adopted this standard in the current fiscal year without any material impact to its consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), "Business Combinations" (SFAS 141R). The purpose of issuing the statement is to replace current guidance in SFAS 141 to better represent the economic value of a business combination transaction. The changes to be effected with SFAS 141R from the current guidance include, but are not limited to: (1) acquisition costs will be recognized as expenses separately from the acquisition; (2) known contractual contingencies at the time of the acquisition will be considered part of the liabilities acquired measured at their fair value; all other contingencies will be part of the liabilities acquired measured at their fair value only if it is more likely than not that they meet the definition of a liability; (3) contingent consideration based on the outcome of future events will be recognized and measured at the time of the acquisition; (4) business combinations achieved in stages (step acquisitions) will need to recognize the identifiable assets and liabilities, as well as non-controlling interests, in the acquiree, at the full amounts of their fair values; and (5) a bargain purchase (defined as a business combination in which the total acquisition-date fair value of the identifiable net assets acquired exceeds the fair value of the consideration transferred plus any non-controlling interest in the acquiree) will require that excess to be recognized as a gain attributable to the acquirer. SFAS 141R will be effective for the Company in fiscal year 2010. The standard applies prospectively to business combinations for which the acquisition date is on or after April 4, 2009, except that resolution of certain tax contingencies and adjustments to valuation allowances related to business combinations, which previously were adjusted to goodwill, will be adjusted to income tax expense for all such adjustments after April 4, 2009, regardless of the date of the original business combination. The Company is currently evaluating the impact that SFAS 141R may have on its consolidated financial statements and disclosures.

In December 2007, the FASB issued SFAS No. 160 (SFAS 160), "Noncontrolling Interests in Consolidated Financial Statements — an amendment of ARB No. 51." SFAS 160 changes the accounting and reporting for business acquisitions and non-controlling interests in subsidiaries. The standard was issued to improve the relevance, comparability, and transparency of financial information provided to investors. Moreover, SFAS 160 eliminates the diversity that currently exists in accounting for transactions between an entity and non-controlling interests by requiring they be treated as equity transactions. SFAS 160 will be effective for the Company in fiscal year 2010. The Company is currently evaluating the impact that SFAS 160 may have on its consolidated financial statements and disclosures.

In March 2008, the FASB issued SFAS No. 161 (SFAS 161), "Disclosures about Derivative Instruments and Hedging Activities, an Amendment of FASB Statement No. 133," which requires additional disclosures about the objectives of the derivative instruments and hedging activities, the method of accounting for such instruments under SFAS No. 133 and its related interpretations, and a tabular disclosure of the effects of such instruments and related hedged items on the Company's financial position, financial performance, and cash flows. SFAS 161 is effective for interim periods beginning subsequent to November 15, 2008, commencing for the Company with respect to its fourth quarter of fiscal year 2009. The Company is currently assessing the potential impact that adoption of SFAS 161 may have on its consolidated financial statements and disclosures.

Note 2 — Revenue Recognition

A substantial portion of the Company's revenues are derived from long-term contracts requiring development and delivery of complex equipment built to customer specifications. Sales related to long-term contracts are accounted for under the percentage-of-completion method of accounting under the American Institute of Certified Public Accountants' Statement of Position 81-1 (SOP 81-1), "Accounting for Performance of Construction-Type and Certain Production-Type Contracts." Sales and earnings under these contracts are recorded either based on the ratio of actual costs incurred to date to total estimated costs expected to be incurred related to the contract or as products are shipped under the units-of-delivery method. Anticipated losses on contracts are recognized in full in the period in which losses become probable and estimable. Changes in estimates of profit or loss on contracts are included in earnings on a cumulative basis in the period the estimate is changed. During the three months ended January 2, 2009 and December 28, 2007, the Company recorded losses of approximately $0.2 million and $3.0 million, respectively, related to loss contracts. During the nine months ended January 2, 2009 and December 28, 2007, the Company recorded losses of approximately $1.6 million and $6.5 million, respectively, related to loss contracts.

The Company also has contracts and purchase orders where revenue is recorded on delivery of products in accordance with Staff Accounting Bulletin No. 104 (SAB 104), "Revenue Recognition." In this situation, contracts and customer purchase orders are used to determine the existence of an arrangement. Shipping documents and customer acceptance, when applicable, are used to verify delivery. The Company assesses whether the sales price is fixed or determinable based on the payment terms associated with the transaction and whether the sales price is subject to refund or adjustment, and assesses collectability based primarily on the creditworthiness of the customer as determined by credit checks and analysis, as well as the customer's payment history.

When a sale involves multiple elements, such as sales of products that include services, the entire fee from the arrangement is allocated to each respective element based on its relative fair value in accordance with EITF 00-21, "Accounting for Multiple Element Revenue Arrangements" and recognized when the applicable revenue recognition criteria for each element has been met. The amount of product and service revenue recognized is impacted by the Company's judgments as to whether an arrangement includes multiple elements and, if so, whether sufficient objective and reliable evidence of fair value exists for those elements. Changes to the elements in an arrangement and the Company's ability to establish evidence for those elements could affect the timing of the revenue recognition.

VIASAT, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

In accordance with EITF 00-10, “Accounting for Shipping and Handling Fees and Costs,” the Company records shipping and handling costs billed to customers as a component of revenues, and shipping and handling costs incurred by the Company for inbound and outbound freight are recorded as a component of cost of revenues.

Collections in excess of revenues represent cash collected from customers in advance of revenue recognition and are recorded as an accrued liability.

Contract costs on United States government contracts, including indirect costs, are subject to audit and negotiations with United States government representatives. These audits have been completed and agreed upon through fiscal year 2002. Contract revenues and accounts receivable are stated at amounts which are expected to be realized upon final settlement.

Note 3 — Fair Value Measurement

Effective March 29, 2008, the Company adopted SFAS 157 for financial assets and liabilities measured at fair value on a recurring basis. SFAS 157 defines fair value, establishes a framework for measuring fair value and establishes a hierarchy that categorizes and prioritizes the sources to be used to estimate fair value. As a basis for categorizing inputs, SFAS 157 establishes the following hierarchy which prioritizes the inputs used to measure fair value from market based assumptions to entity specific assumptions:

- Level 1 — Inputs based on quoted market prices for identical assets or liabilities in active markets at the measurement date.
- Level 2 — Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 — Inputs which reflect management’s best estimate of what market participants would use in pricing the asset or liability at the measurement date. The inputs are unobservable in the market and significant to the instruments valuation.

The following table presents the Company’s hierarchy for its assets and liabilities measured at fair value on a recurring basis as of January 2, 2009:

(In thousands)	Fair value at January 2, 2009	Level 1	Level 2	Level 3
Assets				
Cash equivalents	$ 42,989	$ 48	$ 42,941	$ —
Total assets measured at fair value on a recurring basis	$ 42,989	$ 48	$ 42,941	$ —

The following section describes the valuation methodologies the Company uses to measure financial instruments at fair value:

Cash equivalents — The Company’s cash equivalents consist of money market funds, repurchase agreements with a one-day term collateralized by AAA-rated United States government securities and certified deposit investments. Certain money market funds are valued using quoted prices for identical assets in an active market with sufficient volume and frequency of transactions (Level 1). The remaining portion of money market funds, repurchase agreements and certified deposit investments are valued based on quoted prices for similar assets or liabilities, quoted prices in markets with insufficient volume or infrequent transactions (less active markets), or brokers’ model driven valuations in which all significant inputs are observable or can be obtained from or corroborated by observable market data for substantially the full term of the assets (Level 2).

The Company had no foreign currency forward exchange contracts outstanding at January 2, 2009.

Note 4 — Earnings Per Share

Potential common stock of 862,680 and 2,119,581 shares for the three months ended January 2, 2009 and December 28, 2007, respectively, and 1,127,500 and 2,145,112 shares for the nine months ended January 2, 2009 and December 28, 2007, respectively, were included in the calculation of diluted earnings per share. Antidilutive shares excluded from the calculation were 3,250,335 and 995,948 shares for the three months ended January 2, 2009 and December 28, 2007, respectively, and 2,738,113 and 931,453 shares for the nine months ended January 2, 2009 and December 28, 2007, respectively. Potential common stock includes options granted and restricted stock units awarded under the Company’s equity compensation plan which are included in the earnings per share calculations using the treasury stock method and common shares expected to be issued under the Company’s employee stock purchase plan.

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Note 5 — Composition of Certain Balance Sheet Captions

(In thousands)	January 2, 2009	March 28, 2008
Accounts receivable, net:		
Billed	$ 85,966	$ 92,516
Unbilled	80,506	63,278
Allowance for doubtful accounts	(323)	(310)
	$ 166,149	$ 155,484
Inventories:		
Raw materials	$ 31,134	$ 21,091
Work in process	12,128	8,883
Finished goods	19,129	30,352
	$ 62,391	$ 60,326
Prepaid expenses and other current assets:		
Prepaid expenses	$ 12,493	$ 9,537
Other	8,890	6,396
	$ 21,383	$ 15,933
Property, equipment and satellite, net:		
Machinery and equipment (estimated useful life 2-5 years)	$ 55,610	$ 51,067
Computer equipment and software (estimated useful life 3 years)	44,452	43,700
Furniture and fixtures (estimated useful life 7 years)	9,598	9,192
Leasehold improvements (estimated useful life 2-11 years)	17,262	13,849
Land	3,124	3,124
Satellite under construction	85,241	8,136
Construction in progress	5,694	3,501
	220,981	132,569
Less accumulated depreciation and amortization	(75,337)	(67,876)
	$ 145,644	$ 64,693
Other acquired intangible assets, net:		
Technology	$ 44,392	$ 44,392
Contracts and relationships	18,898	18,898
Non-compete agreement	9,076	9,076
Other intangibles	9,323	9,323
	81,689	81,689
Less accumulated amortization	(63,229)	(56,212)
	$ 18,460	$ 25,477
Other assets:		
Capitalized software costs, net	$ 371	$ 1,091
Patents, orbital slots and other licenses, net	3,771	3,188
Deferred income taxes	12,350	10,169
Other	5,494	4,443
	$ 21,986	$ 18,891
Accrued liabilities:		
Current portion of warranty reserve	$ 7,353	$ 6,550
Secured borrowing and accrued interest	—	5,015
Accrued vacation	9,493	9,374
Accrued wages and performance compensation	9,914	4,867
Collections in excess of revenues	31,694	37,252
Other	8,225	10,899
	$ 66,679	$ 73,957
Other liabilities:		
Accrued warranty	$ 4,715	$ 5,129
Unrecognized tax position liabilities	5,974	5,974
Deferred rent, long-term portion	5,700	4,387
Other	2,304	1,800
	$ 18,693	$ 17,290

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Note 6 — Accounting for Goodwill and Intangible Assets

The Company accounts for its goodwill under SFAS No. 142 (SFAS 142), "Goodwill and Other Intangible Assets." The SFAS 142 goodwill impairment model is a two-step process. First, it requires a comparison of the book value of net assets to the fair value of the reporting units that have goodwill assigned to them. Reporting units within the Company's government systems and commercial network segments have goodwill assigned to them. The Company estimates the fair values of the reporting units using discounted cash flows. The cash flow forecasts are adjusted by an appropriate discount rate in order to determine the present value of the cash flows. If the fair value is determined to be less than book value, a second step is performed to compute the amount of the impairment. In this process, a fair value for goodwill is estimated, based in part on the fair value of the reporting unit used in the first step, and is compared to its carrying value. The shortfall of the fair value below carrying value, if any, represents the amount of goodwill impairment.

The Company will continue to make assessments of impairment on an annual basis in the fourth quarter of its fiscal year or more frequently if specific triggering events occur. In assessing the value of goodwill, the Company must make assumptions regarding estimated future cash flows and other factors to determine the fair value of the reporting units. If these estimates or their related assumptions change in the future, the Company may be required to record impairment charges that would negatively impact operating results.

The other acquired intangible assets are amortized using the straight-line method over their estimated useful lives of eight months to ten years. The technology intangible asset has several components with estimated useful lives of five to nine years, contracts and relationships intangible asset has several components with estimated useful lives of three to ten years, non-compete agreements have useful lives of three to five years and other amortizable assets have several components with estimated useful lives of eight months to ten years. Amortization expense was $2.3 million and $2.4 million for the three months ended January 2, 2009 and December 28, 2007, respectively, and $7.0 million and $7.2 million for the nine months ended January 2, 2009 and December 28, 2007, respectively.

Current and expected amortization expense for each of the following periods is as follows:

(In thousands)	Amortization
For the nine months ended January 2, 2009	$ 7,017
Expected for the remainder of fiscal year 2009	$ 1,804
Expected for fiscal year 2010	5,588
Expected for fiscal year 2011	4,826
Expected for fiscal year 2012	3,600
Expected for fiscal year 2013	1,047
Thereafter	1,595
	$ 18,460

Note 7 — Line of Credit

On October 31, 2008, the Company entered into a three-year, $85.0 million revolving credit facility (the Credit Facility) in the form of the Third Amended and Restated Revolving Loan Agreement, which replaced an existing $60.0 million revolving credit facility. Borrowings under the Credit Facility are permitted up to a maximum amount of $85.0 million, including up to $25.0 million of letters of credit, and bear interest, at the Company's option, at either (a) the higher of the Federal Funds rate plus 0.50% or the administrative agent's prime rate as announced from time to time, or (b) at the London interbank offered rate plus, in the case of each of (a) and (b), an applicable margin that is based on the ratio of the Company's debt to EBITDA. The Credit Facility is collateralized by substantially all of the Company's personal property. At January 2, 2009, the Company had $6.0 million outstanding under standby letters of credit, leaving borrowing availability under the Credit Facility of $79.0 million.

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The Credit Facility contains financial covenants regarding a maximum leverage ratio and a minimum interest coverage ratio. In addition the Credit Facility contains covenants that restrict, among other things, the Company's ability to incur additional debt, sell assets, make investments and acquisitions, make capital expenditures, grant liens, pay dividends and make certain other restricted payments. The Company was in compliance with its financial loan covenants under the Credit Facility as of January 2, 2009.

Note 8 — Product Warranty

The Company provides limited warranties on its products for periods of up to five years. The Company records a liability for its warranty obligations when products are shipped or they are included in long-term construction contracts based upon an estimate of expected warranty costs. Amounts expected to be incurred within 12 months are classified as a current liability. For mature products, the warranty cost estimates are based on historical experience with the particular product. For newer products that do not have a history of warranty costs, the Company bases its estimates on its experience with the technology involved and the types of failures that may occur. It is possible that the Company's underlying assumptions will not reflect the actual experience and in that case, future adjustments will be made to the recorded warranty obligation. The following table reflects the change in the Company's warranty accrual during the nine months ended January 2, 2009 and December 28, 2007.

	For the nine months ended	
(In thousands)	**January 2, 2009**	**December 28, 2007**
Balance, beginning of period	$ 11,679	$ 9,863
Change in liability for warranties issued in period	6,532	5,900
Settlements made (in cash or in kind) during the period	(6,143)	(4,110)
Balance, end of period	$ 12,068	$ 11,653

Note 9 — Commitments and Contingencies

The Company is subject to legal proceedings, claims and litigation arising in the ordinary course of business. While the outcome of such matters is not presently determinable, the Company believes that the resolution of such matters will not have a material adverse effect on its consolidated financial position, results of operations or liquidity; however, there can be no assurance that the ultimate resolution of these matters will not have a material impact on its consolidated financial position, results of operations or liquidity in any period.

Note 10 — Income Taxes

The Company currently estimates its annual effective income tax rate to be approximately 18.9% for fiscal year 2009, as compared to the actual 28.1% effective income tax rate in fiscal year 2008. The reduction in the estimated annual effective tax rate is primarily due to the recording of research and development tax credits allowed for by the Emergency Economic Stabilization Act of 2008, enacted on October 3, 2008, extending the research and development tax credit from January 1, 2008 to December 31, 2009. The income tax provision of approximately 7.9% for the third quarter of fiscal year 2009 was lower than the expected annual effective tax rate primarily due to the expiration of the statute of limitations for certain previously filed tax returns resulting in the recognition of previously unrecognized tax benefits of approximately $1.1 million and benefit from settlement of prior year taxes of approximately $0.7 million.

For the three and nine months ended January 2, 2009, the Company's gross unrecognized tax benefits increased by $0.7 million and $2.6 million, respectively. In the next 12 months it is reasonably possible that the amount of unrecognized tax benefits will decrease by $2.6 million as a result of the expiration of the statute of limitations for previously filed tax returns.

Note 11 — Segment Information

The Company's government systems, commercial networks and satellite services segments are primarily distinguished by the type of customer and the related contractual requirements. The more regulated government environment is subject to unique contractual requirements and possesses economic characteristics which differ from the commercial networks and satellite services segments. During the third and fourth quarters of fiscal year 2008, the Company made management and organizational structure changes due to a shift in product marketing and development strategies and consequently realigned the way management organizes and evaluates financial information internally for making operating decisions and assessing performance. The Company's satellite services segment is comprised of its expanding maritime and airborne broadband and enterprise VSAT services and ViaSat-1 satellite related activities. The Company's commercial networks segment comprises its former satellite networks and antenna systems segments, except for the

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satellite services segment. The Company's reporting segments, comprised of the government systems, commercial networks and satellite services segments, are determined consistently with the way management currently organizes and evaluates financial information internally for making operating decisions and assessing performance. The following segment information reflects prior periods recast to this organizational and reporting structure:

(in thousands)	Three months ended January 2, 2009	Three months ended December 28, 2007	Nine months ended January 2, 2009	Nine months ended December 28, 2007
Revenues				
Government Systems	$ 93,757	$ 84,943	$ 279,704	$ 235,425
Commercial Networks	54,208	65,372	176,364	186,714
Satellite Services	2,397	1,738	6,535	5,101
Elimination of intersegment revenues	—	—	—	—
Total revenues	150,362	152,053	462,603	427,240
Operating profits (losses)				
Government Systems	14,255	15,610	39,638	33,656
Commercial Networks	72	2,154	629	5,953
Satellite Services	(431)	(894)	(3,256)	(2,169)
Elimination of intersegment operating profits	(47)	56	(60)	56
Segment operating profit before corporate and amortization	13,849	16,926	36,951	37,496
Corporate	47	(40)	85	(296)
Amortization of intangibles	(2,337)	(2,389)	(7,017)	(7,173)
Income from operations	$ 11,559	$ 14,497	$ 30,019	$ 30,027

Amortization of intangibles by segment for the three and nine months ended January 2, 2009 and December 28, 2007 was as follows:

(In thousands)	Three months ended January 2, 2009	Three months ended December 28, 2007	Nine months ended January 2, 2009	Nine months ended December 28, 2007
Government Systems	$ 272	$ 272	$ 816	$ 816
Commercial Networks	2,065	2,117	6,201	6,357
Satellite Services	—	—	—	—
Total amortization of intangibles	$ 2,337	$ 2,389	$ 7,017	$ 7,173

Assets identifiable to segments include: accounts receivable, unbilled accounts receivable, inventory, acquired intangible assets and goodwill. Segment assets as of January 2, 2009 and March 28, 2008 were as follows:

(In thousands)	January 2, 2009	March 28, 2008
Segment assets		
Government Systems	$ 148,570	$ 139,979
Commercial Networks	162,910	166,858
Satellite Systems	1,749	1,016
Total segment assets	313,229	307,853
Corporate assets	271,566	243,241
Total assets	$ 584,795	$ 551,094

Net acquired intangible assets and goodwill included in segment assets as of January 2, 2009 and March 28, 2008 were as follows:

(In thousands)	Net intangible assets January 2, 2009	Net intangible assets March 28, 2008	Goodwill January 2, 2009	Goodwill March 28, 2008
Government Systems	$ 3,064	$ 3,880	$ 22,191	$ 22,191
Commercial Networks	15,396	21,597	44,216	44,216
Satellite Services	—	—	—	—
Total	$ 18,460	$ 25,477	$ 66,407	$ 66,407

Revenue information by geographic area for the three and nine months ended January 2, 2009 and December 28, 2007 was as follows:

(In thousands)	Three months ended January 2, 2009	Three months ended December 28, 2007	Nine months ended January 2, 2009	Nine months ended December 28, 2007
United States	$ 128,662	$ 125,164	$ 391,156	$ 349,196
Europe, Middle East and Africa	12,223	11,197	34,220	30,184
Asia, Pacific	5,489	5,548	20,991	21,074
North America other than United States	3,151	9,067	12,822	22,901
Central and Latin America	837	1,077	3,414	3,885
	$ 150,362	$ 152,053	$ 462,603	$ 427,240

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The Company distinguishes revenues from external customers by geographic areas based on customer location.

The net book value of long-lived assets located outside the United States was $0.3 million at January 2, 2009 and $0.4 million at March 28, 2008.

Note 12 — Certain Relationships and Related-Party Transactions

Michael Targoff, a director of the Company since February 2003, currently serves as the Chief Executive Officer and the Vice Chairman of the board of directors of Loral Space & Communications, Inc. (Loral), the parent of Space Systems/Loral, Inc. (SS/L), and in October 2007 also became a director of Telesat Holdings Inc., a new entity formed in connection with Loral's acquisition of Telesat Canada described below. John Stenbit, a director of the Company since August 2004, also currently serves on the board of directors of Loral.

In October 2007, Loral and its Canadian partner, Public Sector Pension Investment Board (PSP), through Telesat Holdings Inc., a joint venture formed by Loral and PSP, completed the acquisition of 100% of the stock of Telesat Canada from BCE Inc. Loral acquired equity interests in Telesat Holdings Inc. representing 64% of the economic interests and 33 1/3% of the voting interests. PSP acquired 36% of the economic interests and 66 2/3% of the voting interests in Telesat Holdings Inc. (except with respect to the election of directors as to which it held a 30% voting interest). In connection with this transaction, Michael Targoff became a director on the board of the newly formed entity, Telesat Holdings Inc.

In January 2008, the Company entered into several agreements with SS/L, Loral and Telesat Canada related to the Company's anticipated high capacity satellite system. Under the satellite construction contract with SS/L, the Company purchased a new broadband satellite (ViaSat-1) designed by the Company and currently under construction by SS/L for approximately $209.1 million, subject to purchase price adjustments based on satellite performance. In addition, the Company entered into a beam sharing agreement with Loral, whereby Loral is responsible for contributing 15% of the total costs (estimated at approximately $60.0 million) associated with the ViaSat-1 satellite project. The Company's contract with SS/L for the construction of the ViaSat-1 satellite was approved by the disinterested members of the Company's Board of Directors, after a determination by the disinterested members of the Company's Board that the terms and conditions of the purchase were fair to the Company and in the best interests of the Company and its stockholders.

During the nine months ended January 2, 2009, related to the construction of the Company's anticipated high capacity satellite system, the Company paid $65.3 million to SS/L and had an outstanding payable as of January 2, 2009 of $9.5 million. As of March 28, 2008, the Company had a $3.8 million outstanding payable related to SS/L. In the normal course of business, the Company recognized $0.2 million and $3.4 million of revenue related to Telesat Canada for the three months ended January 2, 2009 and December 28, 2007, respectively, and $1.9 million and $9.6 million for the nine months ended January 2, 2009 and December 28, 2007, respectively. Accounts receivable due from Telesat Canada as of January 2, 2009 and March 28, 2008 were $2.9 million and $3.1 million, respectively.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This Quarterly Report, including "Management's Discussion and Analysis of Financial Condition and Results of Operations," contains forward-looking statements regarding future events and our future results that are subject to the safe harbors created under the Securities Act of 1933 and the Securities Exchange Act of 1934. These statements are based on current expectations, estimates, forecasts, and projections about the industries in which we operate and the beliefs and assumptions of our management. We use words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "goal," "intend," "may," "plan," "project," "seek," "should," "target," "will," "would," variations of such words, and similar expressions to identify forward-looking statements. In addition, statements that refer to projections of earnings, revenue, costs or other financial items; anticipated growth and trends in our business or key markets; future growth and revenues from our products; anticipated performance of products or services; plans, objectives and strategies for future operations; and other characterizations of future events or circumstances, are forward-looking statements. Readers are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions that are difficult to predict. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. Factors that might cause such a difference include, but are not limited to, product design flaws or defects; our ability to successfully integrate acquired companies; our ability to perform under existing contracts and obtain additional contracts; our ability to develop new products that gain market acceptance; changes in product supply, pricing and customer or end user demand; changes in relationships with, or the financial condition of, key customers or suppliers; changes in government regulations; changes in economic conditions globally and in the communications markets in particular; increased competition; potential product liability, infringement and other claims; risks associated with owning and operating satellites (including ViaSat-1, our first broadband satellite); factors affecting the communications industry generally; and other factors identified elsewhere in this Quarterly Report and in our most recent reports on Forms 10-K, 10-Q and 8-K. We undertake no obligation to revise or update any forward-looking statements for any reason.

Overview

We are a leading producer of innovative satellite and other wireless communications and networking systems to government and commercial customers. Our ability to apply technologies between government and commercial customers, combined with our diversification of technologies, products and customers, provides us with a strong foundation to sustain and enhance our leadership in advanced wireless communications and networking technologies. Based on our history and extensive experience in complex defense communications systems, we have developed the capability to design and implement innovative communications solutions, which enhance bandwidth utilization by applying our sophisticated networking and digital signal processing techniques. Our goal is to leverage our advanced technology and capabilities to capture a considerable share of the networking and global satellite communications equipment and services segment for both government and commercial customers.

Our internal growth to date has historically been driven largely by our success in meeting the need for advanced communications products for our government and commercial customers. By developing cost-effective communications solutions incorporating our advanced technologies, we have continued to grow the markets for our products and services.

In fiscal year 2008, we announced a change in the composition of our segments to reflect the realignment of the organization with our recent strategic initiatives. We conduct our business through three segments: government systems, commercial networks and satellite services. Prior fiscal year information has been recast to facilitate comparisons to the newly established reportable segments.

Government Systems

Our government systems business encompasses specialized products principally serving defense customers and includes:

- Data links, including Multifunctional Information Distribution System (MIDS) terminals, MIDS Joint Tactical Radio System (MIDS JTRS) development and Unmanned Aerial Vehicle (UAV) technologies,
- Information security and assurance products and services, which enable military and government users to communicate secure information over secure and non-secure networks, and
- Government satellite communication systems and products, including UHF DAMA satellite communications products consisting of modems, terminals and network control systems, and innovative broadband solutions to government customers to increase available bandwidth using existing satellite capacity.

Serving government customers with cost-effective products and solutions continues to be a critical and core element of our overall business strategy.

Commercial Networks

Our commercial networks segment offers an end-to-end capability to provide customers with a broad range of satellite communication and other wireless communications equipment solutions, including:

- Consumer broadband products and solutions to customers based on DOCSIS® or DVB-RCS technology,
- Mobile broadband products and systems for airborne, maritime and ground mobile broadband applications,
- Enterprise Very Small Aperture Terminal (VSAT) networks products,
- Satellite networking systems design and technology development, and
- Antenna systems for commercial and defense applications.

With expertise in commercial satellite network engineering, gateway construction, and remote terminal manufacturing for all types of interactive communications services, we have the ability to take overall responsibility for designing, building, initially operating, and then handing over a fully operational, customized satellite network serving a variety of markets and applications. In addition, based on our advanced satellite technology and systems integration experience, we have developed products addressing five key broadband markets: enterprise, consumer, in-flight, maritime and ground mobile applications.

Satellite Services

Our satellite services segment encompasses three primary areas: managed broadband services, mobile broadband services and wholesale bandwidth services. For everyday enterprise networking or backup protection for primary networks, our managed broadband service provides a combination of terrestrial and satellite connections through an around-the-clock call center and network management operation to ensure customer network availability and reliable digital satellite communications. Our mobile broadband service includes network management services for our customers who utilize our Arclight-based mobile communication systems or our network management center. In 2008, we began construction of a high speed Ka-band satellite system in order to provide wholesale broadband and other services over North America. We currently plan to launch this satellite in the first half of 2011 and introduce service later in 2011.

Sources of Revenues

To date, our ability to grow and maintain our revenues has depended on our ability to identify and target markets where the customer places a high priority on the technology solution, and our ability to obtain additional sizable contract awards. Due to the nature of this process, it is difficult to predict the probability and timing of obtaining awards in these markets.

Our products are provided primarily through three types of contracts: fixed-price, time-and-materials and cost-reimbursement contracts. Fixed-price contracts, which require us to provide products and services under a contract at a specified price, comprised approximately 86.8% and 86.5% of our revenues for the three months ended January 2, 2009 and December 28, 2007, respectively, and 86.1% and 85.0% of our revenues for the nine months ended January 2, 2009 and December 28, 2007, respectively. The remainder of our annual revenue was derived from cost-reimbursement contracts (under which we are reimbursed for all actual costs incurred in performing the contract to the extent such costs are within the contract ceiling and allowable under the terms of the contract, plus a fee or profit) and from time-and-materials contracts (which reimburse us for the number of labor hours expended at an established hourly rate negotiated in the contract, plus the cost of materials utilized in providing such products or services).

Historically, a significant portion of our revenues has been derived from contracts for the research and development of products. The research and development efforts are conducted in direct response to the customer's specific requirements and, accordingly, expenditures related to such efforts are included in cost of sales when incurred and the related funding (which includes a profit component) is included in revenues. Revenues for our funded research and development were approximately $28.9 million or 19.2% and $29.9 million or 19.7% of our revenues in the three months ended January 2, 2009 and December 28, 2007, respectively. Revenues for our funded research and development were approximately $93.3 million or 20.2% and $89.5 million or 21.0% of our revenues in the nine months ended January 2, 2009 and December 28, 2007, respectively.

We also incur independent research and development expenses, which are not directly funded by a third party. Independent research and development expenses consist primarily of salaries and other personnel-related expenses, supplies, prototype materials, testing and certification related to research and development programs. Independent research and development expenses were approximately 4.7% and 5.5% of revenues during the three months ended January 2, 2009 and December 28, 2007, respectively, and 5.1% and 5.7% of revenues during the nine months ended January 2, 2009 and December 28, 2007, respectively. As a government contractor, we are able to recover a portion of our independent research and development expenses pursuant to our government contracts.

Critical Accounting Policies and Estimates

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires us to make judgments, assumptions, and estimates that affect the amounts reported in our condensed consolidated financial statements and accompanying notes. We consider the policies discussed below to be critical to an understanding of our financial statements because their application places the most significant demands on management's judgment, with financial reporting results relying on estimation about the effect of matters that are inherently uncertain. We describe the specific risks for these critical accounting policies in the following paragraphs. For all of these policies, we caution that future events rarely develop exactly as forecast, and the best estimates routinely require adjustment.

Revenue recognition

A substantial portion of our revenues are derived from long-term contracts requiring development and delivery of complex equipment built to customer specifications. Sales related to these contracts are accounted for under the percentage-of-completion method of accounting under the American Institute of Certified Public Accountants' Statement of Position 81-1 (SOP 81-1), "Accounting for Performance of Construction-Type and Certain Production-Type Contracts." Sales and earnings under these contracts are recorded either based on the ratio of actual costs incurred to date to total estimated costs expected to be incurred related to the contract or as products are shipped under the units-of-delivery method.

The percentage-of-completion method of accounting requires management to estimate the profit margin for each individual contract and to apply that profit margin on a uniform basis as sales are recorded under the contract. The estimation of profit margins requires management to make projections of the total sales to be generated and the total costs that will be incurred under a contract. These projections require management to make numerous assumptions and estimates relating to items such as the complexity of design and related development costs, performance of subcontractors, availability and cost of materials, labor productivity and cost, overhead and capital costs, and manufacturing efficiency. These contracts often include purchase options for additional quantities and customer change orders for additional or revised product functionality. Purchase options and change orders are accounted for either as an integral part of the original contract or separately depending upon the nature and value of the item. For contract claims or similar items, we apply judgment in estimating the amounts and assessing the potential for realization. These amounts are only included in contract value when they can be reliably estimated and realization is considered probable. Anticipated losses on contracts are recognized in full in the period in which losses become probable and estimable. During the three months ended January 2, 2009 and December 28, 2007, we recorded losses of approximately $0.2 million and $3.0 million, respectively, related to loss contracts. During the nine months ended January 2, 2009 and December 28, 2007, we recorded losses of approximately $1.6 million and $6.5 million, respectively, related to loss contracts.

Assuming the initial estimates of sales and costs under a contract are accurate, the percentage-of-completion method results in the profit margin being recorded evenly as revenue is recognized under the contract. Changes in these underlying estimates due to revisions in sales and future cost estimates or the exercise of contract options may result in profit margins being recognized unevenly over a contract as such changes are accounted for on a cumulative basis in the period estimates are revised.

We believe we have established appropriate systems and processes to enable us to reasonably estimate future cost on our programs through regular quarterly evaluations of contract costs, scheduling and technical matters by business unit personnel and management. Historically, in the aggregate, we have not experienced significant deviations in actual costs from estimated program costs, and when deviations that result in significant adjustments arise, we would disclose the related impact in Management's Discussion and Analysis of Financial Condition and Results of Operations. However, these estimates require significant management judgment and a significant change in future cost estimates on one or more programs could have a material effect on our results of operations. A one percent variance in our future cost estimates on open fixed-price contracts as of January 2, 2009 would change our income before income taxes by approximately $0.4 million.

We also have contracts and purchase orders where revenue is recorded on delivery of products in accordance with Staff Accounting Bulletin No. 104 (SAB 104), "Revenue Recognition." In this situation, contracts and customer purchase orders are used to determine the existence of an arrangement. Shipping documents and customer acceptance, when applicable, are used to verify delivery. We assess whether the sales price is fixed or determinable based on the payment terms associated with the transaction and whether the sales price is subject to refund or adjustment, and assess collectability based primarily on the creditworthiness of the customer as determined by credit checks and analysis, as well as the customer's payment history.

When a sale involves multiple elements, such as sales of products that include services, the entire fee from the arrangement is allocated to each respective element based on its relative fair value in accordance with EITF 00-21, "Accounting for Multiple Element Revenue Arrangements," and recognized when the applicable revenue recognition criteria for each element has been met. The amount of product and service revenue recognized is impacted by our judgments as to whether an arrangement includes multiple elements and, if so, whether sufficient objective and reliable evidence of fair value exists for those elements. Changes to the elements in an arrangement and our ability to establish evidence for those elements could affect the timing of revenue recognition.

Accounting for stock-based compensation

We grant options to purchase our common stock and award restricted stock units to our employees and directors under our equity compensation plans. Eligible employees can also purchase shares of our common stock at 85% of the lower of the fair market value on the first or the last day of each six-month offering period under our employee stock purchase plan. The benefits provided under these plans are stock-based payments subject to the provisions of revised SFAS 123R, "Share-Based Payment." Stock-based compensation expense recognized under SFAS 123R for the three months ended January 2, 2009 and December 28, 2007 was $2.5 million and $1.9 million, respectively. Stock-based compensation expense recognized under SFAS 123R for the nine months ended January 2, 2009 and December 28, 2007 was $7.6 million and $5.6 million, respectively. At January 2, 2009, total unrecognized estimated compensation cost, net of estimated forfeitures, related to unvested stock options and restricted stock units was $7.5 million and $14.6 million, respectively, which are expected to be recognized over a weighted average period of 2.3 years and 3.0 years, respectively. At January 2, 2009, there was no unrecognized estimated compensation cost related to our employee stock purchase plan.

Allowance for doubtful accounts

We make estimates of the collectability of our accounts receivable based on historical bad debts, customer creditworthiness and current economic trends when evaluating the adequacy of the allowance for doubtful accounts. Historically, our bad debts have been minimal; a contributing factor to this is that a significant portion of our sales has been to the United States government. More recently, commercial customers have comprised a larger part of our revenues. Our accounts receivable balance was $166.1 million, net of allowance for doubtful accounts of $0.3 million, and $155.5 million, net of allowance for doubtful accounts of $0.3 million, as of January 2, 2009 and March 28, 2008, respectively.

Warranty reserves

We provide limited warranties on our products for periods of up to five years. We record a liability for our warranty obligations when products are shipped or they are included in long-term construction contracts based upon an estimate of expected warranty costs. Amounts expected to be incurred within 12 months are classified as a current liability. For mature products, the warranty cost estimates are based on historical experience with the particular product. For newer products that do not have a history of warranty costs, we base our estimates on our experience with the technology involved and the types of failures that may occur. It is possible that our underlying assumptions will not reflect the actual experience, and in that case, future adjustments will be made to the recorded warranty obligation.

Goodwill and other intangible assets

We account for our goodwill under SFAS 142, "Goodwill and Other Intangible Assets." The SFAS 142 goodwill impairment model is a two-step process. First, it requires a comparison of the book value of net assets to the fair value of the reporting units that have goodwill assigned to them. Reporting units within our government systems and commercial network segments have goodwill assigned to them. If the fair value is determined to be less than book value, a second step is performed to compute the amount of the impairment. In this process, a fair value for goodwill is estimated, based in part on the fair value of the reporting unit used in the first step, and is compared to its carrying value. The shortfall of the fair value below carrying value, if any, represents the amount of goodwill impairment. We test goodwill for impairment during the fourth quarter every fiscal year, and when an event occurs or circumstances change such that it is reasonably possible that an impairment may exist.

We estimate the fair values of the related operations using discounted cash flows and other indicators of fair value. We base the forecast of future cash flows on our best estimate of the future revenues and operating costs, which we derive primarily from existing firm orders, expected future orders, contracts with suppliers, labor agreements, and general market conditions. Changes in these forecasts could cause a particular reporting unit to either pass or fail the first step in the SFAS 142 goodwill impairment model, which could significantly influence whether a goodwill impairment needs to be recorded. We adjust the cash flow forecasts by an appropriate discount rate derived from our market capitalization plus a suitable control premium at the date of evaluation.

Property, equipment and satellite

Equipment, computers and software, furniture and fixtures and our satellite under construction are recorded at cost, net of accumulated depreciation. Costs are capitalized as incurred and for our satellite include construction, launch and insurance. Satellite construction costs, including launch services and insurance, are generally procured under long-term contracts that provide for payments by us over the contract periods. Satellite construction and launch services costs are capitalized to reflect progress toward completion, which typically coincides with contract milestone payment schedules. Insurance premiums related to satellite launches and subsequent in-orbit testing are capitalized and amortized over the estimated useful lives of the satellite. Performance incentives payable in future periods are dependent on the continued satisfactory performance of the satellite in service.

Impairment of long-lived assets (property, equipment and satellite and other intangible assets)

In accordance with SFAS No. 144 (SFAS 144) "Accounting for the Impairment or Disposal of Long-Lived Assets," we assess potential impairments to our long-lived assets, including property, equipment and satellite and other intangible assets, when there is evidence that events or changes in circumstances indicate that the carrying value may not be recoverable. We recognize an impairment loss when the undiscounted cash flows expected to be generated by an asset (or group of assets) are less than the asset's carrying value. Any required impairment loss would be measured as the amount by which the asset's carrying value exceeds its fair value, and would be recorded as a reduction in the carrying value of the related asset and charged to results of operations. We have not identified any such impairment.

Income taxes

Management evaluates the realizability of our deferred tax assets and assesses the need for a valuation allowance on a quarterly basis. In accordance with SFAS 109, "Accounting for Income Taxes," net deferred tax assets are reduced by a valuation allowance if, based on all the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

On March 31, 2007, we adopted the provisions of FIN 48, "Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109." FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with SFAS 109. FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. The amount recognized is measured as the largest amount of benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement.

We are subject to income taxes in the United States and numerous foreign jurisdictions. In the ordinary course of business, there are calculations and transactions where the ultimate tax determination is uncertain. In addition, changes in tax laws and regulations as well as adverse judicial rulings could adversely affect the income tax provision. We believe we have adequately provided for income tax issues not yet resolved with federal, state and foreign tax authorities. However, if these provided amounts prove to be more than what is necessary, the reversal of the reserves would result in tax benefits being recognized in the period in which we determine that provision for the liabilities is no longer necessary. If an ultimate tax assessment exceeds our estimate of tax liabilities, an additional charge to expense would result.

Results of Operations

The following table presents, as a percentage of total revenues, income statement data for the periods indicated.

	Three months ended		Nine months ended	
	January 2, 2009	December 28, 2007	January 2, 2009	December 28, 2007
Revenues	100.0%	100.0%	100.0%	100.0%
Operating expenses:				
Cost of revenues	70.2	69.6	71.1	71.8
Selling, general and administrative	15.9	13.8	15.8	13.8
Independent research and development	4.7	5.5	5.1	5.7
Amortization of intangible assets	1.5	1.6	1.5	1.7
Income from operations	7.7	9.5	6.5	7.0
Income before income taxes	7.7	10.4	6.7	7.9
Net income	7.1	6.7	5.7	5.4

Three Months Ended January 2, 2009 vs. Three Months Ended December 28, 2007

Revenues

	Three months ended		Dollar	Percentage
(In millions, except percentages)	**January 2, 2009**	**December 28, 2007**	**increase (decrease)**	**increase (decrease)**
Revenues	$ 150.4	$ 152.1	$ (1.7)	(1.1)%

The slight decrease in revenues from $152.1 million to $150.4 million during the third quarter of fiscal year 2009 when compared to the same period last fiscal year was due to a decrease in revenue in our commercial networks segment, partially offset by an increase in revenue in our government systems segment. Our commercial networks segment revenue decrease of $11.2 million was primarily due to a reduction in sales of consumer broadband products of $13.8 million offset by an increase in sales of $4.4 million related to our mobile satellite systems. The revenue increase of $8.8 million in our government systems segment was primarily derived from higher sales of $6.7 million in next generation military satellite communication systems and $5.0 million from information assurance products, offset by a revenue decrease of $3.1 million from our majority-owned subsidiary, TrellisWare.

Cost of revenues

	Three months ended		Dollar	Percentage
(In millions, except percentages)	**January 2, 2009**	**December 28, 2007**	**increase (decrease)**	**increase (decrease)**
Cost of revenues	$ 105.5	$ 105.8	$ (0.3)	(0.3)%
Percentage of revenues	70.2%	69.6%		

Our quarterly cost of revenues decreased slightly from $105.8 million to $105.5 million during the third quarter of fiscal year 2009 when compared to the third quarter of fiscal year 2008, primarily due to our decreased revenues and lower margins earned on next generation broadband development programs. Cost of revenues may fluctuate in future periods depending on the mix of products sold and services provided, competition, new product introduction costs and other factors.

Selling, general and administrative expenses

	Three months ended		Dollar	Percentage
(In millions, except percentages)	**January 2, 2009**	**December 28, 2007**	**increase (increase)**	**increase (decrease)**
Selling, general and administrative	$ 24.0	$ 20.9	$ 3.0	14.5%
Percentage of revenues	15.9%	13.8%		

The increase in selling, general and administrative (SG&A) expenses from $20.9 to $24.0 during the third quarter of fiscal year 2009 when compared to the third quarter of fiscal year 2008 was primarily comprised of higher selling and new business proposal costs of $1.8 million, higher stock-based compensation expense of $0.4 million and increased support costs of approximately $0.8 million. SG&A expenses consisted primarily of personnel costs and expenses for business development, marketing and sales, bid and proposal, facilities, finance, contract administration and general management. Some SG&A expenses are difficult to predict and vary based on specific government, commercial and satellite service sales opportunities.

Independent research and development

(In millions, except percentages)	Three months ended January 2, 2009	Three months ended December 28, 2007	Dollar increase (decrease)	Percentage increase (decrease)
Independent research and development	$ 7.0	$ 8.4	$ (1.4)	(16.9)%
Percentage of revenues	4.7%	5.5%		

The decrease in independent research and development (IR&D) expenses of $1.4 million reflected a year-over-year decrease from the commercial networks segment of approximately $2.0 million. The lower IR&D expenses were principally due to a shift of some of our efforts from internal development projects to customer-funded development.

Amortization of acquired intangible assets

We amortize our intangible assets from prior acquisitions over their estimated useful lives ranging from eight months to ten years. Amortization of intangible assets will decrease each year as the intangible assets with shorter lives become fully amortized. Current and expected amortization expense for each of the following periods is as follows:

(In thousands)	Amortization
For the nine months ended January 2, 2009	$ 7,017
Expected for the remainder of fiscal year 2009	$ 1,804
Expected for fiscal year 2010	5,588
Expected for fiscal year 2011	4,826
Expected for fiscal year 2012	3,600
Expected for fiscal year 2013	1,047
Thereafter	1,595
	$ 18,460

Interest income

Interest income decreased to $0.1 million for the three months ended January 2, 2009, from $1.6 million for the three months ended December 28, 2007 due to lower interest rates on our investments and lower average invested cash balances during the third quarter year-over-year.

Interest expense

Interest expense decreased to $0.1 million for the three months ended January 2, 2009, compared to $0.3 million for the three months ended December 28, 2007. Commitment fees on our line of credit availability remained substantially the same for each period. We had no outstanding borrowings under our line of credit at January 2, 2009 or December 28, 2007.

Provision for income taxes

We currently estimate our annual effective income tax rate to be approximately 18.9% for fiscal year 2009, as compared to the actual effective income tax rate of 28.1% in fiscal year 2008. The income tax provision of approximately 7.9% for the third quarter of fiscal year 2009 was lower than the expected annual effective tax rate primarily due to the expiration of the statute of limitations for certain previously filed tax returns resulting in the recognition of previously unrecognized tax benefits of approximately $1.1 million and benefit from settlement of prior year taxes of approximately $0.7 million.

Our Segment Results for the Three Months Ended January 2, 2009 vs. Three Months Ended December 28, 2007

Government Systems Segment

Revenues

	Three months ended		Dollar	Percentage
(In millions, except percentages)	**January 2, 2009**	**December 28, 2007**	**increase (decrease)**	**increase (decrease)**
Revenues	$ 93.8	$ 84.9	$ 8.8	10.4%

Our government systems segment revenues increased by $8.8 million in the third quarter of fiscal year 2009 when compared to the same period last fiscal year primarily due to higher sales of $6.7 million in next generation military satellite communication systems and $5.0 million from information assurance products and development programs, offset by decreased revenues of $3.1 million from our majority-owned subsidiary, TrellisWare.

Segment operating profit

	Three months ended		Dollar	Percentage
(In millions, except percentages)	**January 2, 2009**	**December 28, 2007**	**increase (decrease)**	**increase (decrease)**
Operating profit	$ 14.3	$ 15.6	$ (1.4)	(8.7)%
Percentage of segment revenue	15.2%	18.4%		

Our government systems segment operating profits decreased in the third quarter of fiscal year 2009 when compared to the same period last fiscal year. This decrease is primarily due to higher selling, support and new business proposal costs of $3.8 million and additional non-cash stock-based compensation expense of $0.3 million, which was partially offset by the effects from the $8.8 million revenue increase on operating profits.

Commercial Networks Segment

Revenues

	Three months ended		Dollar	Percentage
(In millions, except percentages)	**January 2, 2009**	**December 28, 2007**	**increase (decrease)**	**increase (decrease)**
Revenues	$ 54.2	$ 65.4	$ (11.2)	(17.1)%

Our commercial networks segment revenues decreased in the third quarter of fiscal year 2009 when compared to the same period of fiscal year 2008 primarily due to a $13.8 million reduction in consumer broadband product sales offset by increased sales of $4.4 million related to mobile satellite systems.

Segment operating profit

	Three months ended		Dollar	Percentage
(In millions, except percentages)	**January 2, 2009**	**December 28, 2007**	**increase (decrease)**	**increase (decrease)**
Operating profit	$ 0.1	$ 2.2	$ (2.1)	(96.7)%
Percentage of segment revenues	0.1%	3.3%		

Our commercial networks segment operating profit decreased in the third quarter of fiscal year 2009 when compared to the same period of fiscal year 2008 primarily due to lower revenues and related product contributions of $4.9 million, which was partially offset by lower IR&D and SG&A expenses of approximately $2.0 million and $0.8 million, respectively.

Satellite Services Segment

Revenues

	Three months ended		Dollar	Percentage
(In millions, except percentages)	**January 2, 2009**	**December 28, 2007**	**increase (decrease)**	**increase (decrease)**
Revenues	$ 2.4	$ 1.7	$ 0.7	37.9%

Our satellite services segment revenues increased during the third quarter of fiscal year 2009 when compared to the same period of fiscal year 2008 primarily due to growth in our service arrangements supporting both the mobile broadband and enterprise managed networks services markets.

Segment operating loss

	Three months ended		Dollar	Percentage
(In millions, except percentages)	**January 2, 2009**	**December 28, 2007**	**increase (decrease)**	**increase (decrease)**
Operating loss	$ (0.4)	$ (0.9)	$ 0.5	51.8%
Percentage of segment revenues	(18.0)%	(51.4)%		

Our satellite services segment operating losses decreased in the third quarter of fiscal year 2009 when compared to the same period last fiscal year primarily due to the earnings related to the increased revenues of $0.7 million.

Nine Months Ended January 2, 2009 vs. Nine Months Ended December 28, 2007

Revenues

	Nine months ended		Dollar	Percentage
(In millions, except percentages)	**January 2, 2009**	**December 28, 2007**	**increase (decrease)**	**increase (decrease)**
Revenues	$ 462.6	$ 427.2	$ 35.4	8.3%

The increase in revenues from $427.2 million during the first nine months of fiscal year 2008 to $462.6 million during the first nine months of fiscal year 2009 was due to higher customer awards received during the first nine months of fiscal year 2009 of $604.5 million compared to $461.5 million in the same period of fiscal year 2008, and the conversion of a portion of those awards into revenues. Increased revenues were experienced in our government systems segment, which increased by $44.3 million, and our satellite services segments, which increased by $1.4 million, offset by a decrease in our commercial networks segment of $10.4 million. The revenue increase in our government systems segment was primarily derived from higher sales of $29.2 million in information assurance products and development programs, $17.0 million in next generation military satellite communication systems and $5.9 million in video data link systems, offset by a decrease in sales of $5.9 million in next generation tactical data link development and a decrease of $1.9 million in sales from our majority-owned subsidiary, TrellisWare. Our satellite services segment revenue increase of approximately $1.4 million was primarily derived from service arrangements supporting both the mobile broadband and enterprise managed networks services markets. Our commercial networks segment revenue decrease was mainly due to a reduction in sales of consumer broadband products of $27.6 million, offset by a $16.8 million increase in sales of mobile satellite systems.

Cost of revenues

	Nine months ended		Dollar	Percentage
(In millions, except percentages)	**January 2, 2009**	**December 28, 2007**	**increase (decrease)**	**increase (decrease)**
Cost of revenues	$ 329.1	$ 306.8	$ 22.3	7.3%
Percentage of revenues	71.1%	71.8%		

The increase in cost of revenues from $306.8 million during the first nine months of fiscal year 2008 to $329.1 million for the same period in fiscal year 2009 was primarily due to our increased revenues. However, we did experience a slight decrease in cost of revenues as a percentage of revenues from 71.8% for the first nine months of fiscal year 2008 to 71.1% for the same period in the current year. This improvement was primarily due to product cost reductions of approximately $4.5 million related to better program performance in our next generation military satellite communication systems in our government systems segment and better program performance in our antenna systems product group of approximately $1.9 million, offset by an increase in cost of revenues of $4.6 million in our consumer broadband products principally from lower margin next generation broadband development programs for the first nine months of fiscal year 2009 compared to the same period last fiscal year. Cost of revenues for the nine months ended January 2, 2009 and December 28, 2007 included approximately $1.9 million and $1.4 million, respectively, in stock-based compensation expense. Cost of revenues may fluctuate in future periods depending on the mix of products sold and services provided, competition, new product introduction costs and other factors.

Selling, general and administrative expenses

(In millions, except percentages)	Nine months ended January 2, 2009	Nine months ended December 28, 2007	Dollar increase (decrease)	Percentage increase (decrease)
Selling, general and administrative	$ 73.0	$ 59.1	$ 13.9	23.6%
Percentage of revenues	15.8%	13.8%		

The increase in SG&A expenses during the first nine months of fiscal year 2009 compared to the same period of fiscal year 2008 was primarily attributable to higher selling and new business proposal costs of approximately $5.2 million for new contract awards, increased support costs related to business expansion of approximately $5.8 million, increased support costs related to our ViaSat-1 satellite of $1.7 million and an increase of approximately $1.3 million in stock-based compensation expense. SG&A expenses consisted primarily of personnel costs and expenses for business development, marketing and sales, bid and proposal, facilities, finance, contract administration and general management. Some SG&A expenses are difficult to predict and vary based on specific government, commercial and satellite service sales opportunities.

Independent research and development

(In millions, except percentages)	Nine months ended January 2, 2009	Nine months ended December 28, 2007	Dollar increase (decrease)	Percentage increase (decrease)
Independent research and development	$ 23.5	$ 24.2	$ (0.7)	(3.0)%
Percentage of revenues	5.1%	5.7%		

The decrease in IR&D expenses reflects a year-over-year decrease in the commercial networks segment of $2.6 million for the first nine months of fiscal year 2009 when compared to the same period of fiscal year 2008 offset by an increase in the government systems segment of $1.9 million. The lower IR&D expenses were principally due to a shift of some of our efforts from internal development projects to customer-funded development.

Amortization of acquired intangible assets

The intangible assets from prior acquisitions are being amortized over estimated useful lives ranging from eight months to ten years. Amortization of intangible assets will decrease each year as the intangible assets with shorter lives become fully amortized. Current and expected amortization expense for each of the following periods is as follows:

(In thousands)	Amortization
For the nine months ended January 2, 2009	$ 7,017
Expected for the remainder of fiscal year 2009	$ 1,804
Expected for fiscal year 2010	5,588
Expected for fiscal year 2011	4,826
Expected for fiscal year 2012	3,600
Expected for fiscal year 2013	1,047
Thereafter	1,595
	$ 18,460

Interest income

Interest income decreased to $1.4 million for the first nine months of fiscal year 2009 from $4.5 million for the same period in fiscal year 2008 due to lower interest rates on our investments and lower average invested cash balances.

Interest Expense

Interest expense decreased to $0.3 million for the nine months ended January 2, 2009 from $0.6 million for the same period in fiscal year 2008. Commitment fees on our line of credit availability remained substantially the same for each period. We had no outstanding borrowings under our line of credit at January 2, 2009 or December 28, 2007.

Provision for income taxes

We currently estimate our annual effective income tax rate to be approximately 18.9% for fiscal year 2009, as compared to the actual 28.1% effective income tax rate in fiscal year 2008. The reduction in the estimated annual effective tax rate is primarily due to the recording of research and development tax credits allowed for by the Emergency Economic Stabilization Act of 2008, enacted on October 3, 2008, extending the research and development tax credit from January 1, 2008 to December 31, 2009. The income tax provision of approximately 15.5% for the first nine months of fiscal year 2009 was lower than the expected annual effective tax rate primarily due to the recognition of previously unrecognized tax benefits of approximately $1.1 million and benefit from settlement of prior year taxes of $0.7 million.

Our Segment Results for the Nine Months Ended January 2, 2009 vs. Nine Months Ended December 28, 2007

Government Systems Segment

Revenues

	Nine months ended		Dollar	Percentage
(In millions, except percentages)	January 2, 2009	December 28, 2007	increase (decrease)	increase (decrease)
Revenues	$ 279.7	$ 235.4	$ 44.3	18.8%

Our government systems segment revenues increased primarily due to higher customer awards of $347.1 million in the first nine months of fiscal year 2009 compared to $248.4 million in same period of fiscal year 2008, and the conversion of a portion of those awards into revenues. The $44.3 million revenue increase was comprised of higher sales of $29.2 million in information assurance products and development programs, $17.0 million in next generation military satellite communication systems and $5.9 million in video data link systems, offset by a decrease in sales of $5.9 million in next generation tactical data link development and a decrease of $1.9 million in sales from our majority-owned subsidiary, TrellisWare.

Segment operating profit

	Nine months ended		Dollar	Percentage
(In millions, except percentages)	January 2, 2009	December 28, 2007	increase (decrease)	increase (decrease)
Operating profit	$ 39.6	$ 33.7	$ 6.0	17.8%
Percentage of segment revenues	14.2%	14.3%		

Government systems segment operating profits increased in the first nine months of fiscal year 2009 when compared to the same period of fiscal year 2008 primarily due to increased revenues and related product contributions of $15.9 million, offset by $8.1 million in higher selling, support and new business proposal costs and a $1.9 million increase in IR&D costs.

Commercial Networks Segment

Revenues

	Nine months ended		Dollar	Percentage
(In millions, except percentages)	January 2, 2009	December 28, 2007	increase (decrease)	increase (decrease)
Revenues	$ 176.4	$ 186.7	$ (10.4)	(5.5)%

The decrease in our commercial networks segment revenues in the first nine months of fiscal year 2009 when compared to the same period of fiscal year 2008 was primarily a result of reduced consumer broadband products sales of $27.6 million, offset by a $16.8 million increase in sales of mobile satellite systems.

Segment operating profit

	Nine months ended		Dollar	Percentage
(In millions, except percentages)	January 2, 2009	December 28, 2007	increase (decrease)	increase (decrease)
Operating profit	$ 0.6	$ 6.0	$ (5.3)	(89.4)%
Percentage of segment revenues	0.4%	3.2%		

Our commercial networks segment operating profit decreased in the first nine months of fiscal year 2009 when compared to the same period of fiscal year 2008 due to higher selling and support costs of $4.3 million, an increase in cost of revenues of $4.6 million in our consumer broadband products principally from lower margin next generation broadband development programs and additional non-cash stock-based compensation expense of $0.9 million. This operating profit decrease was slightly offset by better program performance in our antenna systems product group totaling approximately $1.9 million.

Satellite Services Segment

Revenues

(In millions, except percentages)	Nine months ended January 2, 2009	Nine months ended December 28, 2007	Dollar increase (decrease)	Percentage increase (decrease)
Revenues	$ 6.5	$ 5.1	$ 1.4	28.1%

Our satellite services segment revenues increased in the first nine months of fiscal year 2009 when compared to the same period last fiscal year by approximately $1.4 million. These revenues were primarily derived from a growth in service arrangement awards supporting both the mobile broadband and enterprise managed networks services markets.

Segment operating loss

(In millions, except percentages)	Nine months ended January 2, 2009	Nine months ended December 28, 2007	Dollar increase (decrease)	Percentage increase (decrease)
Operating loss	$ (3.3)	$ (2.2)	$ (1.1)	(50.1)%
Percentage of segment revenues	(49.8)%	(42.5)%		

The increase in satellite services segment operating losses of $1.1 million in the first nine months of fiscal year 2009 when compared to the same period last fiscal year was primarily driven by a $1.7 million increase in legal and support costs related to our ViaSat-1 satellite, offset by $0.6 million in contributions from satellite services segment revenue growth, net of cost of revenues.

Backlog

As reflected in the table below, both funded and firm backlog increased during the first nine months of fiscal year 2009.

(In millions)	January 2, 2009	March 28, 2008
Firm backlog		
Government Systems segment	$ 274.3	$ 206.8
Commercial Networks segment	231.6	154.5
Satellite Services segment	10.5	13.1
Total	$ 516.4	$ 374.4
Funded backlog		
Government Systems segment	$ 240.2	$ 186.1
Commercial Networks segment	178.4	154.5
Satellite Services segment	10.5	13.1
Total	$ 429.1	$ 353.7
Contract options	$ 39.8	$ 39.3

The firm backlog does not include contract options. Of the $516.4 million in firm backlog, approximately $118.6 million is expected to be delivered during the remaining three months of fiscal year 2009, and the balance is expected to be delivered in fiscal year 2010 and thereafter. We include in our backlog only those orders for which we have accepted purchase orders. Compared to the last fiscal year, as more of our products have been placed into market, we have seen a greater percentage of awards from book and ship-type orders, resulting in backlog growth rate that is relatively lower than the previous three fiscal years.

Total new awards for commercial, government and satellite services products were $143.1 million and $604.5 million for the three and nine months ended January 2, 2009, respectively, compared to $136.0 million and $461.5 million for the three and nine months ended December 28, 2007, respectively.

Backlog is not necessarily indicative of future sales. A majority of our contracts can be terminated at the convenience of the customer since orders are often made substantially in advance of delivery, and our contracts typically provide that orders may be terminated with limited or no penalties. In addition, purchase orders may present product specifications that would require us to complete additional product development. A failure to develop products meeting such specifications could lead to a termination of the related contract.

The backlog amounts as presented are comprised of funded and unfunded components. Funded backlog represents the sum of contract amounts for which funds have been specifically obligated by customers to contracts. Unfunded backlog represents future amounts that customers may obligate over the specified contract performance periods. Our customers allocate funds for expenditures on long-term contracts on a periodic basis. Our ability to realize revenues from contracts in backlog is dependent upon adequate funding for such contracts. Although we do not control the funding of our contracts, our experience indicates that actual contract fundings have ultimately been approximately equal to the aggregate amounts of the contracts.

Liquidity and Capital Resources

We have financed our operations to date primarily with cash flows from operations, bank line of credit financing and equity financing. The general cash needs of our government systems, commercial networks and satellite services segments can vary significantly and depend on the type and mix of contracts in backlog (i.e., product or service, development or production, and timing of payments), the quality of the customer (i.e., United States government or commercial, domestic or international) and the duration of the contract. In addition, for all three of our segments, program performance significantly impacts the timing and amount of cash flows. If a program is performing and meeting its contractual requirements, then the cash flow requirements are usually lower.

The cash needs of the government systems segment tend to be more a function of the type of contract rather than customer quality. Also, United States government procurement regulations tend to restrict the timing of cash payments on the contract. In the commercial networks and satellite services segments, our cash needs are driven primarily by the quality of the customer and the type of contract. The quality of the customer will typically affect the specific contract cash flow and whether financing instruments are required by the customer. In addition, the commercial networks and satellite services financing environment tends to provide for more flexible payment terms with customers, including advance payments. In January 2008, we announced plans to have a high-capacity broadband satellite constructed and to develop the related ground network equipment. We estimate the costs prior to launch will be approximately $400.0 million depending on the roll-out of the ground segment.

Cash provided by operating activities for the first nine months of fiscal year 2009 was $31.5 million as compared to $46.1 million for the first nine months of fiscal year 2008. The $14.6 million decrease in cash provided by operating activities for the first nine months of fiscal year 2009 as compared to the first nine months of fiscal year 2008 was primarily attributable to a year-over-year net increase in cash used for net operating assets of $16.2 million, offset by higher year-over-year net income of $3.2 million. Combined billed and unbilled accounts receivable, net, increased by $10.7 million due to a $4.9 million increase in our government systems segment and a $5.8 million increase in our commercial networks segment spread across various customers. Collections in excess of revenue included in accrued liabilities decreased approximately $5.6 million as we progress towards completion of certain larger development projects and as we record the related revenues, as well as the timing of any additional milestones billings.

Cash used in investing activities for the first nine months of fiscal year 2009 was $93.9 million as compared to $35.2 million for the first nine months of fiscal year 2008. The increase in cash used in investing activities is primarily related to the construction of our ViaSat-1 satellite of approximately $71.5 million and other additional capital expenditures for equipment of approximately $19.2 million for the first nine months of fiscal year 2009 compared to approximately $13.6 million of capital expenditures for the same period of fiscal year 2008. In addition, cash used in investing activities for the first nine months of fiscal year 2009 included, in connection with the terms of our JAST acquisition, the cash payment of the remaining portion of the initial purchase price of approximately $0.8 million on the first anniversary of the closing date. Cash used in investing activities for the first nine months of fiscal year 2008 included the purchase of approximately $11.8 million of short-term investments classified as held-to maturity, $8.7 million paid in cash to certain former Efficient Channel Coding, Inc. (ECC) stockholders under the terms of the acquisition agreement for ECC, $0.9 million in cash paid for the acquisition of JAST on the closing date under the terms of the JAST acquisition agreement, and $0.3 million paid in cash to former stockholders of Enerdyne Technologies, Inc. (Enerdyne) under the terms of the Enerdyne acquisition agreement.

Cash provided by financing activities for the first nine months of fiscal year 2009 was $1.6 million as compared to cash provided by financing activities for the first nine months of fiscal year 2008 of $6.7 million. The approximate $5.0 million decrease in cash inflows for the first nine months of fiscal year 2009 compared to the same period of last fiscal year is primarily related to the $4.7 million repayment of our secured borrowing at the beginning of fiscal year 2009, offset by $1.5 million in cash receipts related to the sale of stock in our majority-owned subsidiary, TrellisWare. During April 2008, TrellisWare issued additional shares of preferred stock and received $1.5 million in cash proceeds from other principal shareholders. We also invested $1.8 million in order to maintain the level of our percentage ownership interest. In addition, cash provided by financing activities for both periods included cash received from stock option exercises, employee stock purchase plan purchases and cash inflows related to the incremental tax benefit from stock-based compensation slightly offset by the repurchase of common stock related to net share settlement of certain employee tax liabilities in connection with the vesting of restricted stock unit awards.

In January 2008, we entered into several agreements with Space Systems/Loral, Inc. (SS/L), Loral Space & Communications, Inc. (Loral) and Telesat Canada (Telesat) related to our high capacity satellite system. Under the satellite construction contract with SS/L, we purchased a new broadband satellite (ViaSat-1) designed by us and currently under construction by SS/L for approximately $209.1 million, subject to purchase price adjustments based on satellite performance. The total cost of the satellite is $246.0 million, but, as part of the satellite purchase arrangements, Loral executed a separate contract with SS/L whereby Loral is purchasing the Canadian beams on the ViaSat-1 satellite for approximately $36.9 million (15% of the total satellite cost). In November 2008, we entered into an agreement with Arianespace to provide launch services for the ViaSat-1 satellite. The cost of the satellite launch is estimated at $107.8 million and may vary depending on the weight of the satellite at launch. We have entered into a beam sharing agreement with Loral, whereby Loral has agreed to reimburse us for 15% of the total costs associated with launch and launch insurance, for which the reimbursement amount is estimated to be approximately $23.1 million, and in-orbit insurance and satellite operating costs post launch.

The projected total cost of the ViaSat-1 project, including the satellite, launch, insurance and related gateway infrastructure, through satellite launch is estimated to be approximately $400.0 million, and will depend on the timing of the gateway infrastructure roll-out. We continually evaluate alternative strategies that would limit our total required investment. One alternative would limit our funding requirements to our cash and cash equivalents and the remaining amount may be funded by equity contributions from outside parties and/or debt collateralized by the satellite. Alternatively, if necessary, we believe we have adequate sources of funding for the project, which includes our cash on hand, the cash we expect to generate from operations over the next few years, and additional borrowing ability based on our financial position and low debt leverage. We believe this provides us flexibility to execute this project in an appropriate manner and/or obtain outside equity in the range indicated under terms that we consider reasonable.

We invest our cash in excess of current operating requirements in short-term, interest-bearing, investment-grade securities. At January 2, 2009, we had $63.7 million in cash and cash equivalents, $212.3 million in working capital and no outstanding borrowings under our line of credit. At March 28, 2008, we had $125.2 million in cash and cash equivalents and short-term investments, $248.3 million in working capital and no outstanding borrowings under our line of credit. Our cash and cash equivalents are held in accounts managed by third party financial institutions. To date, we have experienced no loss of access to our cash equivalents; however, there can be no assurance that access to our cash and cash equivalents will not be impacted by adverse conditions in the financial markets.

On October 31, 2008, we entered into a three-year, $85.0 million revolving credit facility (the Credit Facility) in the form of the Third Amended and Restated Revolving Loan Agreement, which replaced an existing $60.0 million revolving credit facility. Borrowings under the Credit Facility are permitted up to a maximum amount of $85.0 million, including up to $25.0 million of letters of credit, and bear interest, at our option, at either (a) the higher of the Federal Funds rate plus 0.50% or the administrative agent's prime rate as announced from time to time, or (b) at the London interbank offered rate plus, in the case of each of (a) and (b), an applicable margin that is based on the ratio of our debt to EBITDA. The Credit Facility is collateralized by substantially all of our personal property. At January 2, 2009, we had $6.0 million outstanding under standby letters of credit, leaving borrowing availability under the Credit Facility of $79.0 million.

The Credit Facility contains financial covenants regarding a maximum leverage ratio and a minimum interest coverage ratio. In addition, the Credit Facility contains covenants that restrict, among other things, our ability to incur additional debt, sell assets, make investments and acquisitions, make capital expenditures, grant liens, pay dividends and make certain other restricted payments.

To further enhance our liquidity position, we may obtain additional credit facilities or sell additional debt or equity securities. In April 2007, we filed a new universal shelf registration statement with the Securities and Exchange Commission, or SEC, for the future sale of up to an additional $200.0 million of debt securities, common stock, preferred stock, depositary shares and warrants, bringing the aggregate available under our universal shelf registration statements to up to $400.0 million. The securities may be offered from time to time, separately or together, directly by us or through underwriters at amounts, prices, interest rates and other terms to be determined at the time of the offering. The sale of additional securities could result in additional dilution of our stockholders.

Our future capital requirements will depend upon many factors, including the timing and amount of cash required for the ViaSat-1 satellite project pursuant to our contractual commitments, other future broadband satellite project we may engage in, expansion of our research and development and marketing efforts and the nature and timing of orders. Additionally, we will continue to evaluate possible acquisitions of, or investments in complementary businesses, products and technologies which may require the use of cash. We believe that our current cash balances and net cash expected to be provided by operating activities along with availability under our Credit Facility will be sufficient to meet our anticipated operating requirements for at least the next 12 months. To further enhance our liquidity position, we may obtain additional secured or unsecured credit facilities or sell additional debt or equity securities under our shelf registration statement.

Contractual Obligations

The following table sets forth a summary of our obligations under operating leases, irrevocable letters of credit, purchase commitments and other long-term liabilities for the periods indicated:

			For the fiscal years ending		
(In thousands)	Total	For the remainder of fiscal year 2009	2010-2011	2012-2013	Thereafter
Operating leases	$105,567	$ 3,342	$ 28,459	$ 24,943	$ 48,823
Standby letters of credit	6,001	6	5,583	412	—
Purchase commitments including satellite related agreements	362,516	77,299	238,719	6,354	40,144
Total	$474,084	$ 80,647	$272,761	$ 31,709	$ 88,967

We purchase components from a variety of suppliers and use several subcontractors and contract manufacturers to provide design and manufacturing services for our products. During the normal course of business, we enter into agreements with subcontractors, contract manufacturers and suppliers that either allow them to procure inventory based upon criteria defined by us or that establish the parameters defining our requirements. We have also entered into agreements with suppliers for the construction of and operation of our ViaSat-1 satellite. In certain instances, these agreements allow us the option to cancel, reschedule and adjust our requirements based on our business needs prior to firm orders being placed. Consequently, only a portion of our reported purchase commitments arising from these agreements are firm, non-cancelable and unconditional commitments.

Our condensed consolidated balance sheets as of January 2, 2009 and March 28, 2008 included $18.7 million and $17.3 million, respectively, classified as "Other liabilities." This caption primarily consists of our long-term warranty obligations, deferred lease credits and long-term unrecognized tax position liabilities. These remaining liabilities have been excluded from the above table as the timing and/or the amount of any cash payment is uncertain. See Note 10 of the notes to consolidated financial statements for additional information regarding our income taxes and related tax positions and Note 8 for a discussion of our product warranties.

Recent Accounting Pronouncements

In September 2006, the FASB issued SFAS 157, "Fair Value Measurements." SFAS 157 defines fair value, establishes guidelines for measuring fair value, and expands disclosures about fair value measurements. In February 2008, the FASB issued FSP FAS 157-1, "Application of FASB Statement No. 157 to FASB Statement No. 13 and Other Accounting Pronouncements That Address Fair Value Measurement for Purpose of Lease Classification of Measurement under Statement 13," which amends SFAS 157 to exclude accounting pronouncements that address fair value measurements for purpose of lease classification or measurement under SFAS No. 13, "Accounting for Leases." In February 2008, the FASB also issued FSP FAS 157-2, "Effective Date of FASB Statement No. 157," which delays the effective date of SFAS 157 until the first fiscal year that begins after November 15, 2008 (our fiscal year 2010) for all non-financial assets and non-financial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). SFAS 157 does not require any new fair value measurements but rather eliminates inconsistencies in guidance found in various prior accounting pronouncements. SFAS 157 was effective for financial assets and liabilities beginning fiscal year 2009. We adopted this standard for financial assets and liabilities in the current fiscal year without any material impact to our consolidated financial statements. We are currently evaluating the impact that SFAS 157 may have on our consolidated financial statements and disclosures when it is applied to non-financial assets and non-financial liabilities that are not measured at fair value on a recurring basis beginning in first quarter of fiscal year 2010.

In October 2008, the FASB issued FSP SFAS 157-3 (FSP 157-3), “Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active,” to clarify how an entity would determine fair value in an inactive market. FSP 157-3 was effective immediately, beginning with our financial statements for the quarter ended October 3, 2008. The application of the provisions of FSP 157-3 did not materially impact our consolidated financial statement disclosures.

In February 2007, the FASB issued SFAS 159, “The Fair Value Option for Financial Assets and Financial Liabilities,” which permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. As we did not elect to measure any of our financial instruments at fair value under the provisions of SFAS 159, the adoption of this statement effective March 29, 2008 did not have an impact on our consolidated financial statements.

In June 2007, the FASB ratified EITF 07-3, “Accounting for Nonrefundable Advance Payments for Goods or Services to Be Used in Future Research and Development Activities.” This issue provides that nonrefundable advance payments for goods or services that will be used or rendered for future research and development activities should be deferred and capitalized. Such amounts should be recognized as an expense as the related goods are delivered or the related services are performed. EITF 07-3 is effective for us in fiscal year 2009. We adopted this standard in the current fiscal year without any material impact to the consolidated financial statements.

In December 2007, the FASB issued SFAS 141R, “Business Combinations.” The purpose of issuing the statement is to replace current guidance in SFAS 141 to better represent the economic value of a business combination transaction. The changes to be effected with SFAS 141R from the current guidance include, but are not limited to: (1) acquisition costs will be recognized as expenses separately from the acquisition; (2) known contractual contingencies at the time of the acquisition will be considered part of the liabilities acquired measured at their fair value; all other contingencies will be part of the liabilities acquired measured at their fair value only if it is more likely than not that they meet the definition of a liability; (3) contingent consideration based on the outcome of future events will be recognized and measured at the time of the acquisition; (4) business combinations achieved in stages (step acquisitions) will need to recognize the identifiable assets and liabilities, as well as non-controlling interests, in the acquiree, at the full amounts of their fair values; and (5) a bargain purchase (defined as a business combination in which the total acquisition-date fair value of the identifiable net assets acquired exceeds the fair value of the consideration transferred plus any non-controlling interest in the acquiree) will require that excess to be recognized as a gain attributable to the acquirer. SFAS 141R will be effective for us in fiscal year 2010. The standard applies prospectively to business combinations for which the acquisition date is on or after April 4, 2009, except that resolution of certain tax contingencies and adjustments to valuation allowances related to business combinations, which previously were adjusted to goodwill, will be adjusted to income tax expense for all such adjustments after April 4, 2009, regardless of the date of the original business combination. We are currently evaluating the impact that SFAS 141R may have on our consolidated financial statements and disclosures.

In December 2007, the FASB issued SFAS 160, “Noncontrolling Interests in Consolidated Financial Statements — an amendment of ARB No. 51.” SFAS 160, which changes the accounting and reporting for business acquisitions and non-controlling interests in subsidiaries. The standard was issued to improve the relevance, comparability, and transparency of financial information provided to investors. Moreover, SFAS 160 eliminates the diversity that currently exists in accounting for transactions between an entity and non-controlling interests by requiring they be treated as equity transactions. SFAS 160 will be effective for us in fiscal year 2010. We are currently evaluating the impact that SFAS 160 may have on our consolidated financial statements and disclosures.

In March 2008, the FASB issued SFAS 161, “Disclosures about Derivative Instruments and Hedging Activities, an Amendment of FASB Statement No. 133,” which requires additional disclosures about the objectives of the derivative instruments and hedging activities, the method of accounting for such instruments under SFAS No. 133 and its related interpretations, and a tabular disclosure of the effects of such instruments and related hedged items on our financial position, financial performance, and cash flows. SFAS 161 is effective for interim periods beginning subsequent to November 15, 2008, commencing for us with respect to our fourth quarter of fiscal year 2009. We are currently assessing the potential impact that adoption of SFAS 161 may have on our consolidated financial statements and disclosures.

Off-Balance Sheet Arrangements

We had no material off-balance sheet arrangements at January 2, 2009 as defined in Regulation S-K Item 303(a)(4) other than as discussed under Contractual Obligations above or disclosed in the notes to our financial statements included in this Quarterly Report or in our Annual Report on Form 10-K for the year ended March 28, 2008.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our financial instruments consist of cash and cash equivalents, short-term investments, trade accounts receivable, accounts payable, and short-term and long-term obligations, including the revolving line of credit. We consider investments in highly liquid instruments purchased with a remaining maturity of 90 days or less at the date of purchase to be cash equivalents. Our exposure to market risk for changes in interest rates relates primarily to cash equivalents, short-term investments and short-term obligations. As a result, we do not expect fluctuations in interest rates to have a material impact on the fair value of these securities.

As of January 2, 2009, there were no foreign currency exchange contracts outstanding. From time to time, we enter into foreign currency exchange contracts to reduce the foreign currency risk for amounts payable to vendors in Euros.

Item 4. Controls and Procedures

We maintain disclosure controls and procedures designed to provide reasonable assurance of achieving the objective that information in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified and pursuant to the requirements of the Securities and Exchange Commission’s rules and forms. We carried out an evaluation, with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of January 2, 2009, the end of the period covered by this Quarterly Report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of January 2, 2009.

During the period covered by this Quarterly Report, there have been no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

We are subject to legal proceedings, claims, and litigation arising in the ordinary course of business. While the outcome of these matters is not presently determinable, we believe that the resolution of such matters will not have a material adverse effect on our consolidated financial position, results of operations or liquidity; however, there can be no assurance that the ultimate resolution of these matters will not have a material impact on our consolidated financial position, results of operations or liquidity in any period.

Item 1A. Risk Factors

In addition to the other information set forth in this Quarterly Report, you should carefully consider the factors discussed in Part I, Item 1A, “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended March 28, 2008 and the factors discussed in Part II, Item 1A, “Risk Factors” in our Quarterly Report on Form 10-Q for the quarterly period ended October 3, 2008, which could materially affect our business, financial condition or future results. The risks described in our reports on Forms 10-K and 10-Q are not the only risks facing our company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, liquidity or future results.

Item 6. Exhibits

The Exhibit Index on page 36 is incorporated herein by reference as the list of exhibits required as part of this Quarterly Report.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

February 11, 2009

VIASAT, INC.

/s/ Mark D. Dankberg
Mark D. Dankberg
Chairman of the Board and Chief Executive Officer
(Principal Executive Officer)

/s/ Ronald G. Wangerin
Ronald G. Wangerin
Vice President, Chief Financial Officer
(Principal Financial and Accounting Officer)

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Exhibit Number	Exhibit Description	Form	Incorporated by Reference File No.	Exhibit	Filing Date	Filed Herewith
10.1†	Launch Services Agreement dated November 12, 2008 between Arianespace and ViaSat, Inc.					X
10.2	Third Amended and Restated Revolving Loan Agreement dated as of October 31, 2008 among Bank of America, N.A., JPMorgan Chase Bank, N.A., Union Bank of California, N.A. and ViaSat, Inc.	8-K	000-21767	10.1	11/05/2008	
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002					X
32.1	Certifications Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002					X

† Portions of this exhibit (indicated by asterisks) have been omitted pursuant to a request for confidential treatment pursuant to Rule 24b-2 under the Securities Exchange Act of 1934.

EXHIBIT 10.1

CERTAIN MATERIAL (INDICATED BY AN ASTERISK) HAS BEEN OMITTED FROM THIS DOCUMENT PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT. THE OMITTED MATERIAL HAS BEEN FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION.

LAUNCH SERVICES AGREEMENT

FOR THE LAUNCHING INTO

GEOSTATIONARY TRANSFER ORBIT

OF THE VIASAT-1 SATELLITE

BY AN ARIANE 5 LAUNCH VEHICLE

ARIANESPACE Proprietary — Commercial in Confidence

LAUNCH SERVICES AGREEMENT

This Launch Services Agreement is entered into

BY AND BETWEEN

VIASAT Inc., hereinafter referred to as “CUSTOMER”, a company duly organized and validly existing under the laws of the State of Delaware, with principal offices located at 6155 El Camino Real, Carlsbad, California 92009-1045, USA

On the one hand

AND

ARIANESPACE, a company organized under the laws of France with principal offices located at Boulevard de l’Europe, B.P. 177 — 91006 EVRY Cedex, France, hereinafter referred to as “ARIANESPACE”,

On the other hand

CONTENTS

PART I
TERMS AND CONDITIONS

PART II

ANNEXES

RECITALS

WHEREAS CUSTOMER has approached ARIANESPACE with a view to launching the ViaSat-1 Satellite and two optional Satellites using an ARIANE Launch Vehicle, and

WHEREAS ARIANESPACE has proposed to CUSTOMER either a Dedicated Launch or a Double Launch, and

WHEREAS CUSTOMER has selected a Double Launch, being aware of the particular constraints involved in such a Launch, and

WHEREAS CUSTOMER and ARIANESPACE, aware of the constraints and risks involved in any Launch operation and of the complex nature of the technologies involved, have reached an agreement in accordance with the terms and conditions set forth herein,

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

ARTICLE 1 — DEFINITIONS

In this Agreement capitalized terms shall have the meanings set forth in this Article :

Affiliate means any other entity that, directly or indirectly, Controls, is Controlled by or under common Control of CUSTOMER.

Agreement means this Agreement as defined in ARTICLE 3 hereof.

Associated Services means those supplementary launch services specified in Sub-paragraphs 4.1.2 and 4.1.3 hereof.

Associates means any individual or legal entity, whether organized under public or private law, who or which shall act, directly or indirectly, on behalf of or at the direction of either Party to this Agreement or on behalf of the Third Party Customer(s) of ARIANESPACE, to fulfill the obligation undertaken by such Party pursuant to this Agreement or by the Third Party Customer(s) of ARIANESPACE including without limitation, any employee, officer, agent of either Party, and of the Third Party Customer(s) of ARIANESPACE, and their respective contractors, subcontractors and suppliers at any tier.

For the purpose of the definition of Third Party and ARTICLE 14 :

a) any individual or legal entity governed by private or public law that has directed ARIANESPACE to proceed with the Launch or has any interest in the Launch, including without limitation, a legal interest in the Launch Vehicle shall be deemed to be an Associate of ARIANESPACE

b) any individual or legal entity governed by private or public law that has directed CUSTOMER to proceed with the Launch, or has any interest in the Satellite to be launched, including without limitation, insurers, any person or entity to whom CUSTOMER has sold or leased , directly or indirectly, or otherwise agreed to provide any portion of the Satellite or Satellite service shall be deemed to be an Associate of CUSTOMER;

c) any individual or legal entity governed by private or public law, that has directed the Third Party Customer(s) of ARIANESPACE to proceed with the launch, or has any interest in the satellite of the Third Party Customer(s) to be launched, including without limitation, insurers, any person or entity to whom the Third Party Customer(s) has sold or leased , directly or indirectly, or otherwise agreed to provide any portion of the satellite or satellite service shall be deemed to be an Associate of Third Party Customer(s) of ARIANESPACE.

Auxiliary Payload(s) means (a) micro (mass<[***] kg) or mini (mass<[***] kg) satellite(s) belonging to (a) Third Party(ies) Customer(s) of ARIANESPACE, that is compatible with the Launch Vehicle used for the Launching of the Satellite, the Launch Mission and the Satellite Mission, which will be integrated on the Launch Vehicle subject to CUSTOMER prior written approval, which may be given or withheld in CUSTOMER’s sole discretion. This term shall also apply in the event that the Auxiliary Payload is not ready for the Launch and is replaced by a Dummy Payload, as necessary. For the avoidance of doubt, in connection with the Launch Mission, an Auxiliary Payload shall not be considered to be a main satellite.

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* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

Base Rate means the Chase Manhattan Bank (N.Y.) prime rate plus [***] for any amount expressed in U.S. dollars, or the three (3) month EURIBOR plus [***] for any amount expressed in Euros.

Commercial Insurance Market means the providers of insurance or reinsurance for first party space-related risks on a regular basis that are not affiliated with or controlled directly or indirectly by CUSTOMER.

Control and its derivatives mean, with respect to an entity, (i) the legal, beneficial, or equitable ownership, directly or indirectly, of more than fifty percent (50%) of the capital stock (or other ownership interest if not a corporation) of such entity ordinarily having voting rights, or (ii) the power to direct, directly or indirectly, the management policies of such entity, whether through the ownership of voting stock, by contract, or otherwise.

Dedicated Launch means a Launch the only payload of which is CUSTOMER's Satellite.

Deviation means non-compliance with the specifications included in the D.C.I. (Document de Contrôle des Interfaces / Interface Control Document, including its reference documents, applicable documents and annexes) with respect to :

a) the performance of the various systems of the Launch Vehicle; and/or the environmental conditions to which the Satellite was subjected during the period from the instant when the Launch occurred until the instant when the activation of either the propulsion and/or orientation systems of the Satellite should have occurred; and/or

b) the behaviour of the satellite of a Third Party Customer(s) of ARIANESPACE from the instant when the Launch occurred until the earlier of the following :

   – the instant when the propulsion and/or orientation systems of the satellite of the Third Party Customer(s) of ARIANESPACE are activated, or

   – the instant when the activation of either the propulsion and/or orientation systems of the Satellite should have occurred.

Double Launch means a Launch with two satellites (other than the Auxiliary Payload) including the Satellite supplied by CUSTOMER.

Dummy Payload means a substitute mass which is compatible with the Launch Vehicle, the Launch Mission and the Satellite Mission, which ARIANESPACE shall procure and supply for integration on the Launch Vehicle in lieu of an Auxiliary Payload, in the event that an Auxiliary Payload is unavailable for the Launch, or is likely to endanger the Launch Vehicle Mission, the Satellite Mission or the mission of the Third Party Customer of ARIANESPACE.

Events of Force Majeure means events such as but not limited to explosions, fires, earthquakes, floods, bad weather and other Acts of God, wars, whether or not declared, social uprisings, governmental or administrative measures, and all other events beyond the reasonable control of a Party or its Associates that impede the execution of the obligations of such Party or its Associates and, including, but without limitation, the accomplishment of the Launch within the Launch Period, Slot, Day, Window or at Launch Time, provided such difficulties may not be overcome using efforts (including work-around plans, alternate sources or other means) which

* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

may reasonably be expected of the affected Party its affected Associates under the circumstances. For an event to qualify as Force Majeure hereunder: (1) the event must be without fault or negligence of a Party or its subcontractors hereunder; and (2) the Party claiming Force Majeure must provide the other Party with written notice thereof as soon as possible but in no event later than within ten (10) Business Days after such event shall have occurred. Notwithstanding anything to the foregoing, any failure by a subcontractor to meet its obligations to a Party; labor shortages; defective tooling; transportation difficulties; equipment failure or breakdowns; lockouts; and/or inability to obtain raw materials shall not constitute an Event of Force Majeure (except where such circumstance is itself caused by an Event of Force Majeure), and shall not relieve a Party from meeting any of its obligations under this Contract. The Party claiming Force Majeure shall use best efforts to minimize the effect of any Force Majeure event.

Firm Launch means the Launch Services firmly ordered by the CUSTOMER for the Launch of ViaSat-1 Satellite when signing this Agreement, to the exclusion of any Reflight, or Replacement or Optional Launches.

Guarantee Amount means [***] of the Launch Services Price established in accordance with Sub-paragraph 8.1.1 of ARTICLE 8 to this Agreement, converted in Euros at the Euro exchange rate prevailing at the Effective Date of the Agreement.

L means, except otherwise stipulated, the first day of the most recently agreed Launch Period, Launch Slot or Launch Day, as appropriate, of any particular Launch under this Agreement.

Launch or Launching means the order of ignition of solid propellant booster(s) if such event follows the intentional ignition of the Vulcain engine of the Launch Vehicle that has been integrated with the Satellite supplied by CUSTOMER and with another main satellite supplied by (a) Third Party Customer of ARIANESPACE, and if applicable, with (an) Auxiliary Payload(s) supplied by (a) Third Party Customer(s) of ARIANESPACE.

Launch Abort means the launch operations of the Launch Vehicle that has been integrated with the Satellite supplied by CUSTOMER and with another main satellite supplied by a Third Party Customer of ARIANESPACE, and if applicable with (an) Auxiliary Payload(s) supplied by (a) Third Party Customer(s) of ARIANESPACE, with subsequent ignition of the Vulcain engine without the Launch occurring.

Launch Base means the ARIANE launch base in Kourou, French Guiana, including all its facilities and equipment.

Launch Day or Day means a calendar day (established for the Launch pursuant to this Agreement) within the Launch Slot during which the Launch Window is open.

Launch Failure means :

a) a total loss or destruction of the Satellite during the period extending from the instant when the Launch occurred and the instant when the Satellite is separated from the Launch Vehicle, or if such Satellite cannot be separated from the Launch Vehicle; or

b) the occurrence due to a Deviation of a reduction, expressed as a percentage, of more than the Launch Failure Factor (“LFF”), as defined below, of the operational capability of the Satellite for CUSTOMER’s intended communication purposes, using reasonable business judgment.

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LFF shall be defined as the percentage specified in the insurance policy procured by CUSTOMER on the Commercial Insurance Market to define a constructive total loss providing for the payment of the full amount of insurance with application of the determination mode of the degradation factor as provided for in the second section of the definition of the term "Loss Quantum".

If Customer does not procure any insurance policy on the Commercial Insurance Market, the constructive total loss percentage shall be [***] PERCENT ([***] %).

Launch Mission or Launch Vehicle Mission means the mission assigned to the ARIANE Launch Vehicle as defined in Part 1 of Annex 1 to this Agreement.

Launch Opportunity means the availability of an adequate time period, during which ARIANESPACE, in its reasonable judgment, may provide the Launch Service to CUSTOMER on a Launch Vehicle on which the other allocated satellite(s) have a launch mission and a satellite mission compatible with that of CUSTOMER's Satellite in accordance with Part 1 of Annex 1 to this Agreement. Such availability is linked to the time required to complete the mission analysis studies and to select the Launch Vehicle/Satellite configuration

Launch Period or Period means a period of THREE (3) consecutive calendar months, except for the initial Launch Period identified in Sub-paragraph 6.1.1 of Article 6 herein.

Launch Services Price means the price for a Launch Service, as stated in Sub-paragraph 8.1.1 a) or b) of ARTICLE 8 herein as applicable and as may be adjusted in accordance with Sub-paragraph 8.1.3 of ARTICLE 8 herein, which may be increased by the Launch Risk Guarantee fee provided in Sub-paragraph 8.1.2 of ARTICLE 8 if the Refund or Reflight Option is exercised.

Launch Rank means the chronological position of the Satellite in the order of all satellite(s) to be launched by ARIANESPACE, based on the Launch Period or Launch Slot allocated to the CUSTOMER' Satellite provided for herein (as the same may from time to time be postponed pursuant to this Agreement) and by reference to the Launch Period or Launch Slot allocated to other customers of ARIANESPACE (as the same may from time to time be postponed pursuant to the agreements between ARIANESPACE and its other customers).

Launch Risk Guarantee (LRG) means the guarantee available to CUSTOMER under Paragraph 4.3 of ARTICLE 4 of this Agreement if CUSTOMER exercises the Refund or Reflight Option.

Launch Services means the services to be provided by ARIANESPACE as specified in (i) Part 2 and Sub-paragraph 1.1 of Part 4 of Annex 1 to this Agreement and (ii) Paragraph 4.3 hereof if the Reflight Option or the Refund Option is exercised.

Launch Slot or Slot means a period of ONE (1) calendar month within a Launch Period with daily Launch Window possibilities.

Launch Time means the instant, within the Launch Window, that the ignition of the first stage engine(s) is scheduled to take place, as defined in hours, minutes and seconds (GMT Universal Time). The initial Launch Time shall commence immediately upon the opening of the Launch Window.

Launch Vehicle means the vehicle belonging to the ARIANE 5 family chosen by ARIANESPACE to perform the Launch, subject to the requirements of Article 9 of this Agreement.

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Launch Window means a time period as defined in Sub-paragraph 2.3 of Part 1 of Annex 1 to this Agreement.

Loss Quantum means the degradation factor of the Satellite resulting from the application of determination mode as mutually agreed in good faith by the Parties on or prior to L minus (-)[***] months based on a CUSTOMER's written proposal;

provided, that, if CUSTOMER has taken out, either in insurance or in reinsurance, on the Commercial Insurance Market for at least [***] PER CENT ([***]%) of the amount insured, one or more policy(ies) of launch insurance, the determination mode of the loss quantum provided for in the insurance policy with the higher cover, as delivered by CUSTOMER to ARIANESPACE on or prior to L (-) minus [***] months, shall apply. If a different determination mode is further agreed with the Commercial Insurance Market, for that policy with higher cover, this new determination mode shall consequently apply; it being understood that CUSTOMER shall promptly inform ARIANESPACE, and in any event before the Launch has occurred of any change.

Optional Launch(es) means Launch Services ordered by CUSTOMER from ARIANESPACE in the event of activation of the said option(s) in accordance with Paragraph 4.4 of ARTICLE 4 of this Agreement.

Partial Failure means the occurrence due to a Deviation of a reduction of more than a percentage defined as Partial Failure Factor ("PFF"), as defined below, but not more than LFF of the operational capability of the Satellite for CUSTOMER's intended communication purposes, using reasonable business judgment.

Where PFF is [***] PERCENT ([***]%), unless CUSTOMER procures on the Commercial Insurance Market a policy of launch insurance with consequent application of the determination mode of the degradation factor as provided for in the definition of the term "Loss Quantum", in which case PFF shall mean the percentage specified in that insurance policy to define a partial loss. Said reduction of the operational capability shall be determined by using the Loss Quantum.

Party or Parties means CUSTOMER or ARIANESPACE or both according to the context in which the term is used.

Postlaunch Services means (i) the reports and range services as specified in Parts 2, 4 and 5 of Annex 1 to this Agreement that are to be provided to CUSTOMER by ARIANESPACE after the Launch, and (ii) the services provided for in Paragraph 4.3 hereof if the Reflight or Refund Option is exercised.

Reflight means a Replacement Launch under Paragraph 4.3.1.1 of ARTICLE 4 of this Agreement.

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Reflight Option means the option available to CUSTOMER for (i) a Reflight if the Launch Mission results in a Launch Failure, or (ii) a payment if the Launch Mission results in a Partial Failure, as determined under Sub-paragraph 4.3.1.1 of ARTICLE 4 to this Agreement subject to the conditions specified therein.

Refund Option means the option provided to CUSTOMER to receive a payment from ARIANESPACE subject to the conditions specified in Sub-paragraph 4.3.1.2 of ARTICLE 4 herein.

Replacement Launch means a Launch subject to ARTICLE 13 hereof, subsequent to a previous Launch that, for any reason whatsoever, has not accomplished the Launch Vehicle Mission or the Satellite Mission.

Satellite (referred to as Spacecraft in Annex 1 to this Agreement) means the spacecraft supplied by CUSTOMER for the Firm Launch (currently known as “ViaSat-1”), and for the two Optional Launches, that are compatible with the Launch Vehicle and the Launch Vehicle Mission, and that meet the specifications set forth in Part 1 of Annex 1 to this Agreement. For the avoidance of doubt, the CUSTOMER’s Satellite shall be considered as a main satellite and shall not be considered to be an Auxiliary Payload(s), for the purposes of this Agreement.

Satellite Mission means the mission assigned to the Satellite by CUSTOMER after separation from the Launch Vehicle.

Services means any and all services to be provided by ARIANESPACE under this Agreement.

Third Party means any individual or legal entity other than the Parties, Third Party Customer(s) of ARIANESPACE and the Associates of each of the foregoing.

Third Party Customer(s) of ARIANESPACE means other customer(s) of ARIANESPACE that use(s) ARIANESPACE’s launch services for the same Launch as CUSTOMER for the launch of a satellite and Auxiliary Payload(s), if applicable.

ARTICLE 2 — SUBJECT OF THE AGREEMENT

The subject of this Agreement is the Launch of the ViaSat-1 Satellite (Firm Launch), plus two (2) additional Satellites (Optional Launches) if the related option(s) is/are activated by CUSTOMER, supplied by CUSTOMER at the Launch Base for the purpose of accomplishing the Launch Mission(s) in accordance with the terms and conditions of this Agreement.

ARTICLE 3 — CONTRACTUAL DOCUMENTS

3.1 This Agreement consists of the following documents, which are contractually binding between the Parties:

1) Terms and Conditions
2) Launch Specifications (Part 1 of Annex 1)
3) ARIANESPACE Technical Commitments (Part 2 of Annex 1)
4) CUSTOMER's Technical Commitments (Part 3 of Annex 1)
5) Documentation and reviews (Part 4 of Annex 1)
6) General Range Support (GRS) and Optional Services (Part 5 of Annex 1)
7) ESA-ARIANESPACE Convention (Extract) (Annex 2)

3.2 All of the Agreement documents shall be read so as to be consistent to the extent practicable. In the event of any inconsistency between the terms and conditions and the Annexes, the Terms and Conditions shall prevail over the Annexes. There is no order of precedence among the documents 2 through 7 above inclusive.

ARTICLE 4 — ARIANESPACE'S SERVICES

4.1 ARIANESPACE shall, for the Firm Launch and for the Optional Launches if the related option(s) has/have been activated by CUSTOMER, perform the Services under this Agreement including:

4.1.1 Launch Services.

4.1.2 Services ordered by CUSTOMER as set forth in this Agreement, and as defined in Paragraph 1 ("General Range Support") and Paragraph 2 ("Options Ordered by the CUSTOMER") of Part 5 of Annex 1 to this Agreement, in accordance with the conditions as specified therein.

4.1.3 Subject to any additional orders of CUSTOMER, one or more of the services as set forth in (i) Paragraph 3 ("Additional Options Available to the CUSTOMER") of Part 5 of Annex 1 to this Agreement, (ii) the Ariane 5 User's Manual (M.U.A.), Issue 5, Revision 0, dated July 2008 (except for the shock spectrum which shall be as defined in Paragraph 4 of Part 1 of Annex 1 to this Agreement), in accordance with the then applicable conditions and any other services ordered by CUSTOMER and accepted by ARIANESPACE.

4.2 Launch Services, except for Postlaunch Services, shall be deemed to be completed by ARIANESPACE when the Launch has taken place. In the event that, for any reason whatsoever, a Launch Abort occurs, ARIANESPACE shall postpone the Launch in accordance with the conditions set forth in ARTICLE 11 of this Agreement.

4.3 Launch Risk Guarantee

4.3.1 CUSTOMER shall have the right to exercise the Launch Risk Guarantee by electing either the Refund Option or the Reflight Option by written request received by ARIANESPACE (i) no later than [***] for the Firm Launch, and (ii) within [***] months following the activation date of each respective Optional Launch.

4.3.1.1 In the event CUSTOMER has elected the Reflight Option and the Launch Mission results in a:

4.3.1.1.1 Launch Failure, ARIANESPACE shall perform a Reflight, in accordance with the provisions of this Agreement, provided that no further payment by CUSTOMER to ARIANESPACE shall be due for the provision of (i) Launch Services for the Launch of a replacement Satellite on condition that the maximum mass of such Satellite is substantially similar to or less than the mass of the initial Satellite and (ii) such Associated Services as are retained by CUSTOMER as of the date of execution of this Agreement, except as provided for in Paragraph 8.2 of Article 8 of this Agreement, in case of postponement.

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4.3.1.1.2 Partial Failure, ARIANESPACE shall pay to CUSTOMER an amount as obtained by multiplying the Guarantee Amount by the Loss Quantum if the Launch Mission has resulted in a Partial Failure. The resulting amount will be subject to a deductible equal to PFF of the Guarantee Amount provided for the launching, in accordance with the following formula :

(Guarantee Amount x Loss Quantum) minus deductible.

Notwithstanding the foregoing, if the insurance policy taken out by CUSTOMER (i) provides for a deductible higher or lower than PFF, such deductible as provided for in the said insurance policy shall apply, or (ii) does not provide for a deductible, no deductible shall apply.

4.3.1.2 In the event CUSTOMER has elected the Refund Option and the Launch Mission results in a:

4.3.1.2.1 Launch Failure, ARIANESPACE shall pay to CUSTOMER an amount equal to the Launch Services Price amount, or

4.3.1.2.2 Partial Failure, ARIANESPACE shall pay to CUSTOMER an amount as determined pursuant to Sub-paragraph 4.3.1.1.2 above where Guarantee Amount reads Launch Services Price.

4.3.2 Any amount due by ARIANESPACE to CUSTOMER under Sub-paragraphs 4.3.1.1 or 4.3.1.2 above shall be paid as soon as practicable, but in any event within (a) a SIXTY (60) day period following the date when the Parties have agreed on the occurrence of the Launch Failure or the Partial Failure and the corresponding Loss Quantum, provided CUSTOMER has paid all amounts due and payable by it under this Agreement. ARIANESPACE shall pay the CUSTOMER interest on any late or delayed payment of the foregoing sum at the Base Rate from and including the date due to but excluding the date made. The computation of interest for late payments shall be based on a year of 360 days

4.3.3 The implementation of Sub-paragraphs 4.3.1.1 or 4.3.1.2 above shall not imply any transfer of title to the Satellite to ARIANESPACE. In case of Launch Failure or Partial Failure, the rights of ARIANESPACE shall be the same of those of any entity(ies) who could cover risks related to the launch of the Satellite. Specially and not limitatively, in circumstances where salvage can be performed, ARIANESPACE will be entitled to a share in any salvage value remaining in any portion of the Satellite for which a Reflight has been performed or a cash payment has been due and paid by ARIANESPACE to CUSTOMER, and the Parties will negotiate the disposition of the Satellite if, in connection with a Launch Failure, transfer of title has been requested.

4.3.4 In the event that, after application of Sub-paragraphs 4.3.1.1 or 4.3.1.2 above due to a Launch Failure, the Satellite is placed into commercial operation and/or is sold, leased or otherwise transferred, ARIANESPACE shall be entitled to a share of any resulting revenues and/or payments, as shall be negotiated and agreed upon promptly, taking into account the specific details and circumstances of such commercial operation, but in no case shall any shared amount exceed the Guarantee Amount in the event of exercise of the Reflight Option or Launch Services Price in the event of exercise of the Refund Option, as applicable.

4.3.5 There shall not be any cover for Launch Failure or Partial Failure and consequently the provisions of Sub-paragraphs 4.3.1.1 or 4.3.1.2 above shall not apply, in any of the following cases :

4.3.5.1 If CUSTOMER does not notify in writing ARIANESPACE of any event that would entitle CUSTOMER to any right under Sub-paragraph 4.3.2 above before the first to occur of any of the THREE (3) following events;

(i) the day the Satellite is put into commercial operation,

(ii) the SIXTIETH (60th) day following the date of station acquisition of the Satellite,

(iii) the NINETIETH (90th) day at zero hour following the date of the Launch.

Notwithstanding the foregoing, an extension of the periods might be obtained upon request from CUSTOMER, and ARIANESPACE agrees to reasonably assist and support CUSTOMER with such proceedings, if both of the following conditions occur :

(a) the launching does not conform to the specifications of the D.C.I. and the Satellite reached its final positioning such that it cannot be determined that a Launch Failure or Partial Failure has occurred and;

(b) CUSTOMER's request for extension is received before the first of the THREE (3) events specified above.

In no event shall such extension extend beyond the ONE HUNDRED AND EIGHTIETH (180th) day following the date of the Launch.

and/or

4.3.5.2 if the Launch Failure or the Partial Failure is caused by, or results from one or more of the following events

A War, hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack by (a) any government or sovereign power (de jure or de facto), or (b) any authority maintaining or using a military, naval or air force, or (c) a military, naval or air force, or (d) any agent of any such government, power, authority or force;

B any anti-satellite device, or device employing atomic or nuclear fission and/or fusion, or device employing laser or directed energy beams;

C insurrection, strikes, riots, civil commotion, rebellion, revolution, civil war, usurpation or action taken by a government authority in hindering, combating or defending against such an occurrence whether there be a declaration of war or not;

D confiscation by order of any government or governmental authority or agent (whether secret or otherwise), or public authority;

E nuclear reaction, nuclear radiation, or radioactive contamination of any nature, whether such loss or damage be direct or indirect, except for radiation naturally occurring in the space environment;

F willful or intentional acts of CUSTOMER designed to cause loss or failure of the Satellite;

G electromagnetic or radio frequency interference, except for (i) physical damage to the Satellite resulting from such interference, or (ii) interference naturally occurring in the space environment.

H any act of one or more persons, whether or not agents of a sovereign power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional.

I any unlawful seizure or wrongful exercise of control of the Satellite made by any person or persons acting for political or terrorist purposes whether the loss or damage resulting therefrom is accidental or intentional.

4.4 Optional Launch(es)

4.4.1 Options Activation: CUSTOMER shall have the possibility to activate each of the two Optional Launches by written notice to ARIANESPACE.

4.4.2 Either or both of the Optional Launches may be assigned by CUSTOMER to Affiliates of CUSTOMER, in accordance with Paragraph 20.5 of this Agreement.

4.4.3 For purpose of clarity it is hereby agreed that any termination by CUSTOMER of the Optional Launches after activation of the related option, shall be subject to the terms of Paragraph 18.2 to this Agreement.

ARTICLE 5 — CUSTOMER'S TECHNICAL COMMITMENTS

5.1 CUSTOMER shall fulfill the Technical Commitments set forth in Parts 1 and 3 of Annex 1 to this Agreement including, without limitation, delivery of the Satellite to the Launch Base within the time limits consistent with the launch schedule set forth herein.

5.2 CUSTOMER shall promptly notify ARIANESPACE in writing of any event that may cause a delay in the Launch schedule.

ARTICLE 6 — LAUNCH SCHEDULE

6.1 The Launch of the Satellite(s) shall take place during the following Launch Period(s):

6.1.1 Firm Launch:

The Launch of the Firm Launch shall take place during the following Launch Period:

From [***] 2011 through [***] 2011

6.1.2 Optional Launches

The Launch Periods for Optional Launch #1 and Optional Launch #2, shall be determined by CUSTOMER and identified in each of CUSTOMER's option(s) activation notice to ARIANESPACE, provided that:

(i) the first day of the requested Launch Period for Optional Launch #1 shall not be prior to [***] months following the activation date of Optional Launch #1, and being further agreed that the last day of the said Launch Period shall not be later than [***];

and

(ii) the first day of the requested Launch Period for Optional Launch #2 shall not be prior to [***] months following the activation date of Optional Launch #2, and being further agreed that the last day of the said Launch Period shall not be later than [***].

Notwithstanding the above, ARIANESPACE shall consider any CUSTOMER request for an acceleration of the Launch Period(s) for the above Optional Launches, and subject to the availability of Launch Opportunities, shall offer CUSTOMER the first available Launch Period(s) closest to CUSTOMER's desired Launch Period(s).

6.2 Taking into account available Launch Opportunity(ies), the Launch Slot(s) within the Launch Period(es) shall be determined by mutual agreement of the Parties no later than [***] months prior to the first day of the applicable Launch Period.

6.3 Based on a proposal made by ARIANESPACE, by mutual agreement of the Parties, the Launch Day within the Launch Slot shall be determined, no later than [***] months prior to the first day of the applicable Launch Slot.

6.4 Based on a proposal made by ARIANESPACE, by mutual agreement of the Parties, the Launch Window set forth in Sub-paragraph 2.3 of Part 1 to Annex 1 to this Agreement shall be determined no later than the applicable Final Mission Analysis Review.

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6.5 In the event that, for any reason whatsoever, the Parties fail to agree upon the Launch Slot within the Launch Period, the Launch Day, or the Launch Window, ARIANESPACE shall reasonably determine said Launch Slot, Launch Day, or Launch Window taking into account the available Launch Opportunity(ies), and the requirements and respective interests of CUSTOMER and any of the Third Party Customer(s) of ARIANESPACE.

ARTICLE 7 — COORDINATION BETWEEN ARIANESPACE AND CUSTOMER

7.1 CUSTOMER and ARIANESPACE shall each designate a program director (Program Director) no later than TWO (2) months after the execution of this Agreement.

7.2 The Program Director shall supervise and coordinate the performance of the Services and the Technical Commitments of the respective Parties within the Launch schedule set forth herein.

7.3 Each Program Director shall have sufficient powers to be able to settle any technical issues that may arise during the performance of this Agreement, as well as any day-to-day management issues.

7.4 A Party may replace its Program Director by prior written notice to the other Party, signed by an authorized official, indicating the effective date of designation of the new Program Director.

7.5 If CUSTOMER is not satisfied with the performance of ARIANESPACE's Program Director, CUSTOMER may at any time request ARIANESPACE to replace such Program Director and the Parties shall mutually agree on a replacement Program Director.

ARTICLE 8 — REMUNERATION

8.1 The remuneration of ARIANESPACE for the provision of Launch Services, as defined in Sub-paragraphs 4.1.1 and 4.1.2 of ARTICLE 4, for the Firm Launch and the two (2) Optional Launches is a fixed price, as follows:

8.1.1

a) For the Firm Launch:

For the ViaSat-1 Satellite with a mass of [***]kg (without adaptor), the price shall be ONE HUNDRED SEVEN MILLION SEVEN HUNDRED FIFTY EIGHT THOUSAND United States Dollars (US$107 758 000).

Any increase in mass shall be subject to a variation in the firm fixed amount stated above of [***] United States Dollars (US$ [***])for each kilogram that the Satellite mass is increased. Such amount shall escalate in accordance with Article 8.2 of this Agreement.

b) For Optional Launches:

For a Satellite with a mass of [***]kg (without adaptor), the price shall be [***] Euros (€[***]), as may be converted in US dollars at CUSTOMER's option, upon the exercise of each Optional Launch.

For a Satellite with a maximum mass of [***] kg (without adaptor): the price shall be [***] Euros (€[***]), as may be converted in US dollars at CUSTOMER's option, upon the exercise of each Optional Launch.

For a reference Satellite mass between [***] kg and [***] kg, this price will be computed by linear interpolation

Any increase in mass shall be subject to a variation in the firm fixed amount stated above of [***] Euros, as may be converted in US dollars at CUSTOMER's option, for each kilogram that the Satellite mass is increased. Such amount shall escalate in accordance with Article 8.2 of this Agreement.

The prices for the Optional Launches shall be fixed for Launches to take place on or prior to [***]. Should the Launch Periods requested by CUSTOMER in accordance with Sub-paragraph 6.1.2 of ARTICLE 6 hereof be beyond [***] (but in no event can the Optional Launch(es) occur later than [***]), then the

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price shall be escalated by [***] percent per quarter from said date up to the first day of the initially requested Launch Period.

8.1.2 The amount mentioned in the above Sub-paragraph 8.1.1 shall be increased in a firm fixed amount as follows:

(i) The amount obtained by multiplying the price set forth in the above Sub-paragraph 8.1.1 by [***] PER CENT ([***]%), if CUSTOMER exercises the Reflight Option.

(ii) The amount obtained by multiplying the price set forth in the above Sub-paragraph 8.1.1 by [***] PER CENT ([***]%), if CUSTOMER exercises the Refund Option.

The above percentages are valid for Launches to occur on or prior to [***].

For Launch(es) to occur on or after [***], the above percentages shall be reviewed and renegotiated.

8.1.3 Commencing with the effective date of this Agreement, and up to L minus [***] months, CUSTOMER may vary the Satellite mass by a maximum total mass of [***] kg.

8.1.3.1 Notwithstanding the foregoing, in the event of availability of extra payload capacity of the Launch Vehicle at the time of the Final Mission Analysis is performed, CUSTOMER shall be entitled to a corresponding increase of the Satellite mass, it being further specified, in the case of an ARIANE 5 Launch, that such extra payload capacity shall be allocated to CUSTOMER based on the pro-rata between the mass of the Satellite of the CUSTOMER and the mass of satellite of the Third Party Customer of ARIANESPACE. Any mass increase pursuant to this Sub-paragraph 8.1.3.1 shall be [***].

8.2 The firm fixed price, if any, for Associated Services assumes, that the Launch will be performed within [***] from the end of the Launch Period stated in Article 6.1.1 or in Article 6.1.2 as applicable. Should the Launch Period or Launch Slot assigned to CUSTOMER under ARTICLE 11 of this Agreement extend beyond [***] from the end of the Launch Period stated in Article 6.1.1 or in Article 6.1.2 whichever applicable, then the price for such Associated Services, if any, shall escalate by [***] after such time for such Associated Services that will not have been performed by the date of request for any postponement, and that would have to be performed again as a consequence of any Launch postponement. The same principle shall apply for a Reflight.

8.3 All prices, expenses, and charges set forth in this Agreement shall be free from any and all taxes and other duties of any French tax authority.

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ARTICLE 9 — LAUNCH VEHICLE QUALIFICATION

9.1 ARIANESPACE shall only select a Launch Vehicle belonging to the ARIANE 5 family to perform the Launch Service(s) under this Agreement which meets or exceeds all of the following criteria:

9.1.1 The Launch Vehicle shall be flight proven, including all major systems, and subsystems through a minimum of [***] prior successful missions, the last of which must be accomplished no later than [***] months prior to the start of the then-current Launch Period, Launch Slot, or Launch Day; and

9.1.2 The Launch Vehicle shall not have suffered a Launch Failure in any of the [***] flights immediately preceding CUSTOMER's Launch.

9.2 CUSTOMER shall have the option to postpone its Launch until such time that the Launch Vehicle does comply with the requirements of Paragraph 9.1, and any such postponements shall be attributable to ARIANESPACE.

9.3 In the event that ARIANESPACE cannot comply with the requirements of this Article 9, then any postponements caused by ARIANESPACE in order to allow for time to comply with the requirements of this ARTICLE 9 shall not be considered to be postponements caused by Event(s) of Force Majeure. Any such postponements will be attributable to ARIANESPACE, in accordance with Article 11.3.

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ARTICLE 10 — PAYMENT FOR SERVICES

10.1 Payment of the remuneration under Paragraph 8.1 of ARTICLE 8 of this Agreement shall be made in accordance with the following payment schedule:

10.1.1 Firm Launch

DATE	Percentage of the Launch Services price referred to in Sub-paragraph 8.1.1 a) of Article 8 of this Agreement
[***]	[***]

(*) EDC means the Effective Date of this Agreement as defined in accordance with Article 23.

L means the first day of the initial Launch Period as defined in Sub-paragraph 6.1.1, as may be adjusted by the aggregate number of postponements requested by ARIANESPACE in accordance with Paragraph 11.3 (including postponements requested by ARIANESPACE as a result of the occurrence of Events of Force Majeure).

(**) The CUSTOMER'S [***] payment obligation shall be secured in accordance with Sub-paragraph 10.3.4 of ARTICLE 10 of this Agreement by means of a irrevocable standby letter of credit substantially in the form of the Annex 2 attached herewith. Invoicing and payment of the [***] payment shall be in accordance with Paragraph 10.3

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10.1.2 Optional Launches

DATE	**Percentage of the Launch Services price applicable to each particular Firm Optional Launch as referred to in Sub-paragraph 8.1.1 b) of Article 8 of this Agreement**
[***]	[***]

L means the first day of the initial Launch Period as defined in accordance with Sub-paragraph 6.1.2, as may be adjusted by the aggregate number of postponements requested by ARIANESPACE in accordance with Paragraph 11.3 (including postponements requested by ARIANESPACE as a result of the occurrence of Events of Force Majeure).

The CUSTOMER'S [***] (**) payment obligation shall be secured in accordance with Sub-paragraph 10.3.4 of ARTICLE 10 of this Agreement by means of a irrevocable standby letter of credit substantially in the form of the Annex 2 attached herewith. Invoicing and payment of the [***] payment shall be in accordance with Paragraph 10.3 below.

10.1.3 The price of the Reflight Option or the Refund Option shall be paid in accordance with the following payment schedule:

DATE	**Percentage of the price of the Refund or Reflight Option referred to in Sub-paragraph 8.1.2 of Article 8 of this Agreement**
[***]	[***]

L means the first day of the initial Launch Period as defined in Sub-paragraph 6.1.1 or 6.1.2 as applicable, as may be adjusted by the aggregate number of postponements

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requested by ARIANESPACE in accordance with Paragraph 11.3 (including postponements requested by ARIANESPACE as a result of the occurrence of Events of Force Majeure).

10.1.4 Mass variation

If CUSTOMER varies the Satellite mass under Sub-paragraph 8.1.3 of ARTICLE 8 of this Agreement, the resulting price variation shall be paid by CUSTOMER to ARIANESPACE, or refunded by ARIANESPACE to CUSTOMER, as applicable, on a pro-rata basis over the remaining payments as set forth in Sub-paragraph 10.1.1 or 10.1.2, whichever is applicable, following the receipt by ARIANESPACE of CUSTOMER's written request for mass variation.

10.2 Payment for Associated Services

10.2.1 Payment for Associated Services ordered by CUSTOMER under Part 5 of Annex 1 to this Agreement, for which a firm fixed price has been established, shall be due as of the date set forth in said Paragraph.

10.2.2 Payment for Associated Services ordered by CUSTOMER under Part 5 of Annex 1 to this Agreement, for which no total firm fixed price can be determined in advance, shall be due on the date on which CUSTOMER terminates use of the relevant Associated Services.

10.3 Terms and Conditions of Payment/ARIANESPACE's Invoices

10.3.1 Where this Agreement determines a precise payment date, payment has to be made at such date or within THIRTY (30) days from receipt of ARIANESPACE's corresponding invoice, whichever is later, except (i) for the first payment provided in Sub-paragraph 10.1.1 of ARTICLE 10 of this Agreement, for which invoice will be presented upon execution of this Agreement and paid TEN (10) days thereafter and (ii) for the first payment provided in Sub-paragraph 10.1.2 of ARTICLE 10 of this Agreement, for which invoice will be presented upon activation of the related Optional Launch and paid TEN (10) days thereafter .

10.3.2 Where the Agreement does not determine a precise payment date, such as for Associated Services, payment has to be made as of the later date of (a) the date when payment becomes due, or (b) within THIRTY (30) days of receipt of ARIANESPACE's corresponding invoice, in each case for the Associated Services rendered or to be rendered in accordance with Annex I, Part 5, whichever is later.

10.3.3 ARIANESPACE invoices shall be drawn up in TWO (2) copies (one original and one copy) and sent to the same address as specified herein for notices to CUSTOMER under Paragraph 20.2, or to such other address as CUSTOMER may notify ARIANESPACE in writing.

The method for calculating the amount of each invoice shall be shown clearly.

10.3.4 Payments shall be made to the account(s) designated on the relevant invoice by bank transfer with SWIFT notice to be sent by CUSTOMER to ARIANESPACE upon its receipt from the issuing bank. Each SWIFT notice shall clearly state the value date to be applied which shall be the date stated in Sub-paragraph 10.1.1 or Sub-paragraph 10.1.2, as applicable, and the bank through which the funds will be made available to the receiving bank or its correspondent.

Payment shall be effective as of the date on which the amount of the ARIANESPACE invoice is credited for value to the designated account(s).

Notwithstanding the foregoing, the [***] Payment with respect to the Firm Launch and the Optional Launches, if activated, as identified in Sub-paragraphs 10.1.1 and 10.1.2, whichever is applicable, shall be secured by means of an irrevocable standby letter of credit (hereinafter L/C), issued in favour of ARIANESPACE by a reputable international bank and confirmed by a reputable international bank in France acceptable to ARIANESPACE. Such L/C shall be issued at CUSTOMER's cost, including the confirmation cost, substantially in the form shown in ANNEX 2 to this Agreement. CUSTOMER shall provide ARIANESPACE at [***] months with the name and details of the selected bank(s) for issuance of the L/C. Upon ARIANESPACE agreement, CUSTOMER shall promptly give instructions to this(ese) selected bank(s) for issuance and delivery of the L/C to ARIANESPACE on or prior to [***] months of each related Firm or Optional Launches. In case of a failure by the CUSTOMER to deliver to ARIANESPACE in due time the L/C meeting the above requirements at the date set forth hereabove, the last payment related to Firm Launch and/or Optional Launch as set forth in identified in Sub-paragraphs 10.1.1 or 10.1.2, whichever is applicable, shall be due and paid by CUSTOMER to ARIANESPACE prior to [***].

10.3.5 CUSTOMER's payment(s) shall be in the amount(s) invoiced by ARIANESPACE, and shall be made net, free and clear of any and all taxes, duties, or withholdings that may be imposed in the Country of CUSTOMER and the Country from which they are paid so that ARIANESPACE receives each such payment in its entirety as if no such tax, duty, or withholding had been made.

10.4 Late Payment

In the event of late payment, whether or not due to a bona fide dispute, CUSTOMER shall pay ARIANESPACE interest on such late payment at the Base Rate plus [***] PERCENTAGE POINTS per annum from and including the date due to but excluding the date made. The computation of interest for late payments shall be based on a year of 360 days. In the event that a bona fide dispute between the Parties is resolved in favor of the CUSTOMER, any interest paid by CUSTOMER to ARIANESPACE for late payments during the period of such bona fide dispute shall, at CUSTOMER's discretion, be reimbursed to CUSTOMER within THIRTY (30) days from receipt by ARIANESPACE of CUSTOMER's notice to that effect, or alternatively, shall be credited to CUSTOMER's subsequent payment due to ARIANESPACE under this Agreement.

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In the event that such late payment has not been cured by CUSTOMER within THIRTY (30) days after written notice to that effect by ARIANESPACE, and only if such payment is not subject to a bona fide dispute, ARIANESPACE shall be entitled to suspend any and all of its activities in preparation for the applicable Launch and to reschedule the Launch under Sub-paragraph 11.3.3 of ARTICLE 11 of this Agreement.

Notwithstanding any other provision, expressed or implied in this Agreement, it is hereby acknowledged by the Parties that the Launch shall not take place in case any amount due to ARIANESPACE prior to the Launch, as identified under sub-paragraph 10.1.1, remains outstanding, whether or not due to a bona fide dispute, in which case ARIANESPACE shall have the right to postpone the Launch under the terms of sub-paragraph 11.3.3.

10.5 Waiver of Deferral, Withholding or Set-off

Without prejudice to the provisions of Paragraph 10.4 above with respect to bona fide disputes, CUSTOMER irrevocably waives any right to defer, withhold, or set-off by counterclaim or other legal or equitable claim, all or any part of any payment under this Agreement for any reason whatsoever. All payments due under this Agreement shall be made in their entirety and on the dates specified in this Agreement.

ARTICLE 11 — LAUNCH POSTPONEMENTS

11.1 Each postponement of the Launch Period, the Launch Slot, the Launch Day or the Launch Time, for whatever reason, shall, for each particular Launch under this Agreement, be governed solely by the terms and conditions provided in this Article 11. The Parties hereto expressly waive, renounce, and exclude any and all rights and remedies that may arise at law or in equity with respect to postponements that are not stated in this Article 11 or elsewhere in this Agreement.

11.2 Postponements requested by CUSTOMER

11.2.1 CUSTOMER shall have the right for any reason whatsoever to postpone the Launch Period and, once determined, the Launch Slot or the Launch Day. The CUSTOMER’s written notice for postponement shall indicate the new requested (i) Launch Period, or (ii) Launch Slot, or (ii) Launch Day, as the case may be. For the avoidance of any doubt, CUSTOMER’s existing Launch Period, Launch Slot or Launch Day (as applicable) shall not be relinquished until CUSTOMER has agreed to the new Launch Period, Launch Slot or Launch Day (as applicable) pursuant to the provisions of this Paragraph 11.2.

11.2.1.1 If the CUSTOMER’s written request relates to a Launch Period or a Launch Slot postponement, within TWO (2) weeks of receipt of such request, ARIANESPACE shall inform CUSTOMER whether a Launch Opportunity exists within the Launch Period, or within the Launch Slot requested, or will propose a new Launch Period or Launch Slot, taking into account CUSTOMER’s requests, within the next available Launch Opportunity. CUSTOMER shall have THIRTY (30) days following receipt of ARIANESPACE’s proposal to consent thereto in writing.

11.2.1.2 If the CUSTOMER’s written request relates to a Launch Day postponement, the choice of a new Launch Day shall be made by mutual agreement of the Parties, taking into account the technical needs and interests of CUSTOMER and any Third Party Customer(s) of ARIANESPACE, the time necessary for the revalidation of the launch assembly complex consisting of the ARIANE Launch Vehicle, the Launch Base (ELA), and the payload preparation assembly (EPCU), and meteorological forecasts.

11.2.1.3 Any postponements by CUSTOMER of the Launch Time within the Launch Window may only be requested during the countdown period. In the event that CUSTOMER has requested such postponement and technical reasons, including, without limitation, those relating to any Third Party Customer(s) of ARIANESPACE, or meteorological reasons prevent ARIANESPACE from performing the Launch in the Launch Window opening during the Launch Day, the postponement shall be considered to be a postponement of the Launch Day.

11.2.1.4 In the event that the aggregate duration of all postponements requested by CUSTOMER for a particular Launch under this Agreement, result in

CUSTOMER delaying such Launch by more than [***] months, the related Launch Services price shall be renegotiated in good faith by the Parties on a fair and reasonable basis.

11.2.2 If CUSTOMER requests a postponement in the Launch Period, Launch Slot or Launch Day, and ARIANESPACE, in its reasonable judgment, determines that a Launch Opportunity is not available in the time requested by CUSTOMER, and the Launch is subsequently scheduled to occur in a later Launch Period, Launch Slot or Launch Day than that requested by CUSTOMER, then the total number of calendar days of postponement originally requested by CUSTOMER shall be attributed to CUSTOMER. Any delay in the Launch schedule resulting from the determination by ARIANESPACE of the availability of a Launch Opportunity in excess of the postponement requested by CUSTOMER shall not be deemed to be attributed to CUSTOMER or ARIANESPACE.

11.3 Launch postponement requested by ARIANESPACE

Except as provided for in Section b) of Sub-paragraph 11.3.1.2 below, ARIANESPACE shall not be entitled to postpone the Launch for reasons related to an Auxiliary Payload. In the event that, ARIANESPACE, in its reasonable judgment, believes that an Auxiliary Payload (i) is not compatible with the Satellite and the Launch and Satellite Missions, or (ii) is not ready in time to support the Launch, then ARIANESPACE shall be entitled to replace the Auxiliary Payload with a Dummy Payload.

11.3.1 ARIANESPACE shall have the right to postpone a Launch, for the following reasons:

11.3.1.1 Postponement of Launch Period and of Launch Slot.

a) ARIANESPACE or its Associates encounter adverse technical problems that prevent the Launch from taking place under satisfactory conditions of safety or reliability.

b) ARIANESPACE cannot perform the Launch as a Double Launch for any reason whatsoever. [***]

c) ARIANESPACE is requested to perform replacement launch(es), or to launch scientific satellite(s) whose mission(s) may be degraded in the event of postponement.

d) ARIANESPACE postpones the Launch due to postponement(s) by ARIANESPACE of satellite(s) having an earlier Launch Period or Launch Slot than CUSTOMER's Satellite, for reasons similar to the reasons set forth under this Sub-paragraph 11.3.1.1 a), b) and c).

11.3.1.2 Postponement of Launch Day within the Launch Slot and/or Launch Time within the Launch Window.

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a) For any of the reasons listed in Sub-paragraph 11.3.1.1 a), b) and c), and d) above, and

b) If following its/their integration on the Launch Vehicle, ARIANESPACE must remove the Auxiliary Payload(s) due to a threat to the Launch Mission or the Satellite Mission or the satellite mission of the satellite of the Third Party Customer of ARIANESPACE.

11.3.2 The Parties shall determine by mutual agreement a new Launch Period and/or a new Launch Slot as near as possible to the postponed one in accordance with the order of the following criteria :

— possibilities of Launching, including the availability of a Launch Vehicle, the Launch Base and associated infrastructure and services necessary to perform the Launch;

— Launch Rank of CUSTOMER’s Satellite;

— date of signature of this Agreement.

In the event of a conflict between the Launch Rank of CUSTOMER’s Satellite and the launch rank of the satellite(s) of third party customer(s) of ARIANESPACE, Launch Period or Launch Slot priority will be given to the customer with the earlier date of execution of a launch services contract with ARIANESPACE.

The Launch Day and the Launch Window within the new Launch Slot shall be determined by ARIANESPACE according to the technical constraints of ARIANESPACE, CUSTOMER and the Third Party Customer(s) of ARIANESPACE, and their respective interests.

11.3.3 Any postponement by ARIANESPACE of the Launch Period, Launch Slot, Launch Day, Launch Window, or Launch Time due to CUSTOMER’s non-fulfilment of its obligations under this Agreement, including CUSTOMER’S failure to timely apply for, obtain or maintain any necessary export licenses, where despite the reasonable commercial efforts of the Parties (including implementation of work-around plans or designation of third-party consultants to transfer necessary information to ARIANESPACE in compliance with applicable laws), and such failure by the CUSTOMER renders performance of the Launch by ARIANESPACE impossible within the Launch Period, Launch Slot, or during Launch Window of the Launch Day, or at the Launch Time shall be considered to be requested by CUSTOMER in accordance with Paragraph 11.2 above as of the date of ARIANESPACE’s decision to postpone the Launch.

11.4 Any Launch postponement requested by ARIANESPACE pursuant to Paragraph 11.3 of this ARTICLE 11 shall only occur as a last resort and following the reasonable commercial efforts of ARIANESPACE to avoid and mitigate such postponement as may be necessary for the reasons set forth in Sub-paragraphs 11.3.1.1 and 11.3.1.2 of this ARTICLE 11.

11.5 Effect of Launch Postponements on Progress Payments

11.5.1 <u>Postponements by ARIANESPACE</u> In the event of postponement of the Launch Period, Launch Slot or Launch Day, as applicable, for the affected Launch

Service(s) is declared by ARIANESPACE for any reason including those in Paragraph 11.3, including Events of Force Majeure, but excluding postponements requested by Arianespace in accordance with Sub-paragraph 11.3.3, the payments set forth in Paragraph 10.1 shall be suspended on a day-for-day basis for the length of the delay and then resumed with all remaining payments postponed by the amount of the delay.

11.5.2 Postponements by CUSTOMER In the event of postponement of the Launch Period, Launch Slot or Launch Day, as applicable, for the affected Launch Service(s) is declared by CUSTOMER for any reason including Events of Force Majeure and those stated in Sub-paragraph 11.3.3, the payments set forth in Paragraph 10.1 shall remain due as if the Launch Period, Launch Slot or Launch Day, as applicable, had not been postponed.

11.6 If at any time following the Effective Date of this Agreement, ARIANESPACE becomes aware (including due to a notice or inquiry from CUSTOMER), to the best of its knowledge, of any material event or circumstance that could result in a delay to the then-scheduled Launch Period, Launch Slot or Launch Day, then ARIANESPACE shall within FIVE (5) days of becoming aware of such event or circumstance, inform CUSTOMER in accordance with Paragraph 20.2 of this Agreement, as to the potential or actual impact of such event or circumstance to the then-scheduled Launch Period, Launch Slot or Launch Day (as applicable).

11.7 [***]

For the avoidance of doubt, the Parties agree that this Paragraph 11.7 only applies to the Firm Launch and shall not apply to a Reflight or an Optional Launch.

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ARTICLE 12 — RIGHT OF OWNERSHIP AND CUSTODY

12.1 The obligations of ARIANESPACE under this Agreement are strictly limited to the Services, and CUSTOMER acknowledges and agrees that at no time shall it have any right of ownership of, any other right in, or title to, the property that ARIANESPACE shall use in connection with the Launch, or shall place at CUSTOMER's disposal for the purpose of this Agreement, including, without limitation, the Launch Vehicle and the Launch Base of ARIANESPACE. Said property shall at all times be considered to be the sole property of ARIANESPACE.

12.2 ARIANESPACE acknowledges and agrees that at no time shall it have any right of ownership, or any other right in, or title to, the property that CUSTOMER shall use for the Launch and the interface test(s), including, without limitation, the Satellite and all equipment, devices and software to be provided by CUSTOMER on the Launch Base in order to prepare the Satellite for Launch. Said property shall at all times be considered to be the sole property of CUSTOMER.

12.3 At all times during the performance by the Parties of this Agreement, each Party shall be deemed to have full custody and possession of its own property.

ARTICLE 13 — REPLACEMENT LAUNCH

13.1 Terms

13.1.1 CUSTOMER is entitled to request a Replacement Launch from ARIANESPACE in the event that, following the Launch, either the Launch Mission or the Satellite Mission has not been accomplished for any reason whatsoever. Replacement Launch Services are subject to the conditions set forth in this Article 13. Any and all other rights and remedies of CUSTOMER are excluded whatever their nature.

13.1.2 CUSTOMER shall be entitled to have a Launch Slot for a Replacement Launch allocated to it by ARIANESPACE in accordance with the following:

13.1.2.1 If CUSTOMER requests a Replacement Launch to occur within [***] months following the month ARIANESPACE has received a written request for Replacement Launch, ARIANESPACE will provide a Launch Slot within [***] months from receipt of CUSTOMER's request for a Replacement Launch; or

13.1.2.2 Should CUSTOMER request a Launch Period beyond such [***] month period, ARIANESPACE shall allocate the nearest Launch Opportunity, provided however that in no way shall the Launch Period requested by CUSTOMER extend beyond the [***] month period following the date of request for a Replacement Launch.

13.1.3 The written request for a Replacement Launch shall be received by ARIANESPACE no later than the last day of the second month following the month in which the cause of the failure of either the Launch Vehicle Mission or the Satellite Mission has been established, but in no event later than, in the case of a Satellite Mission failure, [***] months following the date of Launch.

Notwithstanding the foregoing, if CUSTOMER is entitled to a Reflight such written request shall be received by ARIANESPACE within the [***] day period following the date when the Parties have agreed that a Launch Failure has occurred.

The written request for a Replacement Launch shall indicate the Launch Period requested by CUSTOMER within one of the periods specified in Sub-paragraph 13.1.2 above. It is understood that the replacement Satellite and all equipment, devices and software to be made available by CUSTOMER on the Launch Base in order to make the replacement Satellite ready for Launch shall be made available to ARIANESPACE pursuant to the schedule of Part 3 of Annex 1 to this Agreement.

13.1.4 ARIANESPACE shall inform CUSTOMER, within the month following receipt of CUSTOMER's request for a Replacement Launch, whether or not a Launch Opportunity exists within the requested Launch Period and, in any event, shall allocate a Launch Slot to CUSTOMER, the first day of which shall be before the

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expiration of the [***] calendar month period specified in Sub-paragraph 13.1.2 of ARTICLE 13 of this Agreement if the Launch Period requested by CUSTOMER is within that [***] month period; otherwise ARIANESPACE shall allocate to CUSTOMER the nearest existing Launch Opportunity. The date allocated shall not begin earlier than the first day of the Launch Period requested by CUSTOMER.

13.1.5 The replacement Satellite shall be substantially similar to or lighter in mass than the Satellite and shall be of a bus type that has been integrated with and is compatible with the Launch Vehicle.

Notwithstanding the foregoing, if CUSTOMER is entitled to a Reflight the replacement Satellite may differ from the DCI. In such a case the Parties agree to adjust accordingly this Agreement, including Annex 1 thereto and ARIANESPACE shall allocate to CUSTOMER the nearest Launch Opportunity.

13.2 General Conditions

Except for a Reflight, the remuneration for the Replacement Launch Services shall be the then applicable price pursuant to the ARIANESPACE pricing policy for a Launch on the date of the Replacement Launch, adjusted for the costs of refinancing resulting from the shorter payment schedule, and including any charges incurred by ARIANESPACE for modification of equipment associated with the Launch Vehicle designated for the Replacement Launch, and any charges associated with rearrangement of the launch schedule.

The remuneration for Associated Services associated with the Replacement Launch shall be the applicable price for a Launch to take place within the calendar year of the Replacement Launch.

The payment schedule shall provide for the payment of the entire price for Replacement Launch Services prior to said Replacement Launch.

The Replacement Launch, other than a Reflight, shall form the subject of a separate launch services agreement substantially in the form of this Agreement.

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ARTICLE 14 — ALLOCATION OF POTENTIAL LIABILITIES AND RISKS

14.1 Allocation of Risks for damage caused by one Party and/or its Associates to the Other Party and/or its Associates:

14.1.1 Due to the particular nature of the Services, the Parties agree that any liability of ARIANESPACE or of CUSTOMER arising from the defective, late, or non-performance of ARIANESPACE's Services and CUSTOMER's technical obligations under this Agreement is, in all circumstances, including termination of this Agreement or a Launch under this Agreement, strictly limited to the liability expressly provided for in this Agreement. Except as provided in this Agreement, the Parties hereto expressly waive, renounce, and exclude any and all rights and remedies that may arise at law or in equity with respect to the Services.

14.1.2 Each Party shall bear any and all loss of or damage to property and any bodily injury (including death) and all consequences, whether direct or indirect, of such loss, damage or bodily injury (including death), and/or of a Launch Mission failure and/or of a Satellite Mission failure, which it or its Associates may sustain, directly or indirectly, arising out of or relating to this Agreement or the performance of this Agreement. Each Party irrevocably agrees to a no-fault, no-subrogation, inter-party waiver of liability, and waives the right to make any claims or to initiate any proceedings whether judicial, arbitral, or administrative on account of any such loss, damage or bodily injury (including death) and/or Launch Mission failure and/or Satellite Mission failure against the other Party or that other Party's Associates arising out of or relating to this Agreement for any reason whatsoever.

The provisions above exclude, without limitation, any liability of ARIANESPACE or its Associates for any loss or damages to CUSTOMER or its Associates, resulting from the intentional destruction of the Launch Vehicle and the Satellite in furtherance of launch range safety measures.

Each Party agrees to bear the financial and any other consequences of such loss, damage or bodily injury (including death) and/or of a Launch Mission failure and/or a Satellite Mission failure which it or its Associates may sustain, without recourse to the other Party or the other Party's Associates.

14.1.3 In the event that one or more Associates of a Party shall proceed against the other Party and/or that Party's Associates as a result of such loss, damage or bodily injury (including death) and/or Launch Mission failure and/or Satellite Mission failure, the first Party shall indemnify, hold harmless, dispose of any claim, and defend, when not contrary to the governing rules of procedure, the other Party and/or its Associates, as the case may be, from any liability, cost or expense, including attorneys' fees, on account of such loss, damage or bodily injury (including death) and/or Launch Mission failure and/or Satellite Mission failure, and shall pay all costs and expenses and satisfy all judgments and awards which may imposed on or rendered against that other Party and or its Associates.

14.2 Loss or Damage or Bodily Injury Caused or Sustained by any Third Party Customer(s) of ARIANESPACE or its (their) Associates

14.2.1 Each Party shall bear any and all loss of or damage to property and any bodily injury (including death) and all consequences, whether direct or indirect, of such loss, damage or bodily injury (including death) and/or Launch Mission failure and/or Satellite Mission failure, which it or its Associates may sustain, that is caused, in any way, by (a) Third Party Customer(s) of ARIANESPACE or its (their) Associates, directly or indirectly, arising out of or relating to the performance of this Agreement and/or the launch services agreement signed by ARIANESPACE with such Third Party Customer(s) of ARIANESPACE.

14.2.2 CUSTOMER hereby irrevocably agrees to a no-fault, no-subrogation, inter-party waiver of liability and waives the right to make any claims or to initiate any proceedings whether judicial, arbitral, administrative or otherwise on account of any such loss, damage or bodily injury (including death) and/or Launch Mission failure and/or Satellite Mission failure against Third Party Customer(s) of ARIANESPACE, and/or ARIANESPACE and/or their respective Associates for any reason whatsoever.

CUSTOMER agrees to bear the financial and any other consequences of such loss, damage or bodily injury (including death) and/or Launch Mission failure and/or Satellite Mission failure caused in any way by any Third Party Customer(s) of ARIANESPACE or its (their) Associates without recourse against the Third Party Customer(s) of ARIANESPACE and/or ARIANESPACE and/or their respective Associates.

In the event that one or more of CUSTOMER's Associate(s) proceed against the Third Party Customer(s) of ARIANESPACE and/or ARIANESPACE and/or their respective Associates as a result of any loss, damage or bodily injury (including death) and/or Launch Mission failure and/or Satellite Mission failure caused in any way to it by such Third Party Customer(s) of ARIANESPACE or its (their) Associates, CUSTOMER shall indemnify, hold harmless, dispose of any claim and defend, when not contrary to the governing rules of procedure, such Third Party Customer(s) of ARIANESPACE, and/or ARIANESPACE and/or their respective Associates from any liability, cost or expense, including attorneys' fees, on account of such loss, damage or bodily injury (including death) and/or Launch Mission failure and/or Satellite Mission failure, and shall pay all costs and expenses and satisfy all judgments and awards which may be imposed on or rendered against the Third Party Customer(s) of ARIANESPACE and/or ARIANESPACE, and/or their respective Associates.

14.2.3 In the event that any Third Party Customer(s) of ARIANESPACE and/or its (their) Associates proceed against CUSTOMER and/or its Associates as a result of any loss, damage or bodily injury (including death) and/or launch mission failure and/or satellite mission failure caused in any way by CUSTOMER and/or its (their) Associates, directly or indirectly, arising out of or relating to the performance of this Agreement and/or the agreement signed by ARIANESPACE with such Third Party Customer(s) of ARIANESPACE, ARIANESPACE shall indemnify, hold harmless, dispose of any claim and defend, when not contrary to the governing rules of procedure, CUSTOMER and/or its Associates from any liability, cost or expense, including attorney's fees, on account of such loss, damage or bodily injury (including death), and/or Launch Mission failure and/or Satellite Mission failure, and shall pay all costs and expenses and satisfy all judgments and awards which may be imposed or rendered against CUSTOMER and/or its Associates.

14.3 Indemnification

Each Party shall take all necessary and reasonable steps to foreclose claims for loss, damage or bodily injury (including death) by any participant involved in Launch activities. Each Party shall require its Associate(s) to agree to a no-fault, no-subrogation, inter-party waiver of liability and indemnity for loss, damage or bodily injury (including death) its Associates sustain identical to the Parties' respective undertakings under this ARTICLE 14. Furthermore, ARIANESPACE shall require all Third Party Customer(s) of ARIANESPACE entering into launch services agreements with ARIANESPACE to agree to the inter-party waiver and indemnities set forth in this ARTICLE 14.

14.4 Liability for Damages Suffered by Third Parties

14.4.1 Each Party shall be solely and entirely liable for all loss, damage or bodily injury (including death) sustained, whether directly or indirectly, by any Third Party, which is caused by such Party or its Associates arising out of or relating to the performance by such Party of this Agreement.

14.4.2 In the event of any proceeding, whether judicial, arbitral, administrative or otherwise, by a Third Party against one of the Parties or its Associates on account of any loss, damage or bodily injury (including death), caused by the other Party, its property or its Associates or its (their) property, whether directly or indirectly the latter Party shall indemnify and hold harmless the former Party and/or the former Party's Associates, as the case may be, and shall advance any funds necessary to defend their interests.

14.5 Infringement of Industrial Property Rights of Third Parties

14.5.1 ARIANESPACE shall indemnify and hold CUSTOMER harmless with respect to any cost, and expense resulting from an infringement or claim of infringement of patent rights or any other industrial or intellectual property rights of any third party which may arise from CUSTOMER's use of ARIANESPACE's Services, including, without limitation, the use of any and all products, processes, articles of manufacture, supporting equipment, facilities, and services by ARIANESPACE in connection with said Services ("Intellectual Property Claim"); provided however , that this indemnification shall not apply to an infringement of rights as set forth above that have been mainly caused by an infringement of a right of a third party for which CUSTOMER is liable pursuant to Sub-paragraph 14.5.2 of ARTICLE 14 of this Agreement. If ARIANESPACE's ability to perform the Services is enjoined or otherwise prohibited as a result of an Intellectual Property Claim, Arianespace shall, at its option and expense (i) promptly resolve the matter so that the injunction or prohibition no longer exists; (ii) procure the right to perform the Services; and/or (iii) modify the Services so that they becomes non-infringing while remaining in compliance of the requirements of this Agreement. If

ARIANESPACE is unable to accomplish (i), (ii) or (iii) as stated above within three (3) months of entry of the injunction or other prohibition, CUSTOMER shall have the right to terminate this Agreement without charge and receive a refund of all amounts paid to ARIANESPACE within THIRTY (30) days from receipt by ARIANESPACE of CUSTOMER's notice to that effect.

14.5.2 CUSTOMER shall indemnify and hold ARIANESPACE harmless with respect to any cost, and expense resulting from an infringement or claim of infringement of the patent rights or any other industrial or intellectual property rights of any third party arising out of or relating to CUSTOMER with respect to the design or manufacture of the Satellite, or ARIANESPACE's compliance with specifications furnished by CUSTOMER with respect to the Launch Mission and the Satellite Mission.

14.5.3 The rights to indemnification provided hereunder shall be subject to the following conditions:

14.5.3.1 The Party seeking indemnification shall promptly advise the other Party of the filing of any suit, or of any written or oral claim against it, alleging an infringement of any third party's rights, which it may receive relating to this Agreement, and upon the receipt thereof, shall provide the Party required to indemnify, at such Party's request and expense, with copies of all relevant documentation

14.5.3.2 The Party seeking indemnification shall not make any admission, nor shall it reach a compromise or settlement, without the prior written approval of the other Party, which approval shall not be unreasonably withheld or delayed.

14.5.3.3 The Party required to indemnify, defend and hold the other harmless shall assist in and shall have the right to assume, when not contrary to the governing rules of procedure, the defense of any claim or suit or settlement thereof, and shall pay all reasonable litigation and administrative costs and expenses, including legal counsel fees and expenses, incurred in connection with the defense of any such suit, shall satisfy any judgments rendered by a court of competent jurisdiction in such suits, and shall make all settlement payments.

14.5.3.4. The Party seeking indemnification may participate in any defense at its own expense, using counsel reasonably acceptable to the Party required to indemnify, provided that there is no conflict of interest and that such participation does not otherwise adversely affect the conduct of the proceedings.

14.5.4 In the event that ARIANESPACE, with respect to the Launch, and CUSTOMER, with respect to the Satellite, shall be the subject of the same court action or the same proceedings based on alleged infringements of patent rights or any other industrial or intellectual property rights of a third party pursuant to both Sub-paragraphs

14.5.1 and 14.5.2 hereof, ARIANESPACE and CUSTOMER shall jointly assume the defense and shall bear all damages, costs and expenses pro rata according to their respective liability. In the event of any problems in the implementing the pro rata allocation of the amounts referred to in the immediately preceding sentence, the Parties shall undertake in good faith to resolve such problems.

14.5.5 Neither Party's execution or performance of this Agreement grants any rights to or under any of either Party's respective patents, proprietary information, and/or data, to the other Party or to any third party, unless such grant is expressly recited in a separate written document duly executed by or on behalf of the granting Party.

ARTICLE 15 — INSURANCE

15.1 ARIANESPACE shall, for any particular Launch under this Agreement, take out an insurance policy at no cost to CUSTOMER, to protect itself and CUSTOMER against liability for property loss or damage and bodily injury that Third Parties may sustain and that is caused by the Launch Vehicle, and/or the Satellite, and/or the satellite of any Third Party Customer(s) of ARIANESPACE, and/or their components or any part thereof. Such insurance policy shall name as additional insureds:

1) The Government of France.

2) The Centre National d'Etudes Spatiales "C.N.E.S." and any launching state as such term is defined in the Convention on International Liability for Damage Caused by Space Objects of 1972.

3) The auxiliaries of any kind, whom ARIANESPACE and/or the C.N.E.S. would call for in view of the preparation and the execution of the launching operations.

4) The European Space Agency "E.S.A." but only in its capacity as owner of certain facility and/or outfits located at the Centre Spatial Guyanais in Kourou and made available to ARIANESPACE and/or to the C.N.E.S. for the purpose of the preparation and the execution of the launches.

5) The firms, who have participated in the design and/or in the execution and/or who have provided the components of the Launch Vehicle, of its support equipment including propellants and other products either liquid or gaseous necessary for the functioning of the said Launch Vehicle, their contractors, sub-contractors and suppliers.

6) CUSTOMER, its contractors and subcontractors and each of their respective officers, directors, legal representatives, managing director, employees, agents and interim staff and Third Party Customer(s) of ARIANESPACE on whose behalf ARIANESPACE executes the launch services as well as their co-contractors and sub-contractors.

7) Provided they act within the scope of their duties, the officers and directors, legal representatives, managing director, employees, agents and interim staff employed by ARIANESPACE or by any of additional insured mentioned in the preceding sub-paragraphs from 1) to 6) (included)

15.2 The insurance referred to in Paragraph 15.1 shall come into effect as of the day of the Launch concerned, and shall be maintained for a period of the lesser of TWELVE (12) months or so long as all or any part of the Launch Vehicle, and/or the Satellite, and/or the satellite of any Third Party Customer(s) of ARIANESPACE, and/or their components remain in orbit.

15.3 The insurance policy shall be in the amount of [***] EUROS (€[***]). Irrespective of the value of the aforementioned insurance policy, ARIANESPACE shall settle all

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liabilities, and shall indemnify and hold CUSTOMER and its contractors and subcontractors and each of their respective officers, directors, legal representatives, managing director, employees, agents and interim staff, harmless for property damage and bodily injury arising from the Services when caused to Third Parties by the Launch Vehicle, and/or the Satellite, and/or the satellite of any Third Party Customer(s) of ARIANESPACE, and/or their components or any part thereof including during the period provided for in Paragraph 15.2 above for any amount in excess of the insured limits of said insurance policy. Upon expiration of the insurance in accordance with Paragraph 15.2, CUSTOMER shall settle all liabilities for property damage and bodily injury caused to third parties by the Satellite or any part thereof.

ARTICLE 16 — OWNERSHIP OF DOCUMENTS AND WRITTEN INFORMATION CONFIDENTIALITY/PUBLIC STATEMENTS

16.1 Title to all documents, data, and written information furnished to CUSTOMER by ARIANESPACE or its Associates during the performance of this Agreement shall remain exclusively with ARIANESPACE.

16.2 Title to all documents, data, and written information furnished to ARIANESPACE by CUSTOMER or its Associates during the performance of this Agreement shall remain exclusively with CUSTOMER or with said Associates as to their respective documents, data, and written information.

16.3 Each Party shall use the documents, data, and written information supplied to it by the other Party or the other Party's Associates solely for the performance of this Agreement and any activities directly related thereto.

16.4 To the extent necessary for the performance of this Agreement, each Party shall be entitled to divulge to its own Associates the documents, data, and written information received from the other Party or from the other Party's Associates in connection herewith, provided that such receiving person shall have first agreed to be bound by the nondisclosure and use restrictions of this Agreement.

16.5 Subject to the provisions of Paragraph 16.4, neither Party shall divulge any documents, data, or written information that it receives from the other Party or the other Party's Associates if such documents and written information that are marked with an appropriate and valid proprietary or confidentiality legend from unauthorized disclosure except as provided herein, and shall protect such documents and written information in the same manner as the receiving Party protects its own confidential information; provided, however, that each Party shall have the right to use and duplicate such documents, data, and written information for any Party purpose subject to the nondisclosure requirements and use restrictions provided herein.

If the information disclosed by one Party to the other Party or by or to their respective Associates is deemed confidential by the disclosing Party or Associate and is verbal, not written, such verbal confidential information shall be identified prior to disclosure as confidential and, after acceptance by and disclosure to the receiving Party, shall be reduced to writing promptly, labelled confidential, but in no event later than TWENTY (20) days thereafter, and delivered to the receiving Party in accordance with this Paragraph.

16.6 The obligation of the Parties to maintain the confidentiality of documents, data, and written information shall not apply to documents, data, and written information that :

— are not properly marked as confidential;

— are in the public domain;

— shall come into public use, by publication or otherwise, and due to no fault of the receiving Party;

— the receiving Party can demonstrate were legally in its possession at the time of receipt;

— are rightfully acquired by the receiving Party from third parties;

— with respect to ARIANESPACE information, are commonly disclosed by ARIANESPACE or its Associates;

— with respect to ARIANESPACE information, are inherently disclosed in any product or provision of any service marketed by ARIANESPACE or its Associates;

— are independently developed by the receiving Party;

— are approved for release by written authorization of the disclosing Party; or

— are required, but only to the extent necessary, to be disclosed pursuant to governmental or judicial order, in which event the Party concerned shall notify the other Party of any such requirement and the information required to be disclosed prior to such disclosure.

16.7 The provisions of this ARTICLE 16 shall survive the completion of performance of Services under this Agreement and shall remain in full force and effect until said documents, data, and written information become part of the public domain; provided, however that each Party shall be entitled to destroy documents, data, and written information received from the other Party, or to return such documents, data, or written information to the other Party, at any time after Launch (or after Reflight, if any).

16.8 This Agreement and each part hereof shall be considered to be confidential by both Parties. Any disclosure of the same by one Party shall require the prior written approval of the other Party, which approval shall not be unreasonably withheld or delayed.

Except for publication of the launch manifest, either Party shall obtain the prior written approval of the other Party only through such Party's authorized representative concerning the content and timing of news releases, articles, brochures, advertisements, speeches, and other information releases concerning the work performed or to be performed hereunder by ARIANESPACE and its Associates. Each Party agrees to give the other Party reasonable advance notice for review of any material submitted to the other Party for approval under this Paragraph.

ARTICLE 17 — PERMITS AND AUTHORIZATIONS

17.1 ARIANESPACE shall be obligated to obtain and maintain all required licenses, permits, authorizations, or notices of non-opposition from all national or international, public or private authorities having jurisdiction over the Launch Vehicle and Launch Mission.

17.2 CUSTOMER shall also be obligated to obtain and maintain, or cause an Associate to obtain and maintain, all required licenses, government permits and authorizations, for delivery of the Satellite and all equipment, devices and software to be provided by CUSTOMER on the Launch Base in order to prepare the Satellite for Launch, from its country of origin to the Launch Base, and, the use of the Satellite's ground stations.

17.3 ARIANESPACE agrees to assist and support CUSTOMER and its Associates, at no expense, with obtaining and maintaining the licenses, permits and/or authorizations required by Article 17.2, and any administrative matters related to the importation into French Guiana of the Satellite and all equipment, devices and software to be provided by CUSTOMER on the Launch Base in order to prepare the Satellite for Launch, and their storage and possible return, as well as to the entry, stay, and departure of CUSTOMER and its Associates.

ARTICLE 18 — TERMINATION BY CUSTOMER

18.1 CUSTOMER shall be entitled to terminate any particular Launch under this Agreement at any time prior to the Launch concerned. CUSTOMER's right is not subject to any condition. Notice of termination shall be given by registered letter with acknowledgment of receipt, and termination shall take effect immediately upon receipt of such letter by ARIANESPACE.

18.2 In case of termination by CUSTOMER in accordance with Paragraph 18.1, ARIANESPACE shall be entitled for the Launch terminated to the following:

18.2.1 Basic termination fees depending of the date of termination as follows:

Effective date of termination	Percentage of P
Effective Date of Contract through C-[***] Months	[***]% at EDC linearly increasing to [***]% at C-[***]
C-[***] Months through C-[***] Months	[***]% at C-[***] linearly increasing to [***]% at C-[***]
C-[***] Months through C-[***] Months	[***]% at C-[***] linearly increasing to [***]% at C-[***]
C-[***] Months through C-[***] Months	[***]% at C-[***] linearly increasing to [***]% at C-[***]
After C-[***] Months	[***]%

Where:

P means (i) the Launch Services price of the Launch terminated other than a Reflight, and (ii) the Guarantee Amount for a Reflight,

C means for the Firm Launch and each Optional Launch when activated, the first day of the initial Launch Period of the Launch concerned if no postponement has been requested by ARIANESPACE or otherwise the date obtained by adding to the first L of the Launch concerned the aggregate duration of Launch Period or Launch Slot postponement(s) requested by ARIANESPACE for such Launch pursuant to Sub-paragraph 11.3.1.1 of ARTICLE 11 of this Agreement.

18.2.2 Plus (i) any other amount(s) paid or due including, without limitation, or late payment interest under the Agreement at the effective date of termination, and (ii) the price of those Associated Services provided, at CUSTOMER's cost, which have actually been performed as of the date of termination.

18.2.3 Termination fees are due by CUSTOMER to ARIANESPACE as of the effective date of termination and payable within THIRTY (30) days of receipt by CUSTOMER of

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the corresponding invoice from ARIANESPACE. Any amounts paid by CUSTOMER for the Launch concerned in excess of the above termination fees shall be refunded promptly by ARIANESPACE to CUSTOMER. For the purpose of this Sub-paragraph 18.2.3, in the case of a Reflight, the Guarantee Amount shall be deemed to have been a payment by CUSTOMER.

18.3 Notwithstanding the foregoing, in the event that the aggregate of all postponements requested by ARIANESPACE under Sub-paragraph 11.3.1.1 of ARTICLE 11 of this Agreement should result in ARIANESPACE delaying a CUSTOMER's particular Launch under this Agreement by more than [***] months (for any reason, including Events of Force Majeure), CUSTOMER shall have the right, within THIRTY (30) days of ARIANESPACE's corresponding notice of postponement, to terminate the Launch concerned, in which case ARIANESPACE shall refund to CUSTOMER all payments made by CUSTOMER for said Launch within THIRTY (30) days from receipt by ARIANESPACE of CUSTOMER's notice to that effect. In such an event, CUSTOMER shall be liable only for the payment of Associated Services performed, at CUSTOMER's cost, for the Launch terminated prior to the date of termination. For the purpose of this Paragraph 18.3, in the case of a Reflight, the Guarantee Amount shall be deemed to have been a payment by CUSTOMER.

However, postponements resulting from (i) any replacement launch or reflight performed or to be performed by ARIANESPACE; and/or (ii) any damage caused by CUSTOMER and/or its Associates to the property of ARIANESPACE and/or the property of its Associates and/or (iii) any bodily injury (including death) caused by CUSTOMER and/or its Associates to ARIANESPACE and/or its Associates shall not be taken into account for the computation of the above mentioned [***] month period.

18.4 Reserved

18.5 CUSTOMER may terminate this Agreement at any time following the occurrence of one or more of the following events or conditions upon notice to ARIANESPACE:

18.5.1 ARIANESPACE: (i) files a voluntary petition of bankruptcy; (ii) makes a general assignment, arrangement or composition with or for the benefit of creditors; (iii) suffers or permits the appointment of a receiver for its business assets; (iv) becomes subject to involuntary proceedings under any bankruptcy or insolvency law (which proceedings remain undismissed for NINETY (90) days); (v) is liquidated or is delinquent on any material payment required pursuant to this Agreement for greater than THIRTY (30) days after written notice from CUSTOMER, except if ARIANESPACE is in good faith disputing the delinquency of the payment and the matter is referred to arbitration in accordance with the terms of ARTICLE 22.

18.5.2 In the circumstances defined in Sub-paragraph 18.5.1 of this ARTICLE 18, ARIANESPACE shall within THIRTY (30) days following receipt of CUSTOMER's notice refund to CUSTOMER all payments made by CUSTOMER for the Launch so

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terminated. In such an event, CUSTOMER shall be liable only for the payment of Associated Services performed, at CUSTOMER's cost, for the Launch terminated prior to the date of termination as invoiced by ARIANESPACE via submission of a certified accounting to CUSTOMER. For the purpose of this Paragraph 18.5, in the case of a Reflight, the Guarantee Amount shall be deemed to have been a payment by CUSTOMER.

18.6 Any notice of termination under this ARTICLE 18 shall be given by registered mail or recognized air courier, with proof of delivery. Any refund required under this Article 18 shall be in United States Dollars, by wire transfer of immediately available funds to an account designated by CUSTOMER.

ARTICLE 19 — TERMINATION BY ARIANESPACE

19.1 In the event that CUSTOMER fails to comply with its undisputed payment obligations pursuant to the payment schedule and other payment dates set forth in this Agreement for a Launch under this Agreement, and does not pay within THIRTY (30) days after the date of receipt of a written notice to that effect ARIANESPACE shall be entitled to terminate the Launch concerned by registered letter with acknowledgment of receipt.

19.2 In the event of termination by ARIANESPACE pursuant to the provisions of this ARTICLE 19, the provisions of Paragraph 18.2 of ARTICLE 18 of this Agreement shall apply.

ARTICLE 20 — MISCELLANEOUS

20.1 Working language

All communications between the Parties and between CUSTOMER and its Associates on the Launch Base, and between ARIANESPACE and its Associates on the Launch Base with CUSTOMER's personnel and that of its Associates, shall be made in English.

20.2 Notices

Unless expressly provided otherwise under this Agreement, all communications and notices to be given by one Party to the other in connection with this Agreement shall be in writing and in the language of this Agreement and shall be sent by registered mail, and if transmitted by telecopy or e-mail, shall be confirmed by registered letter to the following addresses (or to such address as a Party may designate by written notice to the other Party):

ARIANESPACE		**CUSTOMER**	
Immeuble Ariane Boulevard de l'Europe 91000 EVRY FRANCE		ViaSat, Inc. 6155 El Camino Real Carlsbad, CA 92009 USA	
Attention :	Alexandre Mademba-Sy	Attention :	David Abrahamian
Telephone :	[***]	Telephone :	[***]
Fax :	[***]	Fax :	[***]
		With a copy to:	
		Attention :	Jared Flinn
		Telephone :	[***]
		Fax :	[***]

For the avoidance of doubt, ordinary course communications under this Agreement may occur by electronic mail, however formal notices shall be delivered only by registered mail or facsimile as provided above.

20.3 Waiver

Waiver on the part of either ARIANESPACE or CUSTOMER of any term, provision, or condition of this Agreement shall only be valid if made in writing and accepted by the other Party. Said acceptance shall not obligate the Party in question to waive its rights in connection with any other previous or subsequent breaches of this Agreement.

20.4 Headings

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* Certain information on this page has been omitted and filed separately with the Commission. Confidential treatment has been requested with respect to the omitted portions.

The headings and sub-headings used in this Agreement are provided solely for convenience of reference, and shall not prevail over the content of the Articles of this Agreement.

20.5 Assignment

Neither Party shall be entitled to assign its rights and obligations under this Agreement, in whole or in part, without the prior written consent of the other Party, which shall not be unreasonably withheld.

Notwithstanding the foregoing, CUSTOMER may assign or transfer, in whole and not in part, this Agreement or all its rights, duties, interests and obligations hereunder without ARIANESPACE's approval (i) to an Affiliate, provided that such Affiliate has sufficient financial resources or funding to fulfill CUSTOMER's obligations under this Agreement; (ii) to any entity which, by way of merger, consolidation, or any similar transaction involving the acquisition of substantially all the stock or the entire business assets of CUSTOMER relating to the subject matter of this Agreement succeeds to the interests of CUSTOMER; provided in each case that, prior to such assignment or transfer, the Affiliate, assignee, transferee, or successor to CUSTOMER has expressly assumed in a commercially reasonable document all the obligations of CUSTOMER and all terms and conditions applicable to CUSTOMER under this Agreement; or (iii) to any Affiliate or joint venture associate of CUSTOMER not meeting the requirements of item (i) above, provided that CUSTOMER executes the Guaranty Agreement attached hereto as Annex 5.

In addition, and notwithstanding the foregoing, CUSTOMER shall have the right, without ARIANESPACE's approval, to assign or grant security interests in this Agreement as security for any bona fide financing related to the subject matter of this Agreement, provided in the case of any assignment of this Agreement to any party, other than a lender or other financing party or agent or trustee for any such lender or financing party (and other than as permitted in this Paragraph 20.5 above), ARIANESPACE consents to such assignment, which consent shall not be unreasonably delayed or withheld.

Notwithstanding the CUSTOMER's right of assignment or transfer above, CUSTOMER shall not be permitted, without ARIANESPACE's prior consent, to assign its rights, title, interests or obligations under this Agreement with respect to either Optional Launch to any entity other than whom the entire Agreement is assigned or transferred.

Except as provided above, any attempt to assign or transfer any rights, duties, interests and obligations hereunder without the other Party's prior consent shall be null and void.

20.6 Entire Agreement and Modifications

This Agreement constitutes the entire understanding between the Parties, and supersedes all prior and contemporaneous discussions between the Parties with respect to the subject matter of this Agreement. Neither Party shall be bound by the conditions, warranties, definitions, statements, or documents previous to the execution of this Agreement, unless this Agreement makes express reference thereto. Any actions subsequent to the execution of this Agreement undertaken pursuant to an agreement shall be in writing and signed by duly authorized representatives of each of the Parties, which agreement shall expressly state that it is an amendment to this Agreement.

20.7 Registration of CUSTOMER's Satellite CUSTOMER shall be responsible to ensure that the Satellite is properly registered by a state of registry in accordance with the Convention on Registration of Objects Launched into Outer Space of 1974 either (i) directly, if CUSTOMER is a state or the state designated by an international intergovernmental organization for the purposes of registration, or (ii) if CUSTOMER is not a state, through a state having jurisdiction and control over CUSTOMER.

ARTICLE 21 — APPLICABLE LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of New York, USA, without giving effect to its conflict of law rules. The provisions of the United Nations Convention for the International Sale of Goods shall not be applicable to this Agreement.

ARTICLE 22 — ARBITRATION

In the event of any dispute arising out of or relating to this Agreement, the Parties shall use their reasonable efforts to reach an amicable settlement. If an amicable settlement cannot be achieved, the dispute shall be referred to the President of ARIANESPACE and of CUSTOMER, who will use their reasonable efforts to reach a settlement. Should an amicable settlement fail, the dispute (including disputes relating to the validity, scope, and enforceability of this paragraph) shall be finally settled under the rules of Conciliation and Arbitration of the International Chamber of Commerce ("I.C.C.") in New York City, New York by THREE (3) arbitrators appointed in accordance with the then existing rules of the I.C.C. The arbitration shall be conducted in the English language. The award of the arbitrators shall be final, conclusive and binding, and the execution thereof may be entered in any court having jurisdiction. The arbitrators' fees and costs shall be divided evenly amongst the Parties, provided that each Party shall bear their own attorneys' fees and costs expended in the arbitration.

Notwithstanding any other provision, expressed or implied in this Agreement, and without prejudice to ARIANESPACE'S rights under Paragraph 10.4 of this Agreement, pending resolution of any such dispute, ARIANESPACE shall continue to perform its obligations under this Agreement unless otherwise directed by CUSTOMER and as far as such performance is not prevented by the nature or cause of the dispute itself.

ARTICLE 23 — EFFECTIVE DATE

This Agreement shall take effect after signature by the TWO Parties.

Executed in Paris,

On November 12, 2008

In two (2) originals

ARIANESPACE	**CUSTOMER**
Name : Jean-Yves LE GALL Title : Chairman & CEO Date : November 12, 2008 Signature /s/ J. Y. LE GALL	Name : David Abrahamian Title : Director, Space Sys. Contracts Date : 12 November 2008 Signature /s/ DAVID ABRAHAMIAN

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Mark D. Dankberg, Chief Executive Officer of ViaSat, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of ViaSat, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 11, 2009

/s/ Mark D. Dankberg
Mark D. Dankberg
Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT
TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ronald G. Wangerin, Chief Financial Officer of ViaSat, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of ViaSat, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 11, 2009

/s/ Ronald G. Wangerin
Ronald G. Wangerin
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of ViaSat, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(a) the accompanying quarterly report on Form 10-Q of the Company for the quarterly period ended January 2, 2009 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 11, 2009

/s/ Mark D. Dankberg
Mark D. Dankberg
Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of ViaSat, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(a) the accompanying quarterly report on Form 10-Q of the Company for the quarterly period ended January 2, 2009 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(b) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 11, 2009

/s/ Ronald G. Wangerin
Ronald G. Wangerin
Chief Financial Officer