

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **January 27, 2004**

ViaSat, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

0-21767
(Commission File No.)

33-0174996
(I.R.S. Employer
Identification No.)

6155 El Camino Real
Carlsbad, CA 92009

(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: **(760) 476-2200**

TABLE OF CONTENTS

[Item 7. Financial Statements and Exhibits.](#)

[Item 12. Results of Operations and Financial Condition.](#)

[SIGNATURE](#)

[EXHIBIT INDEX](#)

[EXHIBIT 99.1](#)

[Table of Contents](#)

Item 7. Financial Statements and Exhibits.

(c) Exhibits.

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
99.1	Press release issued by ViaSat, Inc. on January 27, 2004.

Item 12. Results of Operations and Financial Condition.

On January 27, 2004, ViaSat, Inc. issued a press release regarding its financial results for the fiscal quarter ended January 2, 2004. A copy of the press release is attached hereto as Exhibit 99.1.

The information contained in this Current Report, including the exhibit, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. Such information shall not be incorporated by reference into any filing of ViaSat, Inc., whether made before or after the date hereof, regardless of any general incorporation language in such filing.

SIGNATURE

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 hereunto duly authorized.

Date: January 27, 2004

VIASAT, INC.

By: /s/ Ronald G. Wangerin

Name: Ronald G. Wangerin

Title: Vice President, CFO

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
99.1	Press release issued by ViaSat, Inc. on January 27, 2004.

VIASAT THIRD QUARTER RESULTS INCLUDE RECORD REVENUES, RECORD EARNINGS, AND
RECORD BACKLOG

CARLSBAD, CA -- ViaSat Inc. (NASDAQ: VSAT), a provider of communication equipment for government and commercial customers, today announced financial results for the third quarter of fiscal year 2004. Highlights for the quarter included record revenues of \$71.8 million, net income of \$0.30 per share on a pro forma basis or \$0.26 per share on a GAAP basis, and net new orders for the quarter of \$82.5 million. Growing momentum in ViaSat's business drove results that were ahead of plan. In addition, ViaSat's financial results included a pre-tax gain of approximately \$6.3 million as a result of its settlement of litigation with Scientific-Atlanta relating to the acquisition of the Scientific-Atlanta satellite networks business in April 2000, which is net of specific assets claimed and legal costs. This one-time gain added approximately \$0.14 per share to the results on a fully diluted basis for the third quarter.

"Our third quarter results clearly indicate the growing momentum behind our business," said Mark Dankberg, chairman and CEO of ViaSat. "Revenues, earnings, and per share earnings all were at record levels for the quarter, representing substantial gains both year over year and sequentially. Results were somewhat better than plan - even without the additional benefits of the settlement agreement. New orders remained very strong, already setting an annual record and putting us in a position to meet our financial objectives for the year. Plus, sustained strength in cash flow driven by growing profitability and improved operating efficiencies allowed us to erase outstanding debt while accumulating over \$20 million in cash at quarter's end, giving us significantly enhanced flexibility to support our growth. "

FINANCIAL RESULTS

For the third quarter ended January 2, 2004*, the company reported the following:

(In millions, except per share data) -----	Q3 2004 -----	Q3 2003 -----	FIRST 9 MOS. FY04 -----	FIRST 9 MOS. FY03 -----
Revenues	\$ 71.8	\$ 49.0	\$ 195.4	\$ 131.3
Net income (loss)	\$ 7.1	(\$2.6)	\$ 9.4	(\$8.3)
Diluted per share net income (loss)	\$ 0.26	(\$0.10)	\$ 0.34	(\$0.32)

Pro forma net income (loss)**	\$ 8.3	(\$1.3)	\$ 12.9	(\$4.5)
Diluted per share pro forma net income (loss)**	\$ 0.30	(\$0.05)	\$ 0.47	(\$0.18)
Weighted average shares	27.7	26.0	27.3	26.0
New orders/Contract awards	\$ 82.5	\$ 56.9	\$ 273.3	\$ 199.5
Sales backlog	\$ 291.6	\$ 207.6	\$ 291.6	\$ 207.6

* ViaSat adopted a 52- or 53-week fiscal year beginning with its fiscal year 2004, which ends on the Friday closest to March 31. ViaSat's quarters for fiscal year 2004 end on July 4, 2003, October 3, 2003, January 2, 2004 and April 2, 2004.

** All non-GAAP pro forma numbers have been adjusted to exclude the effects of acquisition charges (amortization of intangible assets). A reconciliation of specific adjustments to GAAP results for these periods is included in the "Pro Forma Condensed Consolidated Statement of Operations" table on page 5 of this release. A description of our use of non-GAAP information is provided under "Use of Pro Forma Financial Information" below.

GOVERNMENT SEGMENT

Government Systems recorded quarterly and nine-month revenues of \$33.3 million and \$88.5 million, respectively, a 44% increase over the third quarter of fiscal year 2003 and a 47% increase over the prior nine-month period. The revenue growth reflects the significant order growth and associated contract backlog accumulated in our tactical data links, UHF satcom, information assurance and government broadband businesses over the past 18 months.

COMMERCIAL SEGMENT

Revenue increased to \$38.5 million for the third quarter and \$106.9 million year-to-date. These figures represent a 49% increase over the third quarter of fiscal year 2003 and an increase of 50% over the first nine months of fiscal year 2003. Revenue growth in commercial business reflects accumulated and growing backlog in broadband systems for consumer and in flight applications, as well as antenna and telemetry systems, plus sustained quarterly order flow in VSAT network products for both commercial and government customers. Operating earnings improved substantially from last quarter, excluding the effects of the settlement.

SELECT THIRD QUARTER 2004 BUSINESS HIGHLIGHTS

- - Generated strong cash from operations during the quarter of \$17.6 million, inclusive of the \$9.0 million of cash received from the settlement with Scientific-Atlanta. A portion of the cash generated was used to pay-off the remaining balance of our revolving line of credit. As of quarter end, ViaSat had a cash balance of over \$20 million.

- - Government Systems received a \$30 million contract for 120 Multifunctional Information Distribution System LVT(1) terminals from the Royal Netherlands Air Force for its fleet of F-16 aircraft.
- - Broadband Systems re-started work under a revised contract valued at over \$33 million from WildBlue Communications to begin final development and production of consumer premises and gateway networking equipment to support WildBlue's initial service launch later this year. ViaSat supplied customer equipment includes a Ka-band satellite modem and outdoor Ka-band transceiver electronics from ViaSat's subsidiary US Monolithics LLC.
- - Order for a LinkStar hub and 200 terminals from China National Petroleum Company (CNPC) to provide LinkStar(R) broadband VSATs for data collection and video monitoring along the new West-East natural gas pipelines in China, enabling remote monitoring and control of the pipeline.
- - Continued strong antenna system bookings and sales for Satellite Ground Systems, led by \$3.2 million in follow-on orders for telemetry antenna systems from ITT Technologies as it continues a major modernization of the Eastern and Western launch ranges for the U.S. Air Force Spacelift Range System (SLRS).
- - Achieved certification for ISO 9001/2000 across all operating facilities.
- - Assessed by the Software Engineering Institute (SEI) as a Level 3 organization based on their Software Capability Maturity Model (SW-CMM(R)).

ViaSat produces innovative satellite and other network communication products that enable fast, easy, secure, and efficient communications to any location. Products include network security devices, tactical data radios, and communication simulators. ViaSat also has a full line of VSAT products for data and voice applications, and is a market leader in Ka-band satellite systems, from user terminals to large gateways. ViaSat has locations in Carlsbad, CA, and Norcross, GA, along with its Comsat Laboratories division based in Clarksburg, MD. Additional field offices are located in Marlborough, MA, Washington DC/Baltimore, Australia, China, India, and Italy.

In addition, ViaSat's wholly-owned subsidiary, U.S. Monolithics, designs and produces monolithic microwave integrated circuits (MMICs) and modules for use in broadband communications. U.S. Monolithics is based in Chandler, Arizona.

NOTE: ViaSat Inc. will host a conference call to discuss these FY2004 Third Quarter Earnings at 10:00 A.M. Eastern Time on Tuesday, January 27, 2004. The dial-in number is (877) 855-4254 in

the U.S. and (706) 679 8583 internationally. The reservation code is 21183197. An audio replay will be available until 12:15 P.M. EST January 28 at (800) 633-8284 and the reservation code is the same. You can also access our conference call webcast, conference call materials and other material financial information discussed on our conference call (including any information required by Regulation G) on the Investor Relations Events Calendar page of our corporate web site (www.viasat.com). The call and associated conference call materials will be archived and available on that site for at least 12 months immediately following the conference call.

USE OF PRO FORMA FINANCIAL INFORMATION

Pro forma net income (loss) excludes the effects of acquisition charges (amortization of intangible assets). Pro forma net income is provided to enhance the overall understanding of our current financial performance and our prospects for the future. Specifically, we believe the pro forma results provide useful information to both management and investors by excluding specific expenses that we believe are not indicative of our core operating results. In addition, since we have historically reported pro forma results to the investment community, we believe the inclusion of pro forma numbers provides consistency in our financial reporting. Further, these adjusted pro forma results are one of the primary indicators management uses for planning and forecasting in future periods. The presentation of this additional information should not be considered in isolation or as a substitute for results prepared in accordance with generally accepted accounting principles (GAAP). See the "Pro Forma Condensed Consolidated Statement of Operations" table for a reconciliation of net income (loss) to pro forma net income (loss). Pro forma as presented in this press release may not be comparable to similarly titled measures reported by other companies.

SAFE HARBOR STATEMENT

Portions of this release, particularly ViaSat's financial prospects for fiscal year 2004 and beyond and the "Select Third Quarter 2004 Business Highlights" section, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. ViaSat wishes to caution you that there are some factors that could cause actual results to differ materially from historical results or from any results expressed or implied by such forward-looking statements, including but not limited to: ViaSat's ability to perform under existing contracts and obtain additional contracts, ViaSat's ability to develop new products that gain

market acceptance, changes in product supply, pricing and customer 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, and other factors affecting the communications industry generally. ViaSat refers you to the documents it files from time to time with the Securities and Exchange Commission, specifically the section titled Factors That May Affect Future Performance in ViaSat's Form 10-K. These documents contain and identify other important factors that could cause actual results to differ materially from those contained in our projections or forward-looking statements. Stockholders and other readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date on which they are made. We undertake no obligation to update publicly or revise any forward-looking statements.

Comsat Labs and Comsat Laboratories are tradenames of ViaSat Inc. Neither Comsat Labs nor Comsat Laboratories is affiliated with COMSAT Corporation. "Comsat" is a registered trademark of COMSAT Corporation.

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(UNAUDITED)
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	JANUARY 2, 2004	DECEMBER 31, 2002	JANUARY 2, 2004	DECEMBER 31, 2002
Revenues	\$ 71,758	\$ 48,962	\$ 195,358	\$ 131,322
Cost of revenues	51,757	39,718	142,526	100,996
Gross Profit	20,001	9,244	52,832	30,326
Operating expenses:				
Selling, general & administrative	6,389	9,102	27,572	26,728
Independent research and development	1,963	2,517	7,896	11,704
Amortization of intangible assets	1,959	2,112	5,878	6,335
Income (loss) from operations	9,690	(4,487)	11,486	(14,441)
Equity in loss of joint venture	(79)	(463)	(160)	(1,622)
Interest and other	(90)	(331)	(475)	(626)
Income (loss) before income taxes	9,521	(5,281)	10,851	(16,689)
Net Income (loss)	\$ 7,089	\$ (2,612)	\$ 9,354	\$ (8,349)
Diluted net income (loss) per share	\$ 0.26	\$ (0.10)	\$ 0.34	\$ (0.32)
Diluted common equivalent shares	27,748	26,018	27,311	25,979

PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(UNAUDITED)
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	JANUARY 2, 2004	DECEMBER 31, 2002	JANUARY 2, 2004	DECEMBER 31, 2002
Revenues	\$ 71,758	\$ 48,962	\$ 195,358	\$ 131,322
Cost of revenues	51,757	39,718	142,526	100,996
Gross Profit	20,001	9,244	52,832	30,326
Operating expenses:				
Selling, general & administrative	6,389	9,102	27,572	26,728
Independent research and development	1,963	2,517	7,896	11,704
Pro forma income (loss) from operations	11,649	(2,375)	17,364	(8,106)
Equity in loss of joint venture	(79)	(463)	(160)	(1,622)
Interest and other	(90)	(331)	(475)	(626)
Pro forma income (loss) before income taxes	11,480	(3,169)	16,729	(10,354)
Pro forma net income (loss)	\$ 8,264	\$ (1,345)	\$ 12,881	\$ (4,548)
Pro forma diluted net income (loss) per share	\$ 0.30	\$ (0.05)	\$ 0.47	\$ (0.18)
Diluted common equivalent shares	27,748	26,018	27,311	25,979
THE ABOVE PRO FORMA AMOUNTS HAVE BEEN ADJUSTED TO EXCLUDE THE FOLLOWING:				
Amortization of intangible assets	1,959	2,112	5,878	6,335
Income tax effect	(784)	(845)	(2,351)	(2,534)
Net effect of pro forma adjustment	\$ 1,175	\$ 1,267	\$ 3,527	\$ 3,801

Note: Operating results for the three-month and nine-month periods ended January 2, 2004 include a benefit to Cost of revenues of \$3.2 million and to Selling, general & administrative expenses of \$3.1 million relating to the settlement of litigation with Scientific-Atlanta, Inc.

CONDENSED CONSOLIDATED BALANCE SHEET
(UNAUDITED)
(IN THOUSANDS)

	JANUARY 2, 2004	MARCH 31, 2003
ASSETS		
Current Assets:		
Cash and S-T investments	\$ 20,446	\$ 4,269
Accounts receivable, net	89,180	80,962
Inventory	27,209	29,758
Deferred income taxes	6,072	4,241
Other current assets	10,387	6,015
	-----	-----
Total current assets	153,294	125,245
	-----	-----
Goodwill, net	19,492	19,492
Other intangible assets, net	29,596	35,474
Property and equip, net	32,675	33,609
Other assets	18,855	23,335
	-----	-----
	\$ 253,912	\$ 237,155
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 26,102	\$ 21,983
Accrued liabilities	29,256	19,036
Line of credit	--	9,950
	-----	-----
Total current liabilities	55,358	50,969
Other liabilities	2,582	1,847
	-----	-----
Total liabilities	57,940	52,816
	-----	-----
Total stockholders' equity	195,972	184,339
	-----	-----
	\$ 253,912	\$ 237,155
	=====	=====