UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

(Mark One)

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

For the fiscal year ended April 3, 2009

or

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

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

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, par value $0.0001 per share	**The NASDAQ Stock Market LLC**
(Title of Each Class)	*(Name of Each Exchange on which Registered)*

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act of 1933. o Yes ☑ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. o Yes ☑ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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 o No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). o Yes o No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

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 o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

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

The aggregate market value of the common stock held by non-affiliates of the registrant, as of October 3, 2008 was approximately $506,107,368 (based on the closing price on that date for shares of the registrant's common stock as reported by the Nasdaq Global Select Market). Shares of common stock held by each officer, director and holder of 5% or more of the outstanding common stock have been excluded in that such persons may be deemed affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

The number of shares outstanding of the registrant's common stock, $.0001 par value, as of May 22, 2009 was 31,097,899.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A in connection with its 2009 Annual Meeting of Stockholders are incorporated by reference into Part III of this Form 10-K where indicated. Such Proxy Statement will be filed with the Securities and Exchange Commission not later than 120 days after the registrant's fiscal year ended April 3, 2009.

VIASAT, INC.

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PART I

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K, 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; future economic conditions and performance; 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, including those identified under the heading "Risk Factors" in Item 1A, elsewhere in this report and our other filings with the Securities and Exchange Commission (SEC). Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. We undertake no obligation to revise or update any forward-looking statements for any reason.

ITEM 1. BUSINESS

Corporate Information

We were incorporated in California in 1986 under the name ViaSat, Inc., and subsequently reincorporated in Delaware in 1996. The mailing address of our worldwide headquarters is 6155 El Camino Real, Carlsbad, California 92009, and our telephone number at that location is (760) 476-2200. Our website address is www.viasat.com. The information on our website does not constitute part of this report.

Company 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. Generally, our sales consist of:

- Project contracts to study, research, develop, test, support and manufacture customized communication systems or products. Research and development costs for these customized projects and products are often customer-funded. Once completed, many of our customized communications products are later marketed and sold to other customers as standard "off-the-shelf" products;
- Selling, deploying and supporting our standard "off-the-shelf" products, which are generally developed through a combination of customer and discretionary internal research and development funding; or
- Selling managed network satellite services to enterprise and mobile broadband customers.

Our customers include a variety of government and commercial entities. Our individual contracts may range in value from thousands of dollars to tens of millions of dollars.

Industry Background

We principally operate in three segments — government systems, commercial networks and satellite services. Our government systems business is focused on network-centric government communications, where we develop and produce systems and specialized equipment for government customers for tactical data links, unmanned aerial vehicles (UAV), secure networking, signal processing and generation, and satellite communications applications. Within our commercial networks segment, we develop and produce communication systems and products for consumer, enterprise and mobile (aviation, maritime and ground mobile) broadband customers. Our satellite services segment provides managed network satellite services to enterprise and mobile broadband customers. Common to our market segments is the development of communications solutions which focus on Internet Protocol (IP) based communications. Financial information regarding our reporting segments and the geographic areas in which we operate is included in the consolidated financial statements and notes thereto, including Note 13 - Segment Information.

Government systems

Our government systems products and solutions have grown significantly over the past several years and we believe the following contribute to our success in this area:

- The critical role of collection and dissemination of real-time information in executing high-speed, high-precision, highly mobile warfare over dispersed geographic areas, which has two important aspects. The first is reflected in the United States Department of Defense (DoD) transition to “network-centric warfare,” which emphasizes the importance of real time data networks of all types via multiple transmission media. The second is the growing importance of satellite-based communications, in particular, as the most reliable method of connecting rapidly moving forces who may simply out-run the range of terrestrial radio links.
- The growing importance of IP networks in the DoD compared to older circuit-based systems — especially in light of the DoD’s increased emphasis on network-centric warfare. We believe IP networks will drive a fundamental restructuring of the DoD’s secure information networks, which will take several years to complete.
- We believe that over the next decade or so many of the previous generation of defense communications satellite networks will expire or become obsolete. New programs are underway or in planning to define, develop, procure and deploy systems to replace them. While we have been successful in capturing defense satellite ground system business in the past, we believe these new programs present more opportunities for bidding on new contracts than we have seen historically.

We believe these fundamentals will continue to offer growth opportunities for each of our government product areas over the next several years.

Commercial networks

The essential advantage of satellite communications is that it allows a network provider to rapidly deploy new communications services to large numbers of people within the footprint of the satellite. Consequently, satellites can often be used to deploy communication services in developed and developing markets in a shorter period of time and in a more cost-efficient manner than building ground-based infrastructure. Moreover, in some areas, satellite solutions are less expensive than terrestrial wired and wireless alternatives. As satellite communications equipment becomes less expensive and new capabilities emerge in satellite communications technology, we believe the market for satellite communications offers growth opportunities.

The commercial satellite communications industry is expected to be driven by the following major factors: (1) world-wide demand for communications services in general, with continued high growth in internet traffic in particular, (2) the improving cost-effectiveness of satellite communications for many uses, (3) recent technological advancements which broaden applications for and increase the capacity and efficiency of satellite-based networks, and (4) global deregulation and privatization of government-owned telecommunications carriers.

Satellite services

Our satellite services segment encompasses three primary areas: managed broadband services, mobile broadband services and, in the future, 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, also through our network management center. In 2008, we began construction of a high-speed Ka-band satellite in order to provide wholesale broadband services over North America, which we anticipate will become available beginning in 2011.

The ViaSat Solution

We believe our ability to design and deliver end-to-end cost-effective satellite, wireless and secure networking solutions enables us to provide our government and commercial customers, including consumer, enterprise and mobile customers, with a superior solution.

Government systems

Our government systems communication products help our customers collect, process, protect and disseminate information — in all its digital forms — to make better decisions faster. Our network-centric satellite and secure wireless communication products are used by tactical armed forces, first-responders and remote government employees to increase the effectiveness, ease-of-use and security of communication systems. We believe our long standing history of developing complex secure wireless and satellite networking communications technologies for both government and commercial customers provides us with opportunities for growth as the United States military looks to upgrade its secure wireless and satellite technology with a mix of customized and commercial technologies.

Commercial networks and satellite services

We provide a variety of satellite communications network solutions for multiple sectors of the commercial market. Our commercial networks segment principally provides networking hardware and software to satellite or communications service providers. Our satellite services segment mainly provides managed network services, often to these same customers, creating an integrated solution.

- *Broadband internet applications.* In recent years, there has been an increase in the use of satellites to carry broadband Internet traffic. This growth has been centered on connecting consumers and businesses with the Internet. Satellite capacity is often used where fiber-optic cable is prohibitively expensive or rare, such as suburban and rural areas or developing countries. More recently, satellite operators have invested in and launched next generation spot-beam satellites specifically designed for low-cost broadband access. However, we do not believe these satellites are equipped to deliver acceptable levels of service. In January 2008, we announced our plans to develop and launch ViaSat-1, a high-capacity, high-speed Ka-band spot-beam satellite planned for launch in early 2011. At the time of launch, ViaSat-1 is expected to be the highest capacity, most cost efficient satellite in the world. With the market demonstrating high demand for satellite broadband services, ViaSat-1 is designed to significantly expand the quality, capability and availability of high-speed broadband satellite services for United States consumers and enterprises. ViaSat plans to offer wholesale network services on the ViaSat-1 satellite to national and regional distribution partners (in most cases retail service providers or telephone companies). We expect satellite communications to continue to offer a cost-effective augmentation capability for Internet Service Providers (ISPs) and service providers offering broadband internet access, particularly in markets where ground-based broadband networks are unlikely to be either cost-effective or abundant. Additionally, satellites provide an alternative for ISPs, which are dealing with congestion associated with the distribution of increasing amounts of high-capacity multimedia content on the Internet.

- *Data networks.* Satellite networks are also well suited for data networks which focus on (1) rapidly deploying new services across large geographic areas, (2) reaching multiple user locations separated by long distances, (3) filling in gaps or providing support for data points of congestion or bottlenecks in ground-based communications networks, and (4) providing communications capabilities in remote locations and in developing countries where ground-based infrastructure has not yet been developed. In addition, satellite networks are used as a substitute for, or supplement to, ground-based communications services such as frame relay, digital subscriber lines, fiber optic cables, and Integrated Services Digital Networks (ISDN). We believe satellite data network products and services will present us with growth opportunities as commercial data networks using satellites are deployed in developed and developing markets throughout the world.

We believe our ability to design and deliver end-to-end cost-effective satellite networking solutions, including the provisioning of high-capacity satellites, the ground network including the RF gateways and network infrastructure, the end-user terminals and equipment, and network management and services enables us to provide our consumer, enterprise and mobile satellite, wireless and networking customers with a superior solution.

The ViaSat Strategy

Our objective is to leverage our advanced technology and capabilities to (1) increase our role as the government transitions to IP-based, highly-secure, network-centric based warfare, (2) develop high-performance, feature rich, low-cost technology to grow the size of the consumer satellite broadband, commercial enterprise and networking markets, while also capturing a significant share of these growing markets, and (3) maintain a leadership position, while reducing costs and increasing profitability, in our satellite and wireless communications markets. The principal elements of our strategy include:

- *A complementary mix of defense and commercial products, projects, and geographic markets.* We aim for a diversified mix of products that are unified through common underlying technologies, customer applications, market relationships or other factors. We believe this complementary mix, combined with our ability to effectively apply technologies between government and commercial markets and across different geographic markets, provides us a strong foundation to sustain and enhance our leadership in advanced communications and networking technologies.
- *Augment customer-funded research and development with discretionary research and development to enter or leverage new markets or technologies.* We use the availability of customer funding or co-investments for product development as an important factor in choosing where to apply our own discretionary research and development resources.
- *Address increasingly larger markets.* We have focused on addressing larger markets since our inception. The size of customer-funded opportunities we can credibly address directly correlates to our annual revenue. By increasing the size of target markets, we anticipate increasing our total revenues, and as a result we anticipate we will be more successful in capturing customer-funded research and development opportunities for increasingly larger projects.
- *Steadily evolve into adjacent technologies and markets.* We anticipate continued growth via evolutionary steps into adjacent technologies and markets. We seek to grow the market segments we address by selling existing or customized versions of technologies we developed for one customer base to a different market, for instance, to different segments of the government market, or between government and commercial markets. In addition, we seek to expand the breadth of technologies and products we offer by selling new, but related, technologies and products to existing customers.
- *Careful targeting of new market opportunities.* We consider several factors in selecting new market opportunities, including (1) whether there are meaningful entry barriers for new competitors (for example, specialized technologies or relationships), (2) the new market is the right size and consistent with our growth objectives (market niches large enough to provide us significant revenues), and (3) the customers in the market value our technology competence and focus, which makes us an attractive partner.
- *Sustain a large (relative to our size) and highly proficient engineering staff to capture and perform our target projects.* Since customer-funded research and development is an important aspect of our business, we believe it is important to sustain a large, highly competent, engineering team. We believe we offer very competitive compensation, benefits and work environment to attract and maintain employees. Perhaps even more important, we tend to seek and attract engineers who embrace our business approach and the associated technology challenges it offers. So far, this has enabled us to offer our customers high product performance, reduced technological risks and competitive pricing.
- *High quality, cost-effective outsourced manufacturing supply chain.* Since inception, we have chosen to strategically outsource much of our manufacturing operations. We believe this reduces operating costs, reduces capital investments, facilitates rapid adoption of the most modern and effective manufacturing technologies, provides flexible response to fluctuating product demand, and focuses our resources on designing for producibility. We manage outsourced manufacturing through our AS9100 and ISO-9001 Quality Management System (QMS) processes and have established enduring relationships with key suppliers.
- *Strategic alliances.* In the past, we have engaged in strategic relationships and have acquired companies that have innovative technologies and products, highly skilled personnel, market presence, and customer relationships and distribution channels that complement our strategy. On an ongoing basis, we may evaluate acquisitions of, or investments in, complementary companies, businesses, products or technologies to supplement our internal growth. In addition, we have regularly entered into teaming arrangements with other government contractors to more effectively capture complex government programs, and we expect to

continue to actively seek strategic relationships and ventures with companies whose financial, marketing, operational or technological resources can accelerate the introduction of new technologies and the penetration of new markets.

These key elements of our strategy have remained relatively unchanged for the past several years; a period where we have experienced significant profitable growth in our government and commercial businesses. We believe these key strategy elements are enduring and will continue to enable us to grow in the future.

Markets and Product Portfolio

Our products and service offerings address three main markets: government systems, commercial networks and satellite services.

Segment	Market Area	Description of Products/Functionality
Government Systems	Data Links	Line of sight, jam-resistant, secure networking for voice and data; video links transmit simultaneous IP data, compressed video, metadata and audio from multiple sensors.
	Tactical Networking	Tactical radios that deliver an IP-based common operating picture — even over severely degraded radio channels.
	Information Assurance	“Type 1” high assurance encryption products and capabilities for high assurance encryption.
	Government Satellite Communication Systems	Satcom for communications on-the-move, on-the-pause, fixed and transportable applications, including mobile satcom systems, high-speed modems, UHF satcom terminals, portable manpack terminals and antenna systems.
Commercial Networks	Consumer Broadband	Cost-effective satellite broadband system using our SurfBeam® and next generation technologies.
	Mobile Broadband	Products centered around our ArcLight® system — an FCC-licensed Ku-band mobile satellite system. Our spread spectrum waveform provides higher speeds (similar to high-speed cable and DSL) at a lower cost than competing services while on-the-move in aircraft, trains or seagoing vessels using small, lightweight antennas and terminals.
	Enterprise VSAT Networks	Satellite communication VSAT systems connect a business with web-centric applications, including IP data, internet access, virtual private networks, retail point of sale, video, voice-over-IP and distance learning applications.
	Antenna Systems	Antenna and ground station design, fabrication, test and installation, plus antenna maintenance services.
	Technology	All aspects of satellite communication system architecture and technology including the analysis, design, and specification of satellites and ground systems; ASIC and MMIC design and production; wide area network compression for enterprise networks.
Satellite Services	Wholesale Broadband	Wholesale broadband service over a Ka-band spot beam satellite, at speeds and choices similar to or in excess of cable and DSL by putting more, cheaper bits in space — service expected to be available in 2011.
	Managed Broadband	Full-service broadband wireless networking to customers’ locations with transparent support for today’s new communication applications and integration services, including supplementing with DSL where needed.
	Mobile Satellite	Communications on-the-move services to airborne and maritime customers covering all of North America, the North Atlantic and Europe.

Global Service and Support

In addition to our product offerings, we provide a broad range of repair, upgrade and technical support service offerings for our products and systems. Through our sales teams and support services, we are constantly apprised of customers' needs and their use of products and services. Accordingly, a superior level of continuing customer service and support is integral to our objective of developing and maintaining long-term relationships with our customers. The majority of our service and support activities are provided by our field engineering team, systems engineers, and sales and administrative support personnel, both on-site at the customer's location and by telephone.

Customers

Although we initially focused primarily on developing satellite communication and simulation equipment for the United States government, we have successfully diversified into other related satellite, wireless security and networking communications markets serving both government and commercial customers. Our customers include the United States government, civil agencies, defense contractors, allied foreign governments, satellite network integrators, large communications service providers and corporations requiring complex communications and networking solutions. Government contracts are either direct with United States or foreign governments, or indirect through domestic or international prime contractors. For our commercial contracts, we also act as both a prime contractor and subcontractor for the sale of equipment and services. Our significant customers include the United States government, Boeing, Eutelsat, Harris, Northrop Grumman, Raytheon and WildBlue. Revenues from the United States government comprised approximately 36%, 30% and 31% of total revenues for fiscal years 2009, 2008 and 2007, respectively. In addition, two commercial customers each comprised approximately 10% and 8% of total revenues in fiscal year 2009, 7% and 9% of total revenues in fiscal year 2008 and 8% and 16% of total revenues in fiscal year 2007, respectively. Over the past few years, we have significantly expanded our customer base both domestically and internationally.

Government Contracts

Substantial portions of our revenues are generated from contracts and subcontracts with the DoD and other federal government agencies. Many of our contracts are competitively bid and awarded on the basis of technical merit, personnel qualifications, experience and price. We also receive some contract awards involving special technical capabilities on a negotiated, noncompetitive basis due to our unique technical capabilities in special areas. The Federal Acquisition Streamlining Act of 1994 has encouraged the use of commercial type pricing on dual use products. Our future revenues and income could be materially affected by changes in procurement policies, a reduction in expenditures for the products and services we provide and other risks generally associated with federal government contracts.

We provide products under federal government contracts that usually require performance over a period of several months to five years. Long-term contracts may be conditioned upon continued availability of congressional appropriations. Variances between anticipated budget and congressional appropriations may result in a delay, reduction or termination of these contracts.

Our federal government contracts are performed under cost-reimbursement contracts, time-and-materials contracts and fixed-price contracts. Cost-reimbursement contracts provide for reimbursement of costs and payment of a fee. The fee may be either fixed by the contract or variable, based upon cost control, quality, delivery and the customer's subjective evaluation of the work. Under time-and-materials contracts, we receive a fixed amount by labor category for services performed and are reimbursed for the cost of materials purchased to perform the contract. Under a fixed-price contract, we agree to perform specific work for a fixed price and, accordingly, realize the benefit or detriment to the extent that the actual cost of performing the work differs from the contract price. Revenues generated from cost-reimbursement contracts with the federal government or our prime contractors for fiscal year 2009 were approximately 22%, approximately 1% from time-and-materials contracts and approximately 78% from fixed-price contracts of total government revenues.

Our allowable federal government contract costs and fees are subject to audit by the Defense Contract Audit Agency. Audits may result in non-reimbursement of some contract costs and fees and delays in payments for work performed. While the government reserves the right to conduct further audits, audits conducted for periods through fiscal year 2002 have resulted in no material cost recovery disallowances for us.

Our federal government contracts may be terminated, in whole or in part, at the convenience of the United States government. If a termination for convenience occurs, the United States government generally is obligated to pay the cost incurred by us under the contract plus a pro rata fee based upon the work completed. Contracts with prime contractors may have negotiated termination schedules that apply. When we participate as a subcontractor, we are at risk if the prime contractor does not perform its contract. Similarly, when we act as a prime contractor employing subcontractors, we are at risk if a subcontractor does not perform its subcontract.

Some of our federal government contracts contain options that are exercisable at the discretion of the customer. An option may extend the period of performance for one or more years for additional consideration on terms and conditions similar to those contained in the original contract. An option may also increase the level of effort and assign new tasks to us. In our experience, options are exercised more often than not.

Our eligibility to perform under our federal government contracts requires us to maintain adequate security measures. We have implemented security procedures that we believe adequately satisfy the requirements of our federal government contracts.

Research and Development

The industries in which we compete are subject to rapid technological developments, evolving standards, changes in customer requirements and continuing developments in the communications, networking and signal processing environment. Our continuing ability to adapt to these changes, and to develop new and enhanced products, is a significant factor in maintaining or improving our competitive position and our prospects for growth. Therefore, we continue to make significant investments in product development.

We conduct the majority of our research and product development activities in-house and have a research and development and engineering staff, which includes approximately 1,040 engineers. Our product development activities focus on products to support all of our segments: government systems, commercial networks and satellite services, that we consider viable revenue opportunities. A significant portion of our research and development efforts have generally been conducted in direct response to the specific requirements of a customer's order and, accordingly, these amounts are included in the cost of sales when incurred and the related funding is included in revenues at that time.

The portion of our contract revenues which includes research and development funded by government and commercial customers was approximately $126.7 million, $112.2 million and $122.9 million during fiscal years 2009, 2008 and 2007, respectively. In addition, we incurred $29.6 million in fiscal year 2009, $32.3 million in fiscal year 2008 and $21.6 million in fiscal year 2007 on independent research and development, which is not directly funded by a third party. Funded research and development contains a profit component and is therefore not directly comparable to independent research and development. As a government contractor, we also are able to recover a portion of our independent research and development expenses, consisting primarily of salaries and other personnel-related expenses, supplies and prototype materials related to research and development programs.

Intellectual Property

We seek to establish and maintain our proprietary rights in our technology and products through a combination of patents, copyrights, trademarks, trade secret laws and contractual rights. We also seek to maintain our trade secrets and confidential information by nondisclosure policies, through the use of appropriate confidentiality agreements, and through other security measures. We have obtained a number of patents and trademarks in the United States and in other countries and have a substantial number of patent filings pending determination. There can be no assurance, however, that these rights can be successfully enforced against competitive products in any particular jurisdiction. Although we believe the protection afforded by our patents, copyrights, trademarks, trade secrets and contracts has value, the rapidly changing technology in the networking, satellite and wireless communications industries, and uncertainties in the legal process, make our future success dependent primarily on the innovative skills, technological expertise and management abilities of our employees rather than on the protection afforded by patent, copyright, trademark and trade secret laws and contractual rights. Patent, copyright, trademark, trade secret and contractual protections are important but must be supported by other factors such as the expanding knowledge, ability and experience of our personnel, new product introductions and frequent product enhancements.

Certain of our products include software or other intellectual property licensed from third parties. While it may be necessary in the future to seek or renew licenses relating to various aspects of our products, we believe, based upon past experience and standard industry practice, such licenses generally could be obtained on commercially reasonable terms. Nonetheless, there can be no assurance the necessary licenses would be available on acceptable terms, if at all. Our inability to obtain these licenses or other rights or to obtain such licenses or rights on favorable terms, or the need to engage in litigation regarding these matters, could have a material adverse effect on our business, operating results and financial condition.

The industry in which we compete is characterized by rapidly changing technology, a large number of patents, and frequent claims and related litigation regarding patent and other intellectual property rights. We cannot assure you that our patents and other proprietary rights will not be challenged, invalidated or circumvented, that others will not assert intellectual property rights to technologies that are relevant to us, or that our rights will give us a competitive advantage. In addition, the laws of some foreign countries may not protect our proprietary rights to the same extent as the laws of the United States.

The following marks, among others, are trademarks or service marks of ViaSat or one of our subsidiaries: AcceleNet, ArcLight, SURFBEAM and ViaSat. DOCSIS is a third-party trademark or service mark referenced in the text of this report that is owned by Cable Television Laboratories.

Sales and Marketing

We have a sales presence in various domestic and foreign locations, and we sell our products and services both directly and indirectly through channel partners.

- *Government sales organization.* Our government sales organization consist of direct sales personnel who sell our standard products, business development personnel who work with engineers, program managers, marketing managers and contract managers to identify business opportunities, develop customer relationships, develop solutions for customers' needs, prepare proposals and negotiate contractual arrangements. The period of time from initial contact through the point of product sale and delivery can take over three years for more complex product developments or for product development including prototypes and demonstrations. Products already in production can usually be delivered to a customer between 90 to 180 days.

- *Commercial networks sales organization.* Our commercial networks sales organization consists of sales managers and sales engineers, who act as the primary interface to establish account relationships and determine technical requirements for customer networks. In addition to our sales force, we maintain a highly trained service staff to provide technical product and service support to our customers. The sales cycle in the commercial network market is lengthy and it is not unusual for a sale to take up to 18 months from the initial contact through the execution of the agreement. The sales process often includes several network design iterations, network demonstrations and pilot networks consisting of a few sites.

- *Strategic partners.* To augment our direct sales efforts, we seek to develop key strategic relationships to market and sell our products and services. We direct our sales and marketing efforts to our strategic partners, primarily through our senior management relationships. In some cases a strategic ally may be the prime contractor for a system or network installation and will subcontract a portion of the project to us. In other cases, the strategic ally may recommend us as the prime contractor for the design and integration of the network. We seek strategic relationships and partners based on many factors, including financial resources, technical capability, geographic location and market presence.

Our marketing team works closely with our sales, research and product development organizations and our customers to increase the awareness of the ViaSat brand through a mix of positive program performance and our customers' recommendation as well as public relations, advertising, trade show participation and conference speaking engagements by providing communications that keep the market current on our products and features. Our marketing also identifies and sizes new target markets for our products, creates awareness of our company and products, and generates contacts and leads within these targeted markets.

Backlog

Total new awards for us were $728.4 million, $560.0 million and $525.0 million for fiscal years 2009, 2008 and 2007, respectively. New contract awards in fiscal year 2009 were a record for the company.

As reflected in the table below, both funded and firm backlog increased during fiscal year 2009, primarily due to some expected large contract awards that we began pursuing in fiscal year 2008 and for which negotiations were completed in fiscal year 2009.

	April 3, 2009	March 28, 2008
	(In millions)	
Firm backlog		
Government Systems segment	$ 225.6	$ 206.8
Commercial Networks segment	238.7	154.5
Satellite Services segment	10.3	13.1
Total	$ 474.6	$ 374.4
Funded backlog		
Government Systems segment	$ 209.1	$ 186.1
Commercial Networks segment	187.1	154.5
Satellite Services segment	10.3	13.1
Total	$ 406.5	$ 353.7
Contract options	$ 25.6	$ 39.3

The firm backlog does not include contract options. Of the $474.6 million in firm backlog, approximately $323.6 million is expected to be delivered in fiscal year 2010, and the balance is expected to be delivered in fiscal year 2011 and thereafter. We include in our backlog only those orders for which we have accepted purchase orders.

Backlog is not necessarily indicative of future sales. A majority of our contracts can be terminated at the convenience of the customer. 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 contracts.

Firm 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 approximated the aggregate amounts of the contracts.

Competition

The satellite and wireless communications and secure networking markets in which we compete are characterized by rapid change, converging technologies and a migration to solutions that offer superior advantages. These market factors represent both an opportunity and a competitive threat to us.

Within our government systems segment, we generally compete with defense electronics product, subsystem or system manufacturers such as BAE Systems, General Dynamics, Harris, L-3 Communications, Rockwell Collins or similar companies. We may also occasionally compete directly with the largest defense prime contractors, including Boeing, Lockheed Martin, Northrop Grumman or Raytheon Systems. The aforementioned companies, while competitors, are also customers or partners with us on teams. Accordingly, maintaining an open and cooperative relationship is important. Almost all of the companies we compete with in the government systems segment are substantially larger than us and may have more extensive engineering, manufacturing and marketing capabilities than we do. As a result, these competitors may be able to adapt more quickly to changing technology or market conditions or may be able to devote greater resources to the development, promotion and sale of their products. Furthermore, competitors who have more financial resources may be better able to provide a broader range of financing alternatives to their customers in connection with sales of their products.

In our commercial networks and satellite services segments, we compete with Gilat, Hughes Communications and iDirect Technologies, each of which offers a broad range of satellite communications products and services. Our principal competitors in the supply of antenna systems are Andrew Corporation, General Dynamics (VertexRSI) and L-3 Titan. Our satellite services segment also competes with terrestrial communications providers, mostly telephone companies.

The overall number of our competitors may increase, and the identity and composition of competitors may change. As we continue to expand our sales globally, we may see new competition in different geographic regions. Many of our competitors have significant competitive advantages, including strong customer relationships, more experience with regulatory compliance, greater financial and management resources and control over central communications networks.

To compete with these providers, we emphasize:

- the innovative and flexible features integrated into our products;
- the increased bandwidth efficiency offered by our networks and products;
- our network management experience;
- the cost-effectiveness of our products and services;
- our end-to-end network implementation capabilities;
- the distinct advantages of satellite data networks;
- technical advantages and advanced features of our antenna systems as compared to our competitors' offerings;
- the overall cost of our antenna systems and satellite networks, which can include equipment, installation and bandwidth costs, as compared to products offered by ground-based and other satellite service providers; and
- our proven designs and network integration services for complex, customized network needs.

While we believe we compete successfully in each of these factors, we expect to face intense competition in each of our markets.

Manufacturing

Our manufacturing objective is to produce high-quality products that conform to specifications at the lowest possible manufacturing cost. We primarily utilize a range of contract manufacturers, based on the volume and complexity of the production, to reduce the costs of products and to support rapid increases in delivery rates when needed. As part of our manufacturing process, we conduct extensive testing and quality control procedures for all products before they are delivered to customers.

Contract manufacturers produce products for many different customers and are able to pass on the benefits of large scale manufacturing to their customers. These manufacturers are able to achieve high quality products with lower levels of costs by (1) exercising their high-volume purchasing power, (2) employing advanced and efficient production equipment and capital intensive systems whose costs are leveraged across their broad customer base, and (3) using a cost-effective skilled workforce. Our primary contract manufacturers include Benchmark, EADS, Harris, IEC Electronics, MTI, Secure Communications and Spectral Response.

Our experienced management team facilitates an efficient contract manufacturing process through the development of strong relationships with a number of different domestic and off-shore contract manufacturers. By negotiating beneficial contract provisions and purchasing some of the equipment needed to manufacture our products, we retain the ability to move the production of our products from one contract manufacturing source to another if required. Our operations management has experience in the successful transition from in-house production to contract manufacturing. The degree to which we employ contract manufacturing depends on the maturity of the product. We intend to limit our internal manufacturing capacity to new product development support and customized products that need to be manufactured in strict accordance with a customer's specifications and delivery schedule. Therefore, our internal manufacturing capability for standard products has been, and is expected to continue to be, very limited and we intend to rely on contract manufacturers for large-scale manufacturing.

We also rely on outside vendors to manufacture specific components and subassemblies used in the production of our products. Some components, subassemblies and services necessary for the manufacture of our products are obtained from a sole source supplier or a limited group of suppliers. In particular, Broadcom and Texas Instruments are sole source suppliers of certain digital signal processing chips, and Altera and Xylinx are sole source suppliers of certain field programmable gate array devices, which are critical components used in many of our products.

Regulatory Environment

As a defense contractor, our contract costs are audited and reviewed by the Defense Contract Audit Agency. Audits and investigations are conducted from time to time to determine if the performance and administration of our United States government contracts are in compliance with applicable contractual requirements and procurement regulations and other applicable federal statutes and regulations. Under current United States government procurement regulations, a contractor, if indicted or deemed in violation of procurement or other federal civil laws, could be subject to fines, penalties, repayments or other damages. United States government regulations also provide that certain findings against a contractor may lead to suspension or debarment from eligibility for awards of new United States government contracts.

Some of our products are incorporated into wireless communications systems that are subject to regulation domestically by the Federal Communications Commission (FCC) and internationally by other government agencies. Although the equipment operators and not us are often responsible for compliance with these regulations, regulatory changes, including changes in the allocation of available frequency spectrum and in the military standards which define the current networking environment, could materially adversely affect our operations by restricting development efforts by our customers, making current products obsolete or increasing the opportunity for additional competition. Changes in, or our failure to manufacture products in compliance with, applicable regulations could materially harm our business, financial condition and results of operations. In addition, the increasing demand for wireless communications has exerted pressure on regulatory bodies world wide to adopt new standards for these products, generally following extensive investigation and deliberation over competing technologies. The delays inherent in this government approval process have in the past caused and may in the future cause the cancellation, postponement or rescheduling of the installation of communication systems by our customers, which in turn may have a material adverse effect on the sale of our products to the customers.

We are also subject to a variety of local, state and federal government regulations relating to the storage, discharge, handling, emission, generation, manufacture and disposal of toxic or other hazardous substances used to manufacture our products. The failure to comply with current or future regulations could result in the imposition of substantial fines on us, suspension of production, alteration of our manufacturing processes or cessation of operations. To date, these regulations have not had a material effect on our business, as we have neither incurred significant costs to maintain compliance nor to remedy past noncompliance, and we do not expect such regulations to have a material effect on our business in the current fiscal year.

Due to the nature and sophistication of our communications products, we must comply with applicable State Department and other Federal agency regulations regarding the handling and export of certain of our products. This often requires extra or special handling of these products and could increase our costs. Failure to comply with these regulations could result in substantial harm to the company including fines, penalties and the forfeiture of future rights to sell or export these products.

In addition to the local, state and federal government regulations, we must comply with applicable laws and obtain the approval of the regulatory authorities of each foreign country in which we operate. The laws and regulatory requirements relating to satellite communications and other wireless communications systems vary from country to country. Some countries have substantially deregulated satellite and other wireless communications, while other countries maintain strict and often burdensome regulations. The procedure to obtain these regulatory approvals can be time-consuming and costly, and the terms of the approvals vary for different countries. In addition, in some countries there may be restrictions on the ability to interconnect satellite communications with ground-based communications systems.

Availability of Public Reports

Through a link on the Investor Relations section of our website at *www.viasat.com*, we make available the following filings as soon as reasonably practicable after they are electronically filed with or furnished to the SEC: our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934. All such filings are available free of charge. They are also available free of charge on the SEC's website at *www.sec.gov*. In addition, any materials filed with the SEC may be read and copied by the public at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The information on our website is not part of this report or any other report that we furnish to or file with the SEC.

Employees

As of April 3, 2009, we employed approximately 1,800 individuals worldwide. We consider the relationships with our employees to be positive. Competition for technical personnel in our industry is intense. We believe our future success depends in part on our continued ability to hire, assimilate and retain qualified personnel. To date, we believe we have been successful in recruiting qualified employees, but there is no assurance we will continue to be successful in the future.

Executive Officers

Set forth below is information concerning our executive officers and their ages as of April 3, 2009.

Name	Age	Position
Mark D. Dankberg	53	Chairman of the Board and Chief Executive Officer
Richard A. Baldridge	50	President and Chief Operating Officer
H. Stephen Estes	54	Vice President — Human Resources
Kevin J. Harkenrider	53	Vice President — Operations
Steven R. Hart	55	Vice President and Chief Technical Officer
Keven K. Lippert	36	Vice President — General Counsel and Secretary
Mark J. Miller	49	Vice President and Chief Technical Officer
Ronald G. Wangerin	42	Vice President and Chief Financial Officer

Mark D. Dankberg is a founder of ViaSat and has served as Chairman of the Board and Chief Executive Officer of ViaSat since its inception in May 1986. Mr. Dankberg also serves as a director of TrellisWare Technologies, Inc., a privately-held subsidiary of ViaSat that develops advanced signal processing technologies for communication applications. Mr. Dankberg is a director and member of the audit committee of REMEC, Inc., which is now in dissolution. In addition, Mr. Dankberg serves on the advisory board of Minnetronix, Inc., a privately-held medical device and design company. Prior to founding ViaSat, he was Assistant Vice President of M/A-COM Linkabit, a manufacturer of satellite telecommunications equipment, from 1979 to 1986, and Communications Engineer for Rockwell International Corporation from 1977 to 1979. Mr. Dankberg holds B.S.E.E. and M.E.E. degrees from Rice University.

Richard A. Baldridge joined ViaSat in April 1999 as Vice President and Chief Financial Officer. From September 2000 to August 2002, Mr. Baldridge served as Executive Vice President, Chief Operating Officer and Chief Financial Officer. He currently serves as President and Chief Operating Officer of ViaSat. Prior to joining ViaSat, Mr. Baldridge served as Vice President and General Manager of Raytheon Corporation's Training Systems Division from January 1998 to April 1999. From June 1994 to December 1997, Mr. Baldridge served as Chief Operating Officer, Chief Financial Officer and Vice President — Finance and Administration for Hughes Information Systems and Hughes Training Inc., prior to their acquisition by Raytheon in 1997. Mr. Baldridge's other experience includes various senior financial management roles with General Dynamics Corporation. Mr. Baldridge holds a B.S. degree in Business Administration, with an emphasis in Information Systems, from New Mexico State University.

H. Stephen Estes first became part of the ViaSat team with the acquisition of several commercial divisions of Scientific-Atlanta in April 2000. Mr. Estes served as Vice President and General Manager of the Antenna Systems group from 2000 to 2003. From 2003 to 2005, he served as a co-founder of an entrepreneurial startup. In September 2005, Mr. Estes rejoined ViaSat as Vice President — Human Resources. Mr. Estes began his career as an electrical design engineer, moving into various management positions in engineering, program management, sales and marketing, and general management for companies that included Scientific-Atlanta, Loral (now part of L-3), and AEL Cross Systems (now part of BAE). Mr. Estes holds a B.S. degree in Mathematics and an Electrical Engineering degree from Georgia Tech, along with an M.B.A. degree focused on finance and marketing.

Kevin J. Harkenrider joined ViaSat in October 2006 as Director — Operations and since January 2007 has served as Vice President — Operations. Prior to joining the company, Mr. Harkenrider served as Account Executive at Computer Sciences Corporation from 2002 through October 2006. From 1992 to 2001, Mr. Harkenrider held several positions at BAE Systems, Mission Solutions (formerly GDE Systems, Marconi Integrated Systems and General Dynamics Corporation, Electronics Division), including Vice President and

Program Director, Vice President — Operations and Vice President—Material. Prior to 1992, Mr. Harkenrider served in several director and program manager positions at General Dynamics Corporation. Mr. Harkenrider holds a B.S. degree in Civil Engineering from Union College and an M.B.A. degree from the University of Pittsburgh.

Steven R. Hart is a founder of ViaSat and has served as Vice President and Chief Technical Officer since March 1993. Mr. Hart served as Vice President — Engineering from March 1997 to January 2007 and as Engineering Manager since 1986. Prior to joining ViaSat, Mr. Hart was a Staff Engineer and Manager at M/A-COM Linkabit from 1982 to 1986. Mr. Hart holds a B.S. degree in Mathematics from the University of Nevada, Las Vegas and a M.A. degree in Mathematics from the University of California, San Diego.

Keven K. Lippert has served as Vice President — General Counsel and Secretary of ViaSat since April 2007 and as Associate General Counsel and Assistant Secretary from May 2000 to April 2007. Prior to joining ViaSat, Mr. Lippert was a corporate associate at the law firm of Latham & Watkins LLP. Mr. Lippert holds a J.D. degree from the University of Michigan and a B.S. degree in Business Administration from the University of California, Berkeley.

Mark J. Miller is a founder of ViaSat and has served as Vice President and Chief Technical Officer of ViaSat since 1993 and as Engineering Manager since 1986. Prior to joining ViaSat, Mr. Miller was a Staff Engineer at M/A-COM Linkabit from 1983 to 1986. Mr. Miller holds a B.S.E.E. degree from the University of California, San Diego and a M.S.E.E. degree from the University of California, Los Angeles.

Ronald G. Wangerin joined ViaSat in August 2002 as Vice President and Chief Financial Officer. Prior to joining ViaSat, Mr. Wangerin served as Vice President, Chief Financial Officer, Treasurer, and Secretary at NexusData Inc., a privately-held wireless data collection company, from 2000 to 2002. From 1997 to 2000, Mr. Wangerin held several positions at Hughes Training, Inc., a subsidiary of Raytheon Company, including Vice President and Chief Financial Officer. Mr. Wangerin worked for Deloitte & Touche LLP from 1989 to 1997. Mr. Wangerin holds a B.S. degree in Accounting and a Masters of Accounting degree from the University of Southern California.

ITEM 1A. RISK FACTORS

You should consider each of the following factors as well as the other information in this Annual Report in evaluating our business and prospects. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently consider immaterial may also impair our business operations. If any of the following risks actually occur, our business and financial results could be harmed. In that case the trading price of our common stock could decline. You should also refer to the other information set forth in this Annual Report, including our financial statements and the related notes.

Owning and Operating Satellites Involve Considerable Risks

In January 2008, we executed an agreement to purchase ViaSat-1, our first broadband satellite, and we may acquire one or more additional satellites in the future. We also plan to develop next generation broadband ground infrastructure and terminals for use with such satellites. We currently plan to launch our ViaSat-1 satellite in early 2011 and introduce service later in 2011. If we are unable to have manufactured or successfully launch a satellite or implement our satellite service business in a timely manner, or at all, as a result of any of the following risks, we will be unable to realize the anticipated benefits from our satellite and associated services business, and our business, financial condition and results of operations could be materially adversely affected:

- *Cost and schedule risks*. The cost of completing satellites and developing the associated next generation SurfBeam ground infrastructure may be more than anticipated and there may be delays in completing satellites and SurfBeam infrastructure within the expected timeframe. We may be required to spend in excess of our current forecast for the completion, launch and launch insurance of the ViaSat-1 satellite or for the development associated with the next generation SurfBeam equipment. The construction and launch of satellites are often subject to delays, including satellite and launch vehicle construction delays, cost overruns, periodic unavailability of reliable launch opportunities and delays in obtaining regulatory approvals. If the satellite construction schedule is not met, there may be even further delays because there can be no assurance that a launch opportunity will be available at the time the satellite is ready to be launched and we may not be able to obtain or maintain regulatory authority or International Telecommunication Union (ITU) priority necessary to implement the satellite as proposed.

- *Business plan*. We may be unsuccessful in implementing our business plan for satellite services, or we may not be able to achieve the revenue that we expect from our satellite services segment. A failure to attract either distributors or customers in a sufficient number would result in lower revenues than anticipated. In addition, we will incur losses associated with the launch and operation of satellite services until we acquire a sufficient number of customers, which may not occur as expected or at all.
- *Regulatory risk*. If we do not obtain all requisite regulatory approvals for the construction, launch and operation of any satellite we acquire, or the licenses obtained impose operational restrictions on us, our ability to generate revenue and profits could be materially adversely affected. In addition, under certain circumstances, government licenses are subject to revocation or modification, and upon expiration, renewal may not be granted. In certain cases, satellite system operators are obligated by governmental regulation and procedures of the ITU to coordinate the operation of their systems with other users of the radio spectrum in order to avoid causing interference to those other users. Coordination may require a satellite system operator to reduce power, avoid operating on certain frequencies, relocate its satellite to another orbital location and/or otherwise modify planned or existing operations. Satellite authorizations granted by the FCC or foreign regulatory agencies are typically subject to conditions imposed by such regulatory agency in addition to such agency's general authority to modify, cancel or revoke those authorizations. Failure to comply with such requirements, or comply in a timely manner, could lead to the loss of authorizations and could have a material adverse effect on our ability to generate revenue.
- *Launch risks*. There are risks associated with the launch of satellites, including launch failure, damage or destruction during launch and improper orbital placement. Launch failures result in significant delays in the deployment of satellites because of the need both to construct replacement satellites, which can take up to 36 months, and obtain other launch opportunities. The overall historical loss rate in the satellite industry for all launches of commercial satellites in fixed orbits in the last five years is estimated by some industry participants to be 10% but could at any time be higher.
- *In-orbit risks*. Any satellite we acquire will be subject to similar potential satellite failures or performance degradations as with other satellites. Satellites are subject to in-orbit risks including malfunctions, commonly referred to as anomalies, and collisions with meteoroids, decommissioned spacecraft or other space debris. Anomalies occur as a result of various factors, such as satellite manufacturing errors, problems with the power systems or control systems of the satellites and general failures resulting from operating satellites in the harsh space environment. To the extent there is an anomaly or other in-orbit failure with respect to the ViaSat-1 satellite or any other satellite we may acquire, we may not have a replacement satellite.
- *Minimum design life*. Our ability to earn revenue depends on the usefulness of the ViaSat-1 satellite and any other satellite we may acquire in the future. Each satellite has a limited useful life. A number of factors affect the useful lives of the satellites, including, among other things, the quality of their construction, the durability of their component parts, the ability to continue to maintain proper orbit and control over the satellite's functions, the efficiency of the launch vehicle used and the remaining on-board fuel following orbit insertion. The minimum design life of ViaSat-1 is estimated to be 15 years. In addition, continued improvements in satellite technology may obsolete the ViaSat-1 satellite or any other satellite we may acquire prior to the end of its life. Therefore, we can provide no assurance as to the actual useful life of ViaSat-1 or any other satellite that we may acquire.
- *Insurance risks*. We intend to seek launch and in-orbit insurance for the ViaSat-1 satellite and for any other satellite we may acquire, but we may not be able to obtain insurance on reasonable economic terms or at all. If we are able to obtain insurance, it will contain customary exclusions and will not likely cover the full cost of constructing and launching the satellite, nor will it cover business interruptions or similar losses. In addition, the occurrence of any anomalies on other satellites, including Ka-band satellites, may materially adversely affect our ability to insure the satellite at commercially reasonable premiums, if at all.
- *Joint venture risks*. We may own or operate future broadband satellites through joint ventures which we do not control. If we were to enter into any such joint venture, the entities or persons that control such joint venture may have interests and goals that are inconsistent or different from ours, which could result in any such joint venture taking actions that negatively impact our business or financial condition. In addition, if any other members of such joint venture were to file for bankruptcy or otherwise fail to perform its obligations or to manage the joint venture effectively, this could cause us to lose our investment in any such joint venture entity.

Our Operating Results are Difficult to Predict and the Market Price of Our Common Stock May Be Volatile

Our operating results have varied significantly from quarter to quarter in the past and may continue to do so in the future. The factors that cause our quarter-to-quarter operating results to be unpredictable include:

- a complex and lengthy procurement process for most of our customers or potential customers,
- changes in the levels of research and development spending, including the effects of associated tax credits,
- cost overruns on fixed-price development contracts,
- the difficulty in estimating costs over the life of a contract, which may require adjustment in future periods,
- the timing, quantity and mix of products and services sold,
- price discounts given to some customers,
- market acceptance and the timing of availability of our new products,
- the timing of customer payments for significant contracts,
- one-time charges to operating income arising from items such as acquisition expenses, impairment of assets and write-offs of assets related to customer non-payments or obsolescence,
- the failure to receive an expected order or a deferral of an order to a later period, and
- general economic and political conditions.

Any of the foregoing factors, or any other factors discussed elsewhere herein, could have a material adverse effect on our business, results of operations and financial condition that could adversely affect our stock price. In addition, public stock markets have experienced, and may in the future experience, extreme price and trading volume volatility, particularly in the technology sectors of the market. This volatility has significantly affected the market prices of securities of many companies for reasons frequently unrelated to or disproportionately impacted by the operating performance of these companies. These broad market fluctuations may adversely affect the market price of our common stock. In addition, it is likely that in one or more future quarters our results may fall below the expectations of analysts and investors. In this event, the trading price of our common stock would likely decrease.

The Recent Global Business Environment Could Negatively Affect Our Business, Results of Operations, and Financial Condition.

Our business and operating results have been and will continue to be affected by worldwide economic conditions. The banking system and financial markets have been experiencing unprecedented levels of volatility and disruption. The possibility that certain financial institutions may go out of business has resulted in a tightening in the credit markets, a low level of liquidity in many financial markets, and extreme volatility in fixed income, credit, currency and equity markets. This market turmoil and the recent disruptions in the credit markets have led to reduced levels of capital expenditures, an increase in commercial and consumer delinquencies, rising unemployment, declining consumer and business confidence, bankruptcies and a widespread reduction of business activity generally. These conditions, combined with continued concerns about the systemic impact of potential long-term and widespread economic recession, volatile energy costs, geopolitical issues, unstable housing and mortgage markets, labor and healthcare costs, and other macroeconomic factors affecting spending behavior have contributed to diminished expectations for the United States and global economy.

Continued market turbulence and recessionary conditions may materially adversely affect our business and financial performance in a number of ways. As a result of slowing global economic growth, our customers may experience deterioration of their businesses, cash flow shortages, difficulty obtaining financing or insolvency. Uncertainty about current global economic conditions poses a risk as existing or potential customers may reduce or postpone spending in response to tighter credit, negative financial news or declines in income or asset values, which could have a material negative effect on the demand for our products and services. In addition, continued recessionary conditions and tight credit conditions may adversely impact our vendors, which may impact their ability to fulfill their obligations to us. There could be a number of follow-on effects from the credit crisis on our business, including insolvency of key suppliers resulting in product delays, inability of customers to obtain credit to finance purchases of our products and/or customer insolvencies, and failure of derivative counterparties and other financial institutions negatively impacting our treasury operations. If the global economic slowdown continues for a significant period or there is significant further deterioration in the United States or global economy, our results of operations, financial position and cash flows could be materially adversely affected.

In addition, general economic conditions have significantly affected the ability of many companies to raise additional funding in the capital markets. For example, United States credit markets have experienced significant dislocations and liquidity disruptions which have caused the spreads on prospective debt financings to widen considerably. These circumstances have materially impacted liquidity in the debt markets, making financing terms for borrowers less attractive and resulting in the general unavailability of many forms of debt financing. Continued uncertainty in the credit markets may negatively impact our ability to access additional debt financing or to refinance existing indebtedness in the future on favorable terms or at all. These general economic conditions have also adversely affected the trading prices of equity securities of many United States companies, including ViaSat, and could significantly limit our ability to raise additional capital through the issuance of common stock, preferred stock or other equity securities. If we require additional capital to fund any activities we elect to pursue in addition to our current business expansion efforts and were unable to obtain such capital on terms that we found acceptable or at all, we would likely reduce our investments in such activities or re-direct capital otherwise available for our business expansion efforts. Any of these risks could impair our ability to fund our operations or limit our ability to expand our business, which could have a material adverse effect on our business, financial condition and results of operations.

If Our Customers Experience Financial or Other Difficulties, Our Business Could Be Materially Harmed

A number of our commercial customers have in the past, and may in the future, experience financial difficulties. Many of our commercial customers face risks that are similar to those we encounter, including risks associated with market growth, product defects, acceptance by the market of products and services, and the ability to obtain sufficient capital. Further, many of our customers that provide satellite-based services (including WildBlue, Telesat, Intelsat, Thiacom and Eutelsat) could be materially affected by a satellite failure as well as by partial satellite failure, satellite performance degradation, satellite manufacturing errors and other failures resulting from operating satellites in the harsh space environment. We cannot assure you that our customers will be successful in managing these risks. If our customers do not successfully manage these types of risks, it could impair our ability to generate revenues and collect amounts due from these customers and materially harm our business.

Major communications infrastructure programs, such as proposed satellite communications systems, are important sources of our current and planned future revenues. We also participate in a number of defense programs. Programs of these types often cannot proceed unless the customer can raise substantial funds from either governmental or private sources. As a result, our expected revenues can be adversely affected by political developments or by conditions in private and public capital markets. They can also be adversely affected if capital markets are not receptive to a customer’s proposed business plans. If our customers are unable to raise adequate funds it could materially harm our business and impair the value of our common stock.

A Significant Portion of Our Revenues Is Derived from a Few of Our Contracts

A small number of our contracts account for a significant percentage of our revenues. Our largest revenue producing contracts are related to our tactical data links (which includes Multifunctional Information Distribution System (MIDS)) products which generated approximately 21% of our revenues in fiscal year 2009, 24% of our revenues in fiscal year 2008 and 23% of our revenues in fiscal year 2007. Our five largest contracts generated approximately 35% of our revenues in fiscal year 2009, 44% of our revenues in fiscal year 2008 and 46% of our revenues in fiscal year 2007. Further, we derived approximately 6% of our revenues in fiscal year 2009, 7% of our revenues in fiscal year 2008 and 15% of our revenues in fiscal year 2007 from sales of enterprise communications networks. The failure of these customers to place additional orders or to maintain these contracts with us for any reason, including any downturn in their business or financial condition or our inability to renew our contracts with these customers or obtain new contracts when they expire, could materially harm our business and impair the value of our common stock.

Our Development Contracts May Be Difficult for Us to Comply With and May Expose Us to Third-Party Claims for Damages

We are often party to government and commercial contracts involving the development of new products. We derived approximately 20% of our revenues in both fiscal years 2009 and 2008, and 24% of our revenues in fiscal year 2007 from these development contracts. These contracts typically contain strict performance obligations and project milestones. We cannot assure you we will comply with these performance obligations or meet these project milestones in the future. If we are unable to comply with these performance obligations or meet these milestones, our customers may terminate these contracts and, under some circumstances, recover damages or other penalties from us. We are not currently, nor have we always been, in compliance with all outstanding performance obligations and project milestones. In the past, when we have not complied with the performance obligations or project milestones in a contract, generally, the other party has not elected to terminate the contract or seek damages from us. However, we cannot assure you in the future other parties will not terminate their contracts or seek damages from us. If other parties elect to terminate their contracts or seek damages from us, it could materially harm our business and impair the value of our common stock.

Our Success Depends on the Investment in and Development of New Satellite and Other Wireless Communications Products and Our Ability to Gain Acceptance of These Products

The wireless and satellite communications markets are subject to rapid technological change, frequent new and enhanced product introductions, product obsolescence and changes in user requirements. Our ability to compete successfully in these markets depends on our success in applying our expertise and technology to existing and emerging satellite and other wireless communications markets. Our ability to compete in these markets also depends in large part on our ability to successfully develop, introduce and sell new products and enhancements on a timely and cost-effective basis that respond to ever-changing customer requirements. Our ability to successfully introduce new products depends on several factors, including:

- successful integration of various elements of our complex technologies and system architectures,
- timely completion and introduction of new product designs,
- achievement of acceptable product costs,
- timely and efficient implementation of our manufacturing and assembly processes and cost reduction efforts,
- establishment of close working relationships with major customers for the design of their new wireless communications systems incorporating our products,
- development of competitive products and technologies by competitors,
- marketing and pricing strategies of our competitors with respect to competitive products, and
- market acceptance of our new products.

We cannot assure you our product or technology development efforts for communications products will be successful or any new products and technologies we develop, will achieve sufficient market acceptance. We may experience difficulties that could delay or prevent us from successfully selecting, developing, manufacturing or marketing new products or enhancements. In addition, defects may be found in our products after we begin deliveries that could result in the delay or loss of market acceptance. If we are unable to design, manufacture, integrate and market profitable new products for existing or emerging communications markets, it could materially harm our business, financial condition and results of operations, and impair the value of our common stock.

In addition, we believe that significant investments in next generation broadband satellites and associated infrastructure will be required for satellite-based technologies to compete more effectively with terrestrial-based technologies in the consumer and enterprise markets. We are constantly evaluating the opportunities and investments related to the development of these next generation broadband systems. In the event we determine to make a significant investment in the development of such next generation systems, it may require us to undertake debt financing and/or the issuance of additional equity, which could expose us to increased risks and impair the value of our common stock. In addition, if we are unable to effectively or profitably design, manufacture, integrate and market such next generation technologies, it could materially harm our business, financial condition and results of operations, and impair the value of our common stock.

Because Our Products are Complex and are Deployed in Complex Environments, Our Products May Have Defects That We Discover Only After Full Deployment, Which Could Seriously Harm Our Business

We produce highly complex products that incorporate leading-edge technology, including both hardware and software. Software typically contains defects or programming flaws that can unexpectedly interfere with expected operations. In addition, our products are complex and are designed to be deployed across complex networks. Because of the nature of these products, there is no assurance that our pre-shipment testing programs will be adequate to detect all defects. As a result, our customers may discover errors or defects in our hardware or software or our products may not operate as expected after they have been fully deployed. If we are unable to cure a product defect, we could experience damage to our reputation, reduced customer satisfaction, loss of existing customers and failure to attract new customers, failure to achieve market acceptance, reduced sales opportunities, loss of revenue and market share, increased service and warranty costs, diversion of development resources, legal actions by our customers and increased insurance costs. Defects, integration issues or other performance problems in our products could also result in financial or other damages to our customers. Our customers could seek damages for related losses from us, which could seriously harm our business, financial condition and results of operations. A product liability claim brought against us, even if unsuccessful, would likely be time consuming and costly. The occurrence of any of these problems would seriously harm our business, financial condition and results of operations.

We May Experience Losses from Our Fixed-Price Contracts

Approximately 86% of our revenues in both fiscal years 2009 and 2008, and 84% of our revenues in fiscal year 2007 were derived from government and commercial contracts with fixed prices. We assume greater financial risk on fixed-price contracts than on other types of contracts because if we do not anticipate technical problems, estimate costs accurately or control costs during performance of a fixed-price contract, it may significantly reduce our net profit or cause a loss on the contract. In the past, we have experienced significant cost overruns and losses on fixed-price contracts. We believe a high percentage of our contracts will be at fixed prices in the future. Although we attempt to accurately estimate costs for fixed-price contracts, we cannot assure you our estimates will be adequate or that substantial losses on fixed-price contracts will not occur in the future. If we are unable to address any of the risks described above, it could materially harm our business, financial condition and results of operations, and impair the value of our common stock.

Our Reliance on a Limited Number of Third Parties to Manufacture and Supply Our Products Exposes Us to Various Risks

Our internal manufacturing capacity is limited and we do not intend to expand our capability in the foreseeable future. We rely on a limited number of contract manufacturers to produce our products and expect to rely increasingly on these manufacturers in the future. In addition, some components, subassemblies and services necessary for the manufacture of our products are obtained from a sole source supplier or a limited group of suppliers.

Our reliance on contract manufacturers and on sole source suppliers or a limited group of suppliers involves several risks. We may not be able to obtain an adequate supply of required components, and our control over the price, timely delivery, reliability and quality of finished products may be reduced. The process of manufacturing our products and some of our components and subassemblies is extremely complex. We have in the past experienced and may in the future experience delays in the delivery of and quality problems with products and components and subassemblies from vendors. Some of the suppliers we rely upon have relatively limited financial and other resources. Some of our vendors have manufacturing facilities in areas that may be prone to natural disasters and other natural occurrences that may affect their ability to perform and deliver under our contract. If we are not able to obtain timely deliveries of components and subassemblies of acceptable quality or if we are otherwise required to seek alternative sources of supply, or to manufacture our finished products or components and subassemblies internally, it could delay or prevent us from delivering our systems promptly and at high quality. This failure could damage relationships with current or prospective customers, which, in turn, could materially harm our business and impair the value of our common stock.

The Markets We Serve Are Highly Competitive and Our Competitors May Have Greater Resources Than Us

The wireless and satellite communications industry is highly competitive and competition is increasing. In addition, because the markets in which we operate are constantly evolving and characterized by rapid technological change, it is difficult for us to predict whether, when and who may introduce new competing technologies, products or services into our markets. Currently, we face substantial competition from domestic and international wireless and ground-based communications service providers in the commercial and government industries. Many of our competitors and potential competitors have significant competitive advantages, including strong customer relationships, more experience with regulatory compliance, greater financial and management resources and control over central communications networks. In addition, some of our customers continuously evaluate whether to develop and manufacture their own products and could elect to compete with us at any time. Increased competition from any of these or other entities could materially harm our business and impair the value of our common stock.

We Depend on a Limited Number of Key Employees Who Would Be Difficult to Replace

We depend on a limited number of key technical, marketing and management personnel to manage and operate our business. In particular, we believe our success depends to a significant degree on our ability to attract and retain highly skilled personnel, including our Chairman and Chief Executive Officer, Mark D. Dankberg, and those highly skilled design, process and test engineers involved in the manufacture of existing products and the development of new products and processes. The competition for these types of personnel is intense, and the loss of key employees could materially harm our business and impair the value of our common stock. We do not have employment agreements with any of our officers.

Because We Conduct Business Internationally, We Face Additional Risks Related to Global Political and Economic Conditions and Currency Fluctuations

Approximately 16% of our revenues in fiscal year 2009, 18% of our revenues in fiscal year 2008 and 16% of our revenues in fiscal year 2007 were derived from international sales. We anticipate international sales will account for an increasing percentage of our revenues over the next several years. Many of these international sales may be denominated in foreign currencies. Because we do not currently engage in, nor do we anticipate engaging in, material foreign currency hedging transactions related to international sales, a decrease in the value of foreign currencies relative to the United States dollar could result in losses from transactions denominated in foreign currencies. This decrease in value could also make our products less price-competitive.

There are additional risks in conducting business internationally, including:

- unexpected changes in regulatory requirements,
- increased cost of localizing systems in foreign countries,
- increased sales and marketing and research and development expenses,
- availability of suitable export financing,
- timing and availability of export licenses,
- tariffs and other trade barriers,
- political and economic instability,
- challenges in staffing and managing foreign operations,
- difficulties in managing distributors,
- potentially adverse tax consequences,
- potential difficulty in making adequate payment arrangements, and
- potential difficulty in collecting accounts receivable.

In addition, some of our customer purchase agreements are governed by foreign laws, which may differ significantly from United States laws. We may be limited in our ability to enforce our rights under these agreements and to collect damages, if awarded. If we are unable to address any of the risks described above, it could materially harm our business and impair the value of our common stock.

Our Reliance on United States Government Contracts Exposes Us to Significant Risks

Our government systems segment revenues were approximately 62% of our revenues in fiscal year 2009, 56% of our revenues in fiscal year 2008 and 54% of our revenues in fiscal year 2007, and were derived from United States government applications. Our United States government business will continue to represent a significant portion of our revenues for the foreseeable future. United States government business exposes us to various risks, including:

- unexpected contract or project terminations or suspensions,
- unpredictable order placements, reductions or cancellations,
- reductions in government funds available for our projects due to government policy changes, budget cuts and contract adjustments,
- the ability of competitors to protest contractual awards,
- penalties arising from post-award contract audits,
- the reduction in the value of our contracts as a result of the routine audit and investigation of our costs by United States government agencies,
- higher-than-expected final costs, particularly relating to software and hardware development, for work performed under contracts where we commit to specified deliveries for a fixed price,
- limited profitability from cost-reimbursement contracts under which the amount of profit is limited to a specified amount, and
- unpredictable cash collections of unbilled receivables that may be subject to acceptance of contract deliverables by the customer and contract close-out procedures, including government approval of final indirect rates.

In addition, substantially all of our United States government backlog scheduled for delivery can be terminated at the convenience of the United States government because our contracts with the United States government typically provide that orders may be terminated with limited or no penalties. If we are unable to address any of the risks described above, or if we were to lose all or a substantial portion of our sales to the United States government, it could materially harm our business and impair the value of our common stock.

Our Credit Facility Contains Restrictions that Could Limit Our Ability to Implement Our Business Plan

The restrictions contained in our line of credit may limit our ability to implement our business plan, finance future operations, respond to changing business and economic conditions, secure additional financing, and engage in opportunistic transactions, such as strategic acquisitions. In addition, if we fail to meet the covenants contained in our line of credit, our ability to borrow under our line of credit may be restricted. The line of credit, among other things, restricts our ability to do the following:

- incur or assume additional indebtedness,
- sell, transfer or otherwise dispose of assets,
- make investments and acquisitions,
- make capital expenditures,
- grant, incur or suffer to exist liens,
- pay dividends and make certain restricted payments,
- enter into transactions with affiliates, and

- merge with other business entities.

In addition, the line of credit requires us to satisfy the following financial covenants:

- maximum leverage ratio, and
- minimum interest coverage ratio.

In the past we have violated our credit facility covenants and received waivers for these violations. We cannot assure that we will be able to comply with our financial or other covenants or that any covenant violations will be waived in the future. Any violation not waived could result in an event of default, permitting the lenders to suspend commitments to make any advance, to declare notes and interest thereon due and payable and to require any outstanding letters of credit to be collateralized by an interest bearing cash account, any or all of which could have a material adverse effect on our business, financial condition and results of operations. In addition, if we fail to comply with our financial or other covenants, we may need additional financing in order to service or extinguish our indebtedness. We may not be able to obtain financing or refinancing on terms acceptable to us, if at all.

We Expect to Incur Research and Development Costs, Which Could Significantly Reduce Our Profitability

Our future growth depends on penetrating new markets, adapting existing communications products to new applications and introducing new communications products that achieve market acceptance. Accordingly, we are actively applying our communications expertise to design and develop new hardware and software products and enhance existing products. We spent $29.6 million in fiscal year 2009, $32.3 million in fiscal year 2008 and $21.6 million in fiscal year 2007 in research and development activities. We expect to continue to spend discretionary funds on research and development in the near future. The amount of funds spent on research and development projects is dependent on the amount and mix of customer-funded development, the types of technology being developed and the affordability of the technology being developed. Because we account for research and development as an operating expense, these expenditures will adversely affect our earnings in the near future. Our research and development program may not produce successful results, which could materially harm our business and impair the value of our common stock.

Our Ability to Protect Our Proprietary Technology is Limited

Our success depends significantly on our ability to protect our proprietary rights to the technologies we use in our products and services. If we are unable to protect our proprietary rights adequately, our competitors could use the intellectual property we have developed to enhance their own products and services, which could materially harm our business and impair the value of our common stock. We generally rely on a combination of copyrights, patents, trademarks and trade secret laws and contractual rights to protect our intellectual property rights. We also enter into confidentiality or license agreements with our employees, consultants and corporate partners, and control access to and distribution of our proprietary information. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or otherwise obtain and use our products or technology. Monitoring unauthorized use of our technology is difficult, and we do not know whether the steps we have taken will prevent unauthorized use of our technology, particularly in foreign countries where the laws may not protect our proprietary rights as extensively as in the United States. While we are not dependent on any individual patents, if we are unable to protect our proprietary rights, we may find ourselves at a competitive disadvantage to others who need not incur the substantial expense, time and effort required to create the innovative products. Also, we have delivered certain technical data and information to the United States government under procurement contracts, and it may have unlimited rights to use that technical data and information. There can be no assurance that the United States government will not authorize others to use that data and information to compete with us.

We May be Subject to Intellectual Property Infringement Claims That are Costly and Time Consuming to Defend and Could Restrict Our Ability to Conduct Business

Litigation may often be necessary to protect our intellectual property rights and trade secrets, to determine the validity and scope of the proprietary rights of others or to defend against claims of infringement or invalidity. We believe infringement, invalidity, right to use or ownership claims by third parties or claims for indemnification resulting from infringement claims will likely be asserted against us in the future. The asserted claims or initiated litigation can include claims against us or our manufacturers, suppliers or customers alleging infringement of their proprietary rights with respect to our existing or future products, or components of those products. Regardless of the merit of these claims, intellectual property litigation can be time consuming and result in costly litigation and diversion of technical and management personnel. Any such litigation could force us to stop selling, incorporating or using our products that include the challenged intellectual property or redesign those products that use the technology. In addition, if a party accuses us of infringing upon its proprietary rights, we may have to enter into royalty or licensing agreements, which may not be available on terms acceptable to us, if at all. If we are unsuccessful in any such litigation, we could be subject to significant liability for damages and loss of our proprietary rights. Any of these results could have a material adverse effect on our business, financial condition and results of operations. If our products are found to infringe upon the rights of third parties, we may be forced to incur substantial costs to develop alternative products. We cannot assure you we would be able to develop alternative products or, if these alternative products were developed, they would perform as required or be accepted in the applicable markets.

We Rely on the Availability of Third-Party Licenses

Many of our products are designed to include software or other intellectual property licensed from third parties. It may be necessary in the future to seek or renew licenses relating to various elements of the technology used to develop these products. We cannot assure you that our existing and future third-party licenses will be available to us on commercially reasonable terms, if at all. Our inability to maintain or obtain any third-party license required to sell or develop our products and product enhancements could require us to obtain substitute technology of lower quality or performance standards, or at greater cost.

Adverse Resolution of Litigation May Harm Our Operating Results or Financial Condition

We are a party to various lawsuits and claims in the normal course of our business. Litigation can be expensive, lengthy and disruptive to normal business operations. Moreover, the results of complex legal proceedings are difficult to predict. An unfavorable resolution of a particular lawsuit could have a material adverse effect on our business, financial condition and results of operations. For additional information regarding litigation in which we are involved, see Item 3, “Legal Proceedings,” contained in Part I of this report.

Any Failure to Successfully Integrate Strategic Acquisitions Could Adversely Affect Our Business

In order to position ourselves to take advantage of growth opportunities, we have made, and may continue to make, strategic acquisitions that involve significant risks and uncertainties. These risks and uncertainties include:

- the difficulty in integrating newly acquired businesses and operations in an efficient and effective manner,
- the challenges in achieving strategic objectives, cost savings and other benefits expected from acquisitions,
- the risk our markets do not evolve as anticipated and the technologies acquired do not prove to be those needed to be successful in those markets,
- the potential loss of key employees of the acquired businesses,
- the risk of diverting the attention of senior management from the operations of our business,
- the risks of entering markets in which we have less experience, and
- the risks of potential disputes concerning indemnities and other obligations that could result in substantial costs and further divert management’s attention and resources.

Furthermore, to complete future acquisitions we may issue equity securities, incur debt, assume contingent liabilities or have amortization expenses and write-downs of acquired assets, which could cause our earnings per share to decline. Mergers and acquisitions are inherently risky and subject to many factors outside of our control, and we cannot be certain that our previous or future acquisitions will be successful and will not materially adversely affect our business, operating results or financial condition. We do not know whether we will be able to successfully integrate the businesses, products, technologies or personnel that we might acquire in the future or that any strategic investments we make will meet our financial or other investment objectives. Any failure to do so could seriously harm our business, financial condition and results of operations.

Exports of Our Defense Products are Subject to the International Traffic in Arms Regulations and Require a License from the United States Department of State Prior to Shipment

We must comply with the United States Export Administration Regulations and the International Traffic in Arms Regulations (ITAR). Our products that have military or strategic applications are on the munitions list of the ITAR and require an individual validated license in order to be exported to certain jurisdictions. Any changes in export regulations may further restrict the export of our products, and we may cease to be able to procure export licenses for our products under existing regulations. The length of time required by the licensing process can vary, potentially delaying the shipment of products and the recognition of the corresponding revenue. Any restriction on the export of a significant product line or a significant amount of our products could cause a significant reduction in net sales.

Adverse Regulatory Changes Could Impair Our Ability to Sell Products

Our products are incorporated into wireless communications systems that must comply with various domestic and foreign government regulations, including those of the FCC. In addition, we operate and provide services to customers through the use of several satellite earth hub stations, which are licensed by regulatory authorities such as the FCC. Regulatory changes, including changes in the allocation of available frequency spectrum and in the military standards and specifications that define the current satellite networking environment, could materially harm our business by (1) restricting development efforts by us and our customers, (2) making our current products less attractive or obsolete or (3) increasing the opportunity for additional competition. Changes in, or our failure to comply with, applicable regulations could materially harm our business and impair the value of our common stock. In addition, the increasing demand for wireless communications has exerted pressure on regulatory bodies worldwide to adopt new standards for these products and services, generally following extensive investigation of and deliberation over competing technologies. The delays inherent in this government approval process have caused and may continue to cause our customers to cancel, postpone or reschedule their installation of communications systems. This, in turn, may have a material adverse effect on our sales of products to our customers.

Our Executive Officers and Directors Own a Large Percentage of Our Common Stock and Exert Significant Influence Over Matters Requiring Stockholder Approval

As of May 22, 2009, our executive officers and directors and their affiliates beneficially owned an aggregate of approximately 16% of our common stock. Accordingly, these stockholders may be able to influence substantially all matters requiring approval by our stockholders, including the election of directors and the approval of mergers or other business combination transactions. Circumstances may arise in which the interests of these stockholders could conflict with the interests of our other stockholders. These stockholders could delay or prevent a change in control of our company even if such a transaction would be beneficial to our other stockholders.

We Have Implemented Anti-Takeover Provisions That Could Prevent an Acquisition of Our Business at a Premium Price

Some of the provisions of our certificate of incorporation and bylaws could discourage, delay or prevent an acquisition of our business at a premium price. These provisions:

- permit the Board of Directors to increase its own size and fill the resulting vacancies,
- provide for a Board comprised of three classes of directors with each class serving a staggered three-year term,
- authorize the issuance of preferred stock in one or more series, and
- prohibit stockholder action by written consent.

In addition, Section 203 of the Delaware General Corporation Law imposes restrictions on mergers and other business combinations between us and any holder of 15% or more of our common stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our worldwide headquarters are located at our Carlsbad, California campus, consisting of approximately 425,000 square feet, under leases expiring between fiscal year 2017 and fiscal year 2019. In addition to our Carlsbad campus, we have facilities consisting of (1) approximately 20,000 square feet in San Diego, California under a lease expiring in 2015, (2) approximately 146,000 square feet in Duluth, Georgia under a lease expiring in 2016, (3) approximately 48,000 square feet in Germantown, Maryland with a lease expiring in 2011, (4) approximately 44,000 square feet in Gilbert, Arizona under a lease expiring in 2014 and (5) approximately 34,000 square feet in Cleveland, Ohio under a lease expiring in 2016. We also maintain offices or a sales presence in Arlington (Virginia), Boston (Massachusetts), Linthicum Heights (Maryland), Denver (Colorado), Tampa (Florida), Australia, Canada, China, India, Italy, Spain and Switzerland. Although we believe that our existing facilities are suitable and adequate for our present purposes, we anticipate operating additional regional sales offices in fiscal year 2010 and beyond. Each of our segments uses each of these facilities.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we are involved in a variety of claims, suits, investigations and proceedings arising in the ordinary course of business, including actions with respect to intellectual property claims, breach of contract claims, labor and employment claims, tax and other matters. Although claims, suits, investigations and proceedings are inherently uncertain and their results cannot be predicted with certainty, we believe that the resolution of our current pending matters will not have a material adverse effect on our business, financial condition, results of operations or liquidity. Regardless of the outcome, litigation can have an adverse impact on us because of defense costs, diversion of management resources and other factors. In addition, it is possible that an unfavorable resolution of one or more such proceedings could in the future materially and adversely affect our business, financial condition, results of operations or liquidity in a particular period.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON STOCK, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Price Range of Common Stock

Our common stock is traded on the Nasdaq Global Select Market under the symbol "VSAT." The following table sets forth, for the periods indicated, the range of high and low sales prices of our common stock as reported by Nasdaq.

	High	Low
Fiscal 2008		
First Quarter	$ 35.87	$ 29.61
Second Quarter	32.97	25.20
Third Quarter	36.49	28.23
Fourth Quarter	34.98	19.20
Fiscal 2009		
First Quarter	$ 22.58	$ 19.29
Second Quarter	27.74	20.01
Third Quarter	24.43	15.42
Fourth Quarter	23.83	16.25

As of May 22, 2009 there were 992 holders of record of our common stock. A substantially greater number of holders of ViaSat common stock are "street name" or beneficial holders, whose shares are held of record by banks, brokers and other financial institutions.

Dividend Policy

To date, we have neither declared nor paid any dividends on our common stock. We currently intend to retain all future earnings, if any, for use in the operation and development of our business and, therefore, do not expect to declare or pay any cash dividends on our common stock in the foreseeable future. Any future determination to pay cash dividends will be at the discretion of the Board of Directors, subject to any applicable restrictions under our debt and credit agreements, and will be dependent upon our financial condition, results of operations, capital requirements, general business condition and such other factors as the Board of Directors may deem relevant.

Recent Sales of Unregistered Securities

There were no unregistered sales of equity securities during fiscal year 2009.

ITEM 6. SELECTED FINANCIAL DATA

The following table provides our selected financial information for each of the fiscal years in the five-year period ended April 3, 2009. The data as of and for each of the fiscal years in the five-year period ended April 3, 2009 have been derived from our audited financial statements. You should consider the financial statement data provided below in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and notes which are included elsewhere in this Annual Report.

	Fiscal Years Ended				
(In thousands, except per share data)	April 3, 2009	March 28, 2008	March 30, 2007	March 31, 2006	April 1, 2005
Statement of Income Data:					
Revenues	$628,179	$574,650	$516,566	$433,823	$345,939
Operating expenses:					
Cost of revenues	446,824	413,520	380,092	325,271	262,260
Selling, general and administrative	98,624	76,365	69,896	57,059	48,631
Independent research and development	29,622	32,273	21,631	15,757	8,082
Amortization of acquired intangible assets	8,822	9,562	9,502	6,806	6,642
Income from operations	44,287	42,930	35,445	28,930	20,324
Interest income (expense), net	954	5,155	1,741	(200)	304
Income before income taxes and minority interest	45,241	48,085	37,186	28,730	20,628
Provision for income taxes	6,794	13,521	6,755	5,105	1,246
Minority interest in net earnings of subsidiary, net of tax	116	1,051	265	110	115
Net income	$ 38,331	$ 33,513	$ 30,166	$ 23,515	$ 19,267
Basic net income per share	$ 1.25	$ 1.11	$ 1.06	$ 0.87	$ 0.72
Diluted net income per share	$ 1.20	$ 1.04	$ 0.98	$ 0.81	$ 0.68
Shares used in computing basic net income per share	30,772	30,232	28,589	27,133	26,749
Shares used in computing diluted net income per share	31,884	32,224	30,893	28,857	28,147
Balance Sheet Data:					
Cash, cash equivalents and short-term investments	$ 63,491	$125,219	$103,392	$ 36,887	$ 14,741
Working capital	203,390	248,251	187,406	152,907	138,859
Total assets	622,942	551,094	483,939	365,069	301,825
Other liabilities	24,718	17,290	13,273	7,625	3,911
Total stockholders' equity	458,748	404,140	348,795	263,298	226,283

Net income for fiscal years 2009, 2008 and 2007 included stock-based compensation expense of approximately $9.8 million, $7.1 million and $5.0 million, respectively, recorded under Statement of Financial Accounting Standards (SFAS) No. 123 (SFAS 123R), "Share-Based Payment" adopted on April 1, 2006 and upon our review of stock option grant procedures in fiscal year 2007.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

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 of the broadband communications market 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 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 business encompasses specialized products principally serving defense customers and includes:

- Data links, including MIDS terminals, MIDS Joint Tactical Radio System (MIDS JTRS) development and 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 and customers.

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, also through our network management center. In 2008, we began construction of a high-speed Ka-band satellite in order to provide wholesale broadband services over North America. We currently plan to launch this satellite in early 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 obtaining 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. Historically, fixed-price contracts, which require us to provide products and services under a contract at a specified price, comprised approximately 86% of our revenues for both fiscal years 2009 and 2008, and 84% of our revenues for fiscal year 2007. 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 are 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 $126.7 million or 20% of our total revenues during fiscal year 2009, $112.2 million or 20% of our total revenues during fiscal year 2008, and $122.9 million or 24% of our total revenues during fiscal year 2007.

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 5%, 6% and 4% of revenues during fiscal years 2009, 2008 and 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.

Executive Summary

We develop, manufacture and provide services related to satellite ground systems and other related government and commercial digital communication and networking equipment. Our products are generally highly complex and have a concept-to-market timeline of several months to several years. The development of products where customers expect state-of-the-art results requires an exceptionally talented and dedicated engineering workforce. Since inception, we have been able to attract, develop and retain engineers who support our business and customer objectives, while experiencing low turnover (relative to our industry). The consistency and depth of our engineering workforce has enabled us to develop leading edge products and solutions for our customers.

During fiscal year 2008, we completed the acquisition of all of the outstanding capital stock of JAST, S.A. (JAST), a Switzerland based, privately-held developer of microwave circuits and antennas for terrestrial and satellite applications, specializing in small, low-profile antennas for mobile satellite communications. The acquisition was accounted for as a purchase and accordingly, the consolidated financial statements include the operating results of JAST from the date of acquisition in our commercial networks segment.

During our fiscal years 2006 and 2007, we completed the acquisitions of Efficient Channel Coding, Inc. (ECC), Enerdyne Technologies, Inc. (Enerdyne) and Intelligent Compression Technologies, Inc. (ICT). The acquisitions were accounted for as purchases and accordingly, the operating results of ECC, Enerdyne and ICT have been included from the dates of acquisition in our consolidated financial statements.

Critical Accounting Policies and Estimates

Management's Discussion and Analysis of Financial Condition and Results of Operations discusses our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. 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 even the best estimates routinely require adjustment.

Revenue recognition

A substantial portion of our revenues is 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 fiscal years 2009, 2008 and 2007, we recorded losses of approximately $5.4 million, $7.9 million and $4.5 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 April 3, 2009 would change our income before income taxes and minority interest 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 Emerging Issues Task Force 00-21 (EITF 00-21), "Accounting for Multiple Element Revenue Arrangements," and recognized when the applicable revenue recognition criteria for each element have 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

At April 3, 2009, we had stock-based compensation plans described in Note 6 to the Consolidated Financial Statements. 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. Stock-based compensation expense recognized under SFAS 123R for the fiscal year ended April 3, 2009 was $3.9 million, $4.8 million and $1.1 million for employee stock options (including stock options assumed in business combination), restricted stock units and the employee stock purchase plan, respectively. Stock-based compensation expense recognized under SFAS 123R for the fiscal year ended March 28, 2008 was $3.9 million, $2.4 million and $0.8 million for employee stock options (including stock options assumed in a business combination), restricted stock units and the employee stock purchase plan, respectively. Stock-based compensation expense recognized under SFAS 123R for the fiscal year ended March 30, 2007 was $1.9 million, $1.2 million and $0.8 million for employee stock options, restricted stock units and the employee stock purchase plan, respectively. At April 3, 2009, there was $6.4 million, $13.2 million and $0.3 million in unrecognized compensation expense related to unvested stock options (including stock options assumed in business combination), restricted stock units and the employee stock purchase plan, respectively, which is expected to be recognized over a weighted average period of 2.1 years, 2.8 years and less than six months, respectively.

The determination of the fair value of stock-based payment awards on the date of grant using an option pricing model (Black-Scholes model) is affected by our stock price as well as assumptions regarding a number of complex and subjective variables. These variables include, but are not limited to, our expected stock price volatility over the term of the awards, actual and projected employee stock option exercise behaviors, risk-free interest rate and expected dividends.

If factors change and we employ different assumptions in the application of SFAS 123R in future periods, the compensation expense that we record under SFAS 123R may differ significantly from what we have recorded in the current period. Therefore, we believe it is important for investors to be aware of the high degree of subjectivity involved when using option pricing models to estimate stock-based compensation under SFAS 123R. Option pricing models were developed for use in estimating the value of traded options that have no vesting or hedging restrictions, are fully transferable and do not cause dilution. Because our stock-based payments have characteristics significantly different from those of freely traded options, and because changes in the subjective input assumptions can materially affect our estimates of fair values, in our opinion, existing valuation models, including the Black-Scholes and lattice binomial models, may not provide reliable measures of the fair values of our stock-based compensation. Consequently, there is a risk that our estimates of the fair values of our stock-based compensation awards on the grant dates may bear little resemblance to the actual values realized upon the exercise, expiration, early termination or forfeiture of those stock-based payments in the future. Certain stock-based payments, such as employee stock options, may expire worthless or otherwise result in zero intrinsic value as compared to the fair values originally estimated on the grant date and reported in our financial statements. Alternatively, values may be realized from these instruments that are significantly in excess of the fair values originally estimated on the grant date and reported in our financial statements. There is currently no market-based mechanism or other practical application to verify the reliability and accuracy of the estimates stemming from these valuation models, nor is there a means to compare and adjust the estimates to actual values. Although the fair value of employee stock-based awards is determined in accordance with SFAS 123R, SAB 107, "Share-Based Payment," and SAB 110, "Year-End Help For Expensing Employee Stock Options," using an option pricing model, that value may not be indicative of the fair value observed in a willing buyer/willing seller market transaction.

Estimates of stock-based compensation expense can be significant to our financial statements, but this expense is based on option valuation models and will never result in the payment of cash by us. The guidance in SFAS 123R, SAB 107 and SAB 110 is relatively new and best practices are not well established. The application of these principles may be subject to further interpretation and refinement over time. There are significant differences among valuation models, and there is a possibility that we will adopt different valuation models in the future. This may result in a lack of consistency in future periods and materially affect the fair value estimate of stock-based payments. It may also result in a lack of comparability with other companies that use different models, methods and assumptions.

Theoretical valuation models and market-based methods are evolving and may result in lower or higher fair value estimates for stock-based compensation. The timing, readiness, adoption, general acceptance, reliability and testing of these methods is uncertain. Sophisticated mathematical models may require voluminous historical information, modeling expertise, financial analyses, correlation analyses, integrated software and databases, consulting fees, customization and testing for adequacy of internal controls. Market-based methods are emerging that, if employed by us, may dilute our earnings per share and involve significant transaction fees and ongoing administrative expenses. The uncertainties and costs of these extensive valuation efforts may outweigh the benefits to investors.

Our expected volatility is a measure of the amount by which our stock price is expected to fluctuate. The estimated volatility for stock options and employee stock purchase rights is based on the historical volatility calculated using the daily stock price of our stock over a recent historical period equal to the expected term. The risk-free interest rate that we use in determining the fair value of our stock-based awards is based on the implied yield on United States Treasury zero-coupon issues with remaining terms equivalent to the expected term of our stock-based awards.

The expected life of employee stock options represents the calculation using the "simplified" method for "plain vanilla" options applied consistently to all "plain vanilla" options, consistent with the guidance in SAB 107. In December 2007, the Securities and Exchange Commission (SEC) issued SAB 110 to amend the SEC's views discussed in SAB 107 regarding the use of the simplified method in developing an estimate of expected life of options in accordance with SFAS 123R. Due to significant changes in our option terms in October of 2006 and lack of sufficient history, we will continue to use the simplified method until we have the historical data necessary to provide a reasonable estimate of expected life in accordance with SAB 107, as amended by SAB 110. For the expected option life, we have what SAB 107 defines as "plain-vanilla" stock options, and therefore use a simple average of the vesting period and the contractual term for options as permitted by SAB 107. The weighted average expected life of employee stock options granted during the fiscal year ended April 3, 2009, derived from the "simplified" method was 4.1 years. The expected term or life of employee stock purchase rights issued represents the expected period of time from the date of grant to the estimated date that the stock purchase right under our employee stock purchase plan would be fully exercised.

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 $164.1 million, net of allowance for doubtful accounts of $0.4 million, as of April 3, 2009, and our accounts receivable balance was $155.5 million, net of allowance for doubtful accounts of $0.3 million, as of March 28, 2008.

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 we ship the products or they are included in long-term construction contracts based upon an estimate of expected warranty costs. Amounts expected to be incurred within twelve months are classified as a current liability. For mature products, we estimate the warranty costs 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, we will make future adjustments 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 networks 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. In applying the first step, which is identification of any impairment of goodwill, no impairment of goodwill has resulted.

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 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 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 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.

Valuation allowance on deferred tax assets

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, 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. We maintained a valuation allowance of $2.1 million and $1.0 million against deferred tax assets at April 3, 2009 and March 28, 2008, respectively, relating to state net operating loss carryforwards and research credit carryforwards available to reduce state income taxes.

Results of Operations

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

Fiscal Years Ended	April 3, 2009	March 28, 2008	March 30, 2007
Revenues	100.0%	100.0%	100.0%
Operating expenses:			
Cost of revenues	71.1	72.0	73.6
Selling, general and administrative	15.7	13.3	13.5
Independent research and development	4.7	5.6	4.2
Amortization of intangible assets	1.4	1.6	1.8
Income from operations	7.1	7.5	6.9
Income before income taxes	7.2	8.4	7.2
Provision for income taxes	1.1	2.4	1.3
Net income	6.1	5.8	5.8

Fiscal Year 2009 Compared to Fiscal Year 2008

Revenues

	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	April 3, 2009	March 28, 2008		
	(In millions, except percentages)			
Revenues	$628.2	$574.7	$53.5	9.3%

The increase in revenues from $574.7 million in fiscal year 2008 to $628.2 million during fiscal year 2009 was primarily due to higher customer awards received during our fiscal year 2009 of $728.4 million compared to $560.0 million in 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 $69.1 million, and our satellite services segment, which increased by $1.9 million, offset by a decrease in our commercial networks segment of $17.5 million. The revenue increase in our government systems segment was primarily derived from higher sales of $45.5 million in information assurance products and development programs, $29.6 million in next generation military satellite communication systems and $6.0 million in video data link systems, offset by a decrease in sales of $10.8 million in next generation tactical data link development and a decrease of $1.1 million in sales from our majority-owned subsidiary, TrellisWare. Our satellite services segment revenue increase of approximately $1.9 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 $34.0 million reduction in consumer broadband products sales and a $2.2 million reduction in enterprise VSAT product sales, offset by a $19.2 million increase in sales of mobile satellite systems programs.

Cost of revenues

	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	April 3, 2009	March 28, 2008		
	(In millions, except percentages)			
Cost of revenues	$446.8	$413.5	$33.3	8.1%
Percentage of revenues	71.1%	72.0%		

The increase in cost of revenues from $413.5 million during fiscal year 2008 to $446.8 million in fiscal year 2009 was primarily due to our increased revenues year-over-year. However, we did experience a slight year-over-year decrease in cost of revenues as a percentage of revenues from 72.0% to 71.1%. This improvement was due to product cost reductions of approximately $6.3 million in our government systems segment mainly from next generation military satellite communication systems programs, offset by an increase in cost of revenues of $4.0 million in our commercial networks segment from lower margin next generation broadband development programs in fiscal year 2009 compared to last fiscal year. Cost of revenues for fiscal years 2009 and 2008 included approximately $2.5 million and $1.8 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

	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	April 3, 2009	March 28, 2008		
	(In millions, except percentages)			
Selling, general and administrative	$98.6	$76.4	$22.3	29.1%
Percentage of revenues	15.7%	13.3%		

The increase in selling, general and administrative (SG&A) expenses in fiscal year 2009 compared to fiscal year 2008 was primarily attributable to higher selling and new business proposal costs of approximately $4.1 million for new contract awards, increased support costs related to business growth of approximately $14.4 million, increased support costs related to our ViaSat-1 satellite of $2.1 million and an increase of approximately $1.6 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

	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	April 3, 2009	March 28, 2008		
	(In millions, except percentages)			
Independent research and development	$29.6	$32.3	$(2.7)	(8.2)%
Percentage of revenues	4.7%	5.6%		

The year-over-year decrease in independent research and development (IR&D) expenses of approximately $2.7 million reflects a year-over-year decrease in our commercial networks segment of $4.8 million for fiscal year 2009 when compared to fiscal year 2008, offset by an increase in our government systems segment of $2.2 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 intangible assets The intangible assets from prior acquisitions are being amortized over estimated useful lives ranging from eight months to ten years. The amortization of intangible assets will decrease each year as the intangible assets with shorter lives become fully amortized.

The expected amortization expense of long-lived acquired intangible assets for the next five fiscal years is as follows:

	Amortization (In thousands)
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
Expected for fiscal year 2014	646
Thereafter	948
	$ 16,655

Interest income Interest income decreased to $1.5 million for fiscal year 2009 from $5.7 million for fiscal year 2008 due to lower interest rates on our investments and lower average invested cash balances during year-over-year.

Interest expense Interest expense decreased slightly to $0.5 million for fiscal year 2009 from $0.6 million for 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 April 3, 2009 and March 28, 2008.

Provision for income taxes The decrease in the effective rate from 15.0% in fiscal year 2009 compared to 28.1% in fiscal year 2008 was primarily due to increased federal tax credits in fiscal year 2009 as the federal research credit in fiscal year 2009 included fifteen months of the credit compared to only nine months in fiscal year 2008 as a result of the October 2008 reinstatement of the credit retroactively from January 1, 2008.

Our Segment Results Fiscal Year 2009 Compared to Fiscal Year 2008

Government systems segment

Revenues

	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	April 3, 2009	March 28, 2008		
	(In millions, except percentages)			
Revenues	$388.7	$319.5	$69.1	21.6%

Our year-over-year government systems segment revenues increased primarily due to higher customer awards of $407.3 million during fiscal year 2009 compared to $306.2 million in fiscal year 2008, and the conversion of a portion of those awards into revenues. The $69.1 million revenue increase was generated from higher sales of information assurance products and development programs of $45.5 million, next generation military satellite communication systems of $29.6 million and video data link systems of $6.0 million, offset by a revenue decrease of $10.8 million in next generation tactical data link development and a $1.1 million revenue decrease from our majority-owned subsidiary, TrellisWare.

Segment operating profit

	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	April 3, 2009	March 28, 2008		
	(In millions, except percentages)			
Segment operating profit	$57.0	$45.8	$11.2	24.5%
Percentage of segment revenues	14.7%	14.3%		

Government systems segment operating profits increased in fiscal year 2009 when compared to fiscal year 2008 primarily due to increased revenues and related product contributions of $27.7 million, offset by $14.3 million in higher selling, support and new business proposal costs, and a $2.2 million increase in IR&D costs.

Commercial networks segment

Revenues

	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	April 3, 2009	March 28, 2008		
	(In millions, except percentages)			
Revenues	$230.8	$248.3	$(17.5)	(7.0)%

The decrease in our commercial networks segment fiscal year 2009 revenues compared to fiscal year 2008 primarily resulted from reduced consumer broadband products revenues of $34.0 million and a $2.2 million revenue reduction from enterprise VSAT products, offset by a $19.2 million revenue increase from our mobile satellite systems programs.

Segment operating profit

	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	April 3, 2009	March 28, 2008		
	(In millions, except percentages)			
Segment operating profit	$0.1	$9.8	$(9.7)	(99.4)%
Percentage of segment revenues	0.0%	3.9%		

Our commercial networks segment operating profit decreased in fiscal year 2009 from fiscal year 2008 primarily due to higher selling, support and new business proposal costs of $6.0 million. We also experienced operating profit decreases due to the addition of certain consumer product programs for next generation broadband equipment yielding lower margins compared to prior year. These operating profit decreases were slightly offset by better program performance in our antenna systems products group totaling approximately $1.8 million and in our mobile satellite systems programs totaling approximately $1.7 million.

Satellite services segment

Revenues

	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	April 3, 2009	March 28, 2008		
	(In millions, except percentages)			
Revenues	$8.7	$6.8	$1.9	27.6%

Our satellite services segment experienced a slight revenue increase year-over-year. These revenues were primarily derived from service arrangements supporting both the mobile broadband and enterprise managed networks services markets.

Segment operating loss

	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	April 3, 2009	March 28, 2008		
	(In millions, except percentages)			
Segment operating loss	$ (4.0)	$ (2.9)	$(1.1)	(39.5)%
Percentage of segment revenues	(45.8)%	(41.8)%		

The increase in satellite services segment operating losses of $1.1 million in fiscal year 2009 when compared to fiscal year 2008 was primarily driven by a $2.1 million increase in legal and support costs related to our ViaSat-1 satellite, offset by approximately $1.0 million in contributions from satellite services segment revenue growth, net of cost of revenues.

Fiscal Year 2008 Compared to Fiscal Year 2007

Revenues

	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	March 28, 2008	March 30, 2007		
	(In millions, except percentages)			
Revenues	$574.7	$516.6	$58.1	11.2%

The increase in revenues from $516.6 million to $574.7 million was due to higher customer awards received during our fiscal year 2008 of $560.0 million compared to $525.0 million in fiscal year 2007, and the conversion of certain of those awards into revenues. Increased revenues were experienced in all three of our government systems, commercial networks and satellite services segments. The revenue increase in our government systems segment was primarily derived from increased sales of next generation military satellite communication systems of approximately $25.3 million, tactical data link products of approximately $5.9 million, video data link systems of approximately $4.1 million, certain government information assurance products of approximately $2.4 million and $3.3 million from TrellisWare, our majority-owned subsidiary. Our commercial networks segment revenue increase was primarily derived from increased sales of consumer broadband products of approximately $23.7 million and $14.8 million in higher sales from our antenna systems products, offset by a $25.3 million reduction in enterprise VSAT product sales.

Cost of revenues

	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	March 28, 2008	March 30, 2007		
	(In millions, except percentages)			
Cost of revenues	$413.5	$380.1	$33.4	8.8%
Percentage of revenues	72.0%	73.6%		

The increase in cost of revenues from $380.1 million to $413.5 million was primarily due to our increased revenues. However, we did experience a decrease in the cost of revenues as a percent of revenues from 73.6% in fiscal year 2007 to 72.0% in fiscal year 2008. This improvement was primarily due to product cost reductions in our consumer and mobile broadband products totaling approximately $6.7 million and better program performance in our antenna systems product group totaling approximately $6.0 million. Cost of revenues in each of fiscal year 2008 and fiscal year 2007 included approximately $1.8 million in stock-based compensation expense, respectively.

Selling, general and administrative expenses

	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	March 28, 2008	March 30, 2007		
	(In millions, except percentages)			
Selling, general and administrative	$76.4	$69.9	$6.5	9.3%
Percentage of revenues	13.3%	13.5%		

The increase in SG&A expenses year-over-year was primarily attributable to higher support costs of approximately $1.0 million and higher selling and proposal costs of approximately $4.6 million to support our anticipated future revenue growth, and approximately $4.7 million in stock-based compensation expense recorded in fiscal year 2008 versus $2.9 million in fiscal year 2007. 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.

Independent research and development

	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	March 28, 2008	March 30, 2007		
	(In millions, except percentages)			
Independent research and development	$32.3	$21.6	$10.6	49.2%
Percentage of revenues	5.6%	4.2%		

The increase in IR&D expenses reflected year-over-year increases derived from the government systems segment of $6.5 million and the commercial networks segment of $4.1 million. The higher IR&D expenses were principally for the development of next generation information assurance, UAV technology, next generation broadband equipment and mobile antenna technologies and reflected our recognition of certain opportunities in these markets and the need to invest in the development of new technologies to meet these opportunities.

Amortization of Intangible Assets The intangible assets from prior acquisitions are being amortized over estimated useful lives ranging from eight months to ten years. The amortization of intangible assets will decrease each year as the intangible assets with shorter lives become fully amortized.

Interest Income Interest income increased to $5.7 million for fiscal year 2008 from $2.2 million for fiscal year 2007 due to higher average invested cash balances year-over-year.

Interest Expense Interest expense increased to $0.6 million for fiscal year 2008 from $0.4 million for fiscal year 2007, primarily due to the accretion of interest on a borrowing agreement entered into in the fourth quarter of fiscal year 2007. Commitment fees on our line of credit availability remained the same year-over-year. At March 28, 2008 and March 30, 2007, we had no outstanding borrowings under our line of credit.

Provision for Income Taxes The increase in the effective rate for fiscal year 2008 compared to fiscal year 2007 was primarily due to reduced federal tax credits in fiscal year 2008 as the research credit was available for only nine months in fiscal year 2008 compared to fifteen months in fiscal year 2007 due to reinstatement of the credit retroactively to January 1, 2006.

Our Segment Results Fiscal Year 2008 Compared to Fiscal Year 2007

Government systems segment

Revenues

	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	March 28, 2008	March 30, 2007		
	(In millions, except percentages)			
Revenues	$319.5	$278.4	$41.2	14.8%

Our government systems segment revenues increased primarily due to a higher beginning backlog and the receipt of $306.2 million in awards during fiscal year 2008. The $41.2 million revenue increase was comprised of higher year-over-year sales of approximately $25.3 million in next generation military satellite communication systems, approximately $5.9 million from tactical data link products, approximately $4.1 million from sales of video data link systems, approximately $2.4 million from certain government information assurance products and $3.3 million increase in sales at TrellisWare, our majority-owned subsidiary.

Segment operating profit

	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	March 28, 2008	March 30, 2007		
	(In millions, except percentages)			
Segment operating profit	$45.8	$42.8	$3.0	7.0%
Percentage of segment revenues	14.3%	15.4%		

Our government systems segment operating profits increased primarily due to the increased revenues of $41.2 million, offset by additional IR&D spending of $6.5 million, growth in SG&A expenses of $4.0 million from higher selling and support costs, and additional non-cash stock-based compensation charges of $0.8 million.

Commercial networks segment

Revenues

	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	March 28, 2008	March 30, 2007		
	(In millions, except percentages)			
Revenues	$248.3	$231.5	$16.8	7.2%

Our commercial networks segment revenue growth was primarily derived from higher consumer broadband sales of approximately $23.7 million combined with $14.8 million in higher sales from our antenna systems products. These increases were offset by a $25.3 million reduction in enterprise VSAT product sales, resulting in total year-over-year commercial networks segment increases of $16.8 million.

Segment operating profit

	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	March 28, 2008	March 30, 2007		
	(In millions, except percentages)			
Segment operating profit	$9.8	$4.3	$5.5	129.1%
Percentage of segment revenues	3.9%	1.8%		

Operating profit growth of $5.5 million in our commercial networks segment was primarily driven by improved performance of consumer broadband products, which contributed to product cost reductions of approximately $6.7 million year-over-year. This was offset by a decrease in operating profit associated with reduced enterprise VSAT product sales and an increase in non-cash stock-based compensation expense of approximately $1.3 million.

Satellite services segment

Revenues

	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	March 28, 2008	March 30, 2007		
	(In millions, except percentages)			
Revenues	$6.8	$6.7	$0.1	1.9%

Our satellite services segment experienced revenues relatively flat year-over-year. These revenues were primarily derived from service arrangements supporting both the mobile broadband and enterprise managed networks services markets.

Segment operating loss

	Fiscal Years Ended		Dollar Increase (Decrease)	Percentage Increase (Decrease)
	March 28, 2008	March 30, 2007		
	(In millions, except percentages)			
Segment operating loss	$ (2.9)	$ (1.7)	$(1.2)	(67.8)%
Percentage of segment revenues	(41.8)%	(25.4)%		

The increase in satellite services segment operating losses of $1.2 million was primarily driven by the write-off of a certain receivable due to a customer bankruptcy in our managed broadband services business.

Backlog

Total new awards for us were $728.4 million for fiscal year 2009 compared to $560.0 million for fiscal year 2008. New contract awards in fiscal year 2009 were a record for the company.

As reflected in the table below, both funded and firm backlog increased during fiscal year 2009 primarily due to some expected large contract awards that we began pursuing in fiscal year 2008 and for which negotiations were completed in fiscal year 2009.

	April 3, 2009	March 28, 2008
	(In millions)	
Firm backlog		
Government Systems segment	$ 225.6	$ 206.8
Commercial Networks segment	238.7	154.5
Satellite Services segment	10.3	13.1
Total	$ 474.6	$ 374.4
Funded backlog		
Government Systems segment	$ 209.1	$ 186.1
Commercial Networks segment	187.1	154.5
Satellite Services segment	10.3	13.1
Total	$ 406.5	$ 353.7
Contract options	$ 25.6	$ 39.3

The firm backlog does not include contract options. Of the $474.6 million in firm backlog, approximately $323.6 million is expected to be delivered in fiscal year 2010, and the balance is expected to be delivered in fiscal year 2011 and thereafter. We include in our backlog only those orders for which we have accepted purchase orders.

Backlog is not necessarily indicative of future sales. A majority of our contracts can be terminated at the convenience of the customer. 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.

Firm 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., 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 can affect the specific contract cash flow and whether financing instruments are required by the customer. In addition, the commercial networks and satellite services financing environments tend to provide for more flexible payment terms with customers, including advance payments.

In January 2008, we announced plans to have our high-capacity ViaSat-1 satellite constructed and to develop the related ground network equipment.

Cash provided by operating activities in fiscal year 2009 was $61.9 million as compared to cash provided by operating activities in fiscal year 2008 of $48.3 million. The increase of $13.6 million in cash provided by operating activities in fiscal year 2009 compared to fiscal year 2008 was primarily attributed to additional net operating asset conversions to cash of $12.3 million and higher year-over-year net income of $4.8 million. Combined billed and unbilled accounts receivable, net, increased by $8.6 million from prior fiscal year-end due to a $12.6 million increase in our commercial networks segment and a $0.3 million increase in our satellite services segment, offset by a $4.3 million decrease in our government systems segment spread across various customers. Collections in excess of revenue included in accrued liabilities decreased approximately $10.4 million as we progressed towards completion of certain larger development projects and recorded the related revenues, as well as the timing of any additional milestones billings.

Cash used in investing activities in fiscal year 2009 was $126.1 million as compared to cash used in investing activities in fiscal year 2008 of $35.2 million. The increase in cash used in investing activities was primarily related to the construction costs of our ViaSat-1 satellite of approximately $93.4 million and other additional capital expenditures for equipment of approximately $23.8 million in fiscal year 2009 compared to approximately $22.8 million of total capital expenditures in fiscal year 2008. In addition, cash used in investing activities in 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 fiscal year 2008 included $8.7 million paid in cash to certain former 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 under the terms of the Enerdyne acquisition agreement.

Cash provided by financing activities for fiscal year 2009 was $3.2 million as compared to $8.3 million for fiscal year 2008. The approximate $5.1 million decrease in cash inflows for fiscal year 2009 compared to fiscal year 2008 was 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 stockholders. 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). 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 $20.7 million, and in-orbit insurance and satellite operating costs post launch.

In November 2008, we entered into a launch services agreement with Arianespace to procure launch services for the ViaSat-1 satellite at a cost estimated to be $107.8 million, depending on the mass of the satellite at launch. In March 2009, we substituted ILS International Launch Services, Inc. for Arianespace as the primary provider of launch services for ViaSat-1 and, accordingly, we entered into a contract for launch services with ILS to procure launch services for the ViaSat-1 satellite at an estimated cost of approximately $80.0 million, subject to certain adjustments, resulting in a net savings of approximately $20.0 million on the ViaSat-1 satellite.

On May 7, 2009, we entered into an Amended and Restated Launch Services Agreement with Arianespace. Under the terms of the Amended and Restated Launch Services Agreement, Arianespace has agreed to perform certain launch services to maintain the launch capability for the ViaSat-1 high-capacity satellite, should the need arise, or for launch services of a future ViaSat satellite launch prior to December 2015. This amendment and restatement also provides for certain cost adjustments depending on fluctuations in foreign currencies, mass of the satellite launched and launch period timing.

The projected total cost of the ViaSat-1 project, including the satellite, launch, insurance and related gateway infrastructure, through in-service of the satellite 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. 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 ratio. 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 April 3, 2009, we had $63.5 million in cash and cash equivalents, $203.4 million in working capital and no outstanding borrowings under our line of credit. At March 28, 2008, we had $125.2 million in cash, 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 earnings before interest, taxes, depreciation and amortization (EBITDA). The Credit Facility is collateralized by substantially all of our personal property. At April 3, 2009, we had $6.2 million outstanding under standby letters of credit, leaving borrowing availability under the Credit Facility of $78.8 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 increase our existing credit facility or raise additional capital, which could consist of debt, convertible debt or equity financing from public and/or private capital markets. 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 projects 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 twelve months.

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			
	Total	2010	2011-2012	2013-2014	Thereafter
			(In thousands)		
Operating leases	$ 103,341	$ 13,858	$ 28,259	$ 24,422	$ 36,802
Standby letters of credit	6,165	3,401	2,764	—	—
Purchase commitments including satellite-related agreements	413,430	174,877	88,709	16,336	133,508
Total	$ 522,936	$ 192,136	$ 119,732	$ 40,758	$ 170,310

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, operation and launch of our ViaSat-1 satellite. In addition, we have contracted for an additional launch which can be used as a back-up launch for our ViaSat-1 satellite or for a future 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 consolidated balance sheets as of April 3, 2009 and March 28, 2008 include $24.7 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 8 of the notes to our consolidated financial statements for additional information regarding our income taxes and related tax positions, and Note 12 for a discussion of our product warranties.

Certain Relationships and Related-Party Transactions

For a discussion of “Certain Relationships and Related-Party Transactions,” see Note 14 of the notes to our consolidated financial statements, which we incorporate herein by reference.

Off-Balance Sheet Arrangements

We had no material off-balance sheet arrangements at April 3, 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 filing.

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 FASB Staff Position SFAS 157-1 (FSP SFAS 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 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 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 April 2009, the FASB issued three FSPs to address concerns about measuring the fair value of financial instruments when the markets become inactive and quoted prices may reflect distressed transactions, recording impairment charges on investments in debt instruments and requiring the disclosure of fair value of certain financial instruments in interim financial statements. The first FSP, FSP SFAS 157-4, "Determining Whether a Market is Not Active and a Transaction is Not Distressed," provides additional guidance to highlight and expand on the factors that should be considered in estimating fair value when there has been a significant decrease in market activity for a financial asset. The second FSP, FSP SFAS 115-2 and FSP SFAS 124-2, "Recognition and Presentation of Other-Than-Temporary Impairments," changes the method for determining whether an other-than-temporary impairment exists for debt securities and the amount of an impairment charge to be recorded in earnings. The third FSP, FSP SFAS 107-1 and Accounting Principles Board Opinion 28-1 (APB 28-1), "Interim Disclosures about Fair Value of Financial Instruments" increases the frequency of fair value disclosures from annual, to quarterly. All three FSPs are effective for interim periods ending after June 15, 2009, with the option for early adoption in interim periods ending after March 15, 2009. We did not elect early adoption and do not expect that the adoption of the FSPs in the first quarter of fiscal year 2010 will have a material impact on our financial statements and disclosures.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate 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. As of April 3, 2009, our revolving credit facility was undrawn and we held no short-term investments. Our exposure to market risk for changes in interest rates relates primarily to cash equivalents and short-term investments. As a result, we do not expect fluctuations in interest rates to have a material impact on the fair value of these securities.

The primary objective of our investment activities is to preserve principal while at the same time maximizing the income we receive from our investments without significantly increasing risk. To minimize this risk, we maintain a significant portion of our cash balance in money market funds. In general, money market funds are not subject to interest rate risk because the interest paid on such funds fluctuates with the prevailing interest rate. Our cash and cash equivalents earn interest at variable rates. Given recent declines in interest rates, our interest income has been and may continue to be negatively impacted. Fixed rate securities may have their fair market value adversely impacted due to a rise in interest rates, while floating rate securities may produce less income than expected if interest rates fall. If the underlying weighted average interest rate on our cash and cash equivalents balances changed by 50 basis points in fiscal year 2010, interest income would have increased or decreased by approximately $0.3 million. Because our investment policy restricts us to invest in conservative, interest-bearing investments and because our business strategy does not rely on generating material returns from our investment portfolio, we do not expect our market risk exposure on our investment portfolio to be material.

To the extent that we draw against our revolving credit facility, increases in interest rates could have an adverse impact on our results of operations.

Foreign Exchange Risk

We generally conduct our business in United States dollars. However, as our international business is conducted in a variety of foreign currencies and we pay some of our vendors in Euros, we are exposed to fluctuations in foreign currency exchange rates. Our objective in managing our exposure to foreign currency exchanges is to reduce earnings and cash flow volatility associated with foreign exchange rate fluctuations. Accordingly, from time to time, we may enter into foreign exchange contracts to mitigate risks associated with foreign currency denominated assets, liabilities, commitments and anticipated foreign currency transactions.

As of April 3, 2009, we had no foreign currency exchange contracts outstanding.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our consolidated financial statements at April 3, 2009 and March 28, 2008 and for each of the three years in the period ended April 3, 2009, and the Report of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm, are included in this Annual Report on pages F-1 through F-30.

Summarized Quarterly Data (Unaudited)

The following financial information reflects all normal recurring adjustments which are, in the opinion of management, necessary for the fair statement of the results for the interim periods. Summarized quarterly data for fiscal years 2009 and 2008 are as follows:

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	(In thousands, except per share data)			
2009				
Revenues	$152,961	$159,280	$150,362	$165,576
Income from operations	9,157	9,303	11,559	14,268
Net income	6,291	9,258	10,666	12,116
Basic net income per share	0.21	0.30	0.35	0.39
Diluted net income per share	0.20	0.29	0.34	0.38
2008				
Revenues	$128,562	$146,625	$152,053	$147,410
Income from operations	4,666	10,864	14,497	12,903
Net income	4,181	8,585	10,225	10,522
Basic net income per share	0.14	0.28	0.34	0.35
Diluted net income per share	0.13	0.27	0.32	0.33

Basic and diluted earnings per share are computed independently for each of the quarters presented. Therefore, the sum of quarterly basic and diluted per share information may not equal annual basic and diluted earnings per share.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure 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 SEC's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by SEC Rule 13a-15(b), 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 April 3, 2009, the end of the period covered by this Annual Report. Based upon the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of April 3, 2009.

Changes in Internal Control Over Financial Reporting

We regularly review our system of internal control over financial reporting and make changes to our processes and systems to improve controls and increase efficiency, while ensuring that we maintain an effective internal control environment. Changes may include such activities as implementing new, more efficient systems, consolidating activities, and migrating processes.

During the quarter ended April 3, 2009, there were 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.

Management's Report on Internal Control Over Financial Reporting

The company's management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Under the supervision and with the participation of the company's management, including our principal executive officer and principal financial officer, the company conducted an evaluation of the effectiveness of its internal control over financial reporting based on criteria established in the framework in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, the company's management concluded that its internal control over financial reporting was effective as of April 3, 2009.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The company's independent registered public accounting firm has audited the effectiveness of the company's internal control over financial reporting as of April 3, 2009, as stated in their report which appears on page F-1.

ITEM 9B. OTHER INFORMATION

On November 12, 2008, we entered into a launch services agreement with Arianespace to procure launch services for the ViaSat-1 satellite at a cost estimated to be $107.8 million, depending on the mass of the satellite at launch. On March 5, 2009, we substituted ILS International Launch Services, Inc. for Arianespace as the primary provider of launch services for ViaSat-1, and accordingly, we entered into a contract for launch services with ILS to procure launch services for ViaSat-1 at an estimated cost of approximately $80.0 million.

On May 7, 2009, we entered into an amended and restated launch services agreement with Arianespace which replaces, in its entirety, our previous launch services agreement with Arianespace executed on November 12, 2008. Under the terms of the amended and restated launch services agreement, Arianespace has agreed to perform certain launch services to maintain the launch capability for ViaSat-1, should the need arise, or for launch services of a future ViaSat satellite launch prior to December 2015. This amendment and restatement also provides for certain cost adjustments depending on fluctuations in foreign currencies, mass of the satellite launched and launch period timing.

The foregoing description does not purport to be complete and is qualified in its entirety by reference to the Contract for Launch Services dated March 5, 2009 between ViaSat, Inc. and ILS International Launch Services, Inc., and the Amended and Restated Launch Services Agreement dated May 7, 2009 between ViaSat, Inc. and Arianespace, which are filed as Exhibits 10.14 and 10.13 to this report and incorporated herein by reference.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS OF THE REGISTRANT AND CORPORATE GOVERNANCE

The information required by this item is included in our definitive Proxy Statement to be filed with the SEC in connection with our 2009 Annual Meeting of Stockholders (the Proxy Statement) under the headings “Corporate Governance Principles and Board Matters,” “Election of Directors” and “Ownership of Securities,” and is incorporated herein by reference.

The information required by this item relating to our executive officers is included under the caption “Executive Officers” in Part I of this Form 10-K and is incorporated herein by reference into this section.

We have adopted a code of ethics applicable to all of our employees (including our principal executive officer, principal financial officer, principal accounting officer and controller). The code of ethics is designed to deter wrongdoing and to promote honest and ethical conduct and compliance with applicable laws and regulations. The full text of our code of ethics is published on our website at *www.viasat.com*. We intend to disclose future amendments to certain provisions of our code of ethics, or waivers of such provisions granted to executive officers and directors, on our website within four business days following the date of such amendment or waiver.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is included in the Proxy Statement under the heading “Executive Compensation” and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item is included in the Proxy Statement under the headings “Ownership of Securities” and “Executive Compensation — Equity Compensation Plan Information,” and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item is included in the Proxy Statement under the headings “Corporate Governance Principles and Board Matters” and “Certain Relationships and Related Transactions,” and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this item is included in the Proxy Statement under the heading “Ratification of Appointment of Independent Registered Public Accounting Firm” and is incorporated by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Financial Statements

All other schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

Exhibits

The Exhibit Index on page 52 is incorporated herein by reference as the list of exhibits required as part of this Annual Report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

VIASAT, INC.

Date: May 27, 2009

By: /s/ MARK D. DANKBERG
Chairman and Chief Executive Officer

Know all persons by these presents, that each person whose signature appears below constitutes and appoints Mark D. Dankberg and Ronald G. Wangerin, jointly and severally, his attorneys-in-fact, each with the full power of substitution, for him in any and all capacities, to sign any amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that each of said attorneys-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof. Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ MARK D. DANKBERG Mark D. Dankberg	Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	May 27, 2009
/s/ RONALD G. WANGERIN Ronald G. Wangerin	Vice President, Chief Financial Officer (Principal Financial and Accounting Officer)	May 27, 2009
/s/ ROBERT W. JOHNSON Robert W. Johnson	Director	May 27, 2009
/s/ JEFFREY M. NASH Jeffrey M. Nash	Director	May 27, 2009
/s/ B. ALLEN LAY B. Allen Lay	Director	May 27, 2009
/s/ MICHAEL B. TARGOFF Michael B. Targoff	Director	May 27, 2009
/s/ JOHN P. STENBIT John P. Stenbit	Director	May 27, 2009
/s/ HARVEY P. WHITE Harvey P. White	Director	May 27, 2009

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EXHIBIT INDEX

Exhibit Number	Exhibit Description	Incorporated by Reference Form	File No.	Exhibit	Filing Date	Filed or Furnished Herewith
3.1	Second Amended and Restated Certificate of Incorporation of ViaSat, Inc.	10-Q	000-21767	3.1	11/14/2000	
3.2	First Amended and Restated Bylaws of ViaSat, Inc.	S-3	333-116468	3.2	06/14/2004	
4.1	Form of Common Stock Certificate	S-1/A	333-13183	4.1	11/05/1996	
10.1	Form of Indemnification Agreement between ViaSat, Inc. and each of its directors and officers	8-K	000-21767	99.1	03/07/2008	
10.2*	ViaSat, Inc. Employee Stock Purchase Plan, as amended	10-K	000-21767	10.10	06/06/2006	
10.3*	1996 Equity Participation Plan of ViaSat, Inc. (As Amended and Restated Effective October 2, 2008)	8-K	000-21767	10.1	10/02/2008	
10.4*	Form of Stock Option Agreement for the 1996 Equity Participation Plan of ViaSat, Inc.	8-K	000-21767	10.2	10/02/2008	
10.5*	Form of Restricted Stock Unit Award Agreement for the 1996 Equity Participation Plan of ViaSat, Inc.	8-K	000-21767	10.3	10/02/2008	
10.6*	Form of Executive Restricted Stock Unit Award Agreement for the 1996 Equity Participation Plan of ViaSat, Inc.	8-K	000-21767	10.4	10/02/2008	
10.7	Third Amended and Restated Revolving Loan Agreement dated October 31, 2008 between 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	
10.8	Lease, dated March 24, 1998, by and between W9/LNP Real Estate Limited Partnership and ViaSat, Inc. (6155 El Camino Real, Carlsbad, California)	10-K	000-21767	10.27	06/29/1998	
10.9	Amendment to Lease, dated June 17, 2004, by and between Levine Investments Limited Partnership and ViaSat, Inc. (6155 El Camino Real, Carlsbad, CA)	10-Q	000-21767	10.1	08/10/2004	
10.10	Award/Contract, effective January 20, 2000, issued by Space and Naval Warfare Systems to ViaSat, Inc.	10-Q	000-21767	10.1	02/14/2000	
10.11†	Contract for the ViaSat Satellite Program dated as of January 7, 2008 between ViaSat, Inc. and Space Systems/Loral, Inc.	10-Q	000-21767	10.1	02/06/2008	
10.12	Beam Sharing Agreement dated January 11, 2008 between ViaSat, Inc. and Loral Space & Communications, Inc.	10-Q	000-21767	10.2	02/06/2008	
10.13†	Amended and Restated Launch Services Agreement dated May 7, 2009 between ViaSat, Inc. and Arianespace					X
10.14†	Contract for Launch Services dated March 5, 2009 between ViaSat, Inc. and ILS International Launch Services, Inc.					X
21.1	Subsidiaries					X
23.1	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm					X
24.1	Power of Attorney (see signature page)					X
31.1	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 of Chief Executive Officer					X
31.2	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 of Chief Financial Officer					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

* Indicates management contract, compensatory plan or arrangement.

† Confidential treatment has been requested for portions of this exhibit.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of ViaSat, Inc.:

In our opinion, the consolidated financial statements listed in the index appearing under Item 15 (1) present fairly, in all material respects, the financial position of ViaSat, Inc. and its subsidiaries at April 3, 2009 and March 28, 2008, and the results of their operations and their cash flows for each of the three years in the period ended April 3, 2009 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15 (2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of April 3, 2009, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Notes 1 and 8 to the consolidated financial statements, the Company changed the manner in which it accounts for uncertain tax positions in 2008.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

San Diego, California
May 27, 2009

VIASAT, INC.

CONSOLIDATED BALANCE SHEETS

	As of April 3, 2009	As of March 28, 2008
	(In thousands, except share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 63,491	$ 125,176
Short-term investments	—	43
Accounts receivable, net	164,106	155,484
Inventories	65,562	60,326
Deferred income taxes	26,724	18,664
Prepaid expenses and other current assets	18,941	15,933
Total current assets	338,824	375,626
Property, equipment and satellite, net	170,225	64,693
Other acquired intangible assets, net	16,655	25,477
Goodwill	65,429	66,407
Other assets	31,809	18,891
Total assets	$ 622,942	$ 551,094
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 63,397	$ 52,317
Accrued liabilities	71,837	73,957
Payables to former stockholders of acquired business	200	1,101
Total current liabilities	135,434	127,375
Other liabilities	24,718	17,290
Total liabilities	160,152	144,665
Commitments and contingencies (Notes 10 and 11) Minority interest in consolidated subsidiary	4,042	2,289
Stockholders' equity:		
Series A, convertible preferred stock, $.0001 par value; 5,000,000 shares authorized; no shares issued and outstanding at April 3, 2009 and March 28, 2008, respectively	—	—
Common stock, $.0001 par value, 100,000,000 shares authorized; 31,047,118 and 30,467,367 shares outstanding at April 3, 2009 and March 28, 2008, respectively	3	3
Paid-in capital	273,102	255,856
Retained earnings	187,471	149,140
Common stock held in treasury, 66,968 and 33,238 outstanding at April 3, 2009 and March 28, 2008, respectively	(1,701)	(1,034)
Accumulated other comprehensive (loss) income	(127)	175
Total stockholders' equity	458,748	404,140
Total liabilities and stockholders' equity	$ 622,942	$ 551,094

See accompanying notes to the consolidated financial statements.

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VIASAT, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Fiscal Years Ended		
	April 3, 2009	March 28, 2008	March 30, 2007
	(In thousands, except per share data)		
Revenues	$ 628,179	$ 574,650	$ 516,566
Operating expenses:			
Cost of revenues	446,824	413,520	380,092
Selling, general and administrative	98,624	76,365	69,896
Independent research and development	29,622	32,273	21,631
Amortization of acquired intangible assets	8,822	9,562	9,502
Income from operations	44,287	42,930	35,445
Other income (expense):			
Interest income	1,463	5,712	2,189
Interest expense	(509)	(557)	(448)
Income before income taxes and minority interest	45,241	48,085	37,186
Provision for income taxes	6,794	13,521	6,755
Minority interest in net earnings of subsidiary, net of tax	116	1,051	265
Net income	$ 38,331	$ 33,513	$ 30,166
Net income per share:			
Basic net income per share	$ 1.25	$ 1.11	$ 1.06
Diluted net income per share	$ 1.20	$ 1.04	$ 0.98
Shares used in computing basic net income per share	30,772	30,232	28,589
Shares used in computing diluted net income per share	31,884	32,224	30,893

See accompanying notes to the consolidated financial statements.

VIASAT, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Fiscal Years Ended		
	April 3, 2009	March 28, 2008	March 30, 2007
		(In thousands)	
Cash flows from operating activities:			
Net income	$ 38,331	$ 33,513	$ 30,166
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	18,658	15,972	14,188
Amortization of intangible assets	9,952	12,069	12,667
Provision for bad debts	377	501	1,215
Deferred income taxes	(5,285)	488	(10,337)
Incremental tax benefits from stock-based compensation	(346)	(977)	(3,324)
Stock compensation expense	9,837	7,123	4,987
Minority interest	253	1,166	287
Other non-cash adjustments	236	779	805
Increase (decrease) in cash resulting from changes in operating assets and liabilities, net of effects of acquisitions:			
Accounts receivable	(9,103)	(16,014)	5,223
Inventories	(5,338)	(13,976)	5,239
Other assets	(2,653)	(4,077)	(8,919)
Accounts payable	1,740	1,216	(11,558)
Accrued liabilities	2,654	8,347	24,862
Other liabilities	2,629	2,173	1,240
Net cash provided by operating activities	61,942	48,303	66,741
Cash flows from investing activities:			
Purchases of property, equipment and satellite	(117,194)	(22,765)	(15,452)
Payments related to acquisitions of businesses, net of cash acquired	(925)	(9,826)	(7,687)
Purchases of short-term investments held-to-maturity	—	(11,835)	—
Maturities of short-term investments held-to-maturity	—	11,835	117
Cash paid for patents, licenses and other assets	(8,028)	(2,582)	—
Net cash used in investing activities	(126,147)	(35,173)	(23,022)
Cash flows from financing activities:			
Proceeds from issuance of common stock	6,742	8,388	14,475
Purchase of common stock in treasury	(667)	(1,034)	—
Proceeds from issuance of secured borrowing	—	—	4,720
Payment on secured borrowing	(4,720)	—	—
Proceeds from sale of stock of majority-owned subsidiary	1,500	—	—
Incremental tax benefits from stock-based compensation	346	977	3,324
Proceeds from line of credit	10,000	—	—
Payments on line of credit	(10,000)	—	—
Net cash provided by financing activities	3,201	8,331	22,519
Effect of exchange rate changes on cash	(681)	370	384
Net (decrease) increase in cash and cash equivalents	(61,685)	21,831	66,622
Cash and cash equivalents at beginning of year	125,176	103,345	36,723
Cash and cash equivalents at end of year	$ 63,491	$ 125,176	$ 103,345
Supplemental information:			
Cash paid for interest	$ 413	$ 170	$ 541
Cash paid for income taxes, net	$ 13,287	$ 11,485	$ 11,565
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 acquisitions	$ —	$ 800	$ 14,762
Issuance of common stock in connection with acquisitions	$ —	$ 452	$ 29,605

See accompanying notes to the consolidated financial statements.

VIASAT, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME
(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 (Loss)	Total	Comprehensive Income
Balance at March 31, 2006	27,594,549	$ 3	$ 177,680	$ 85,803	—	—	$ (188)	$ 263,298	
Exercise of stock options	894,199	—	12,146	—	—	—	—	12,146	
Stock issued in connection with acquisitions of businesses, net of issuance costs	1,138,304	—	29,605	—	—	—	—	29,605	
Stock-based compensation expense	—	—	4,987	—	—	—	—	4,987	
Tax benefit from exercise of stock options	—	—	5,946	—	—	—	—	5,946	
Issuance of stock under Employee Stock Purchase Plan	106,344	—	2,329	—	—	—	—	2,329	
Net income	—	—	—	30,166	—	—	—	30,166	$ 30,166
Hedging transaction, net of tax	—	—	—	—	—	—	183	183	183
Foreign currency translation, net of tax	—	—	—	—	—	—	135	135	135
Comprehensive income									$ 30,484
Balance at March 30, 2007	29,733,396	$ 3	$ 232,693	$ 115,969	—	—	$ 130	$ 348,795	
Cumulative effect of adopting FIN 48	—	—	—	(342)	—	—	—	(342)	
Exercise of stock options	386,189	—	5,701	—	—	—	—	5,701	
Stock issued in connection with acquisitions of businesses, net of issuance costs	14,424	—	452	—	—	—	—	452	
Stock issued as additional consideration in connection with acquisition of a business, net of issuance costs	170,763	—	5,631	—	—	—	—	5,631	

	Common Stock Number of Shares Issued	Common Stock Amount	Paid-in Capital	Retained Earnings	Common Stock in Treasury Number of Shares	Common Stock in Treasury Amount	Accumulated Other Comprehensive Income (Loss)	Total	Comprehensive Income
Stock-based compensation expense	—	—	7,123	—	—	—	—	7,123	
Tax benefit from exercise of stock options and release of restricted stock unit (RSU) awards	—	—	1,569	—	—	—	—	1,569	
Issuance of stock under Employee Stock Purchase Plan	101,668	—	2,687	—	—	—	—	2,687	
RSU awards vesting	94,165	—	—	—	—	—	—	—	
Purchase of treasury shares pursuant to vesting of certain RSU agreements	—	—	—	—	(33,238)	$ (1,034)	—	(1,034)	
Net income	—	—	—	33,513	—	—	—	33,513	$ 33,513
Foreign currency translation, net of tax	—	—	—	—	—	—	45	45	45
Comprehensive income									$ 33,558
Balance at March 28, 2008	30,500,605	$ 3	$ 255,856	$ 149,140	(33,238)	$ (1,034)	$ 175	$ 404,140	
Exercise of stock options	337,276	—	3,619	—	—	—	—	3,619	
Stock-based compensation expense	—	—	9,837	—	—	—	—	9,837	
Tax benefit from exercise of stock options and release of restricted stock unit (RSU) awards	—	—	667	—	—	—	—	667	
Issuance of stock under Employee Stock Purchase Plan	182,024	—	3,123	—	—	—	—	3,123	
RSU awards vesting	94,181	—	—	—	—	—	—	—	

	Common Stock		Paid-in Capital	Retained Earnings	Common Stock in Treasury		Accumulated Other Comprehensive Income (Loss)	Total	Comprehensive Income
	Number of Shares Issued	Amount			Number of Shares	Amount			
Purchase of treasury shares pursuant to vesting of certain RSU agreements	—	—	—	—	(33,730)	(667)	—	(667)	
Net income	—	—	—	38,331	—	—	—	38,331	$ 38,331
Foreign currency translation, net of tax	—	—	—	—	—	—	(302)	(302)	(302)
Comprehensive income									$ 38,029
Balance at April 3, 2009	31,114,086	$ 3	$ 273,102	$ 187,471	(66,968)	$ (1,701)	$ (127)	$ 458,748	

See accompanying notes to the consolidated financial statements.

VIASAT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 — The Company and a Summary of Its Significant Accounting Policies

The company

ViaSat, Inc. (the “Company”) designs, produces and markets innovative satellite and other wireless communication and networking systems.

Principles of consolidation

The Company’s consolidated financial statements include the assets, liabilities and results of operations of TrellisWare Technologies, Inc., a majority-owned subsidiary of ViaSat. 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 ended 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 was 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.

Certain prior period amounts have been reclassified to conform to the current period presentation.

During the Company’s fiscal years 2007 and 2008, the Company completed the acquisitions of Enerdyne Technologies, Inc. (Enerdyne), Intelligent Compression Technologies, Inc. (ICT) and JAST, S.A. (JAST). The acquisitions were accounted for as purchases and accordingly, the operating results of Enerdyne, ICT and JAST have been included from the dates of acquisition in the Company’s consolidated financial statements.

Management estimates and assumptions

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, patents, orbital slots and orbital licenses, software development, property, equipment and satellite, long-lived assets, income taxes and valuation allowance on deferred tax assets.

Cash equivalents

Cash equivalents consist of highly liquid investments with original maturities of 90 days or less.

Short-term investments

The Company accounts for marketable securities in accordance with Statement of Financial Accounting Standards (SFAS) No. 115 (SFAS 115), “Accounting for Certain Investments in Debt and Equity Securities.” The Company determines the appropriate classification of all marketable securities as held-to-maturity, available-for-sale or trading at the time of purchase and re-evaluates such classification as of each balance sheet date. Throughout fiscal years 2009 and 2008, marketable securities consisted primarily of commercial paper with original maturities greater than 90 days at the date of purchase but less than one year. At April 3, 2009 the Company held no short-term investments. At March 28, 2008, the Company held investments in investment grade debt securities.

VIASAT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Management determines the appropriate classification of its investments in debt securities at the time of purchase and has designated all of its investments as held-to-maturity. Accordingly, the Company had recorded the related amounts at amortized cost as it had the intent and ability to hold the securities to maturity. The amortized cost of debt securities is adjusted for amortization of premiums and accretion of discounts from the date of purchase to maturity. Such amortization is included in interest income as an addition to or deduction from the coupon interest earned on the investments. The Company had no short-term investments as of April 3, 2009. The amortized cost of the Company's marketable securities approximated the fair value at March 28, 2008 and totaled less than $0.1 million.

The Company regularly monitors and evaluates the realizable value of its marketable securities. When assessing marketable securities for other-than-temporary declines in value, the Company considers factors including: how significant the decline in value is as a percentage of the original cost, how long the market value of the investment has been less than its original cost, the performance of the investee's stock price in relation to the stock price of its competitors within the industry, expected market volatility and the market in general, any news or financial information that has been released specific to the investee and the outlook for the overall industry in which the investee operates. If events and circumstances indicate that a decline in the value of these assets has occurred and is other-than-temporary, the Company records a charge to interest income. No such charges were incurred in fiscal year 2009 and fiscal year 2008.

Accounts receivable and unbilled accounts receivable

The Company records receivables at net realizable value including an allowance for estimated uncollectible accounts. The allowance for doubtful accounts is based on the Company's assessment of the collectability of customer accounts. The Company regularly reviews the allowance by considering factors such as historical experience, credit quality, the age of accounts receivable balances and current economic conditions that may affect a customer's ability to pay. Amounts determined to be uncollectible are charged or written off against the reserve.

Unbilled receivables consist of costs and fees earned and billable on contract completion or other specified events. Unbilled receivables are generally expected to be collected within one year.

Concentration of risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash equivalents, short-term investments, and trade accounts receivable which are generally not collateralized. The Company limits its exposure to credit loss by placing its cash equivalents and short-term investments with high credit quality financial institutions and investing in high quality short-term debt instruments. The Company establishes customer credit policies related to its accounts receivable based on historical collection experiences within the various markets in which the Company operates, number of days the accounts are past due and any specific information that the Company becomes aware of such as bankruptcy or liquidity issues of customers.

Revenues from the United States government comprised 36.0%, 30.4% and 30.9% of total revenues for fiscal years 2009, 2008 and 2007, respectively. Billed accounts receivable to the United States government as of April 3, 2009 and March 28, 2008 were 27.7% and 24.5%, respectively, of total billed receivables. In addition, two commercial customers comprised 10.3% and 7.8% of total revenues for fiscal year 2009, 6.7% and 8.9% of total revenues for fiscal year 2008, and 7.7% and 15.9% of total revenues for fiscal year 2007, respectively. Billed accounts receivable for these two commercial customers as of April 3, 2009 were 9.8% and 6.6% and as of March 28, 2008 were 5.4% and 13.1%, respectively, of total billed receivables. No other customer accounted for at least 10% of total revenues. The Company's five largest contracts generated approximately 34.8%, 44.1% and 46.4% of the Company's total revenues for the fiscal years ended April 3, 2009, March 28, 2008 and March 30, 2007, respectively.

The Company relies on a limited number of contract manufacturers to produce its products.

Inventory

Inventory is valued at the lower of cost or market, cost being determined by the weighted average cost method.

VIASAT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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.

Goodwill and intangible assets

SFAS 141, "Business Combinations," requires that all business combinations be accounted for using the purchase method. SFAS 141 also specifies criteria for recognizing and reporting intangible assets apart from goodwill; however, acquired workforce must be recognized and reported in goodwill. SFAS 142, "Goodwill and Other Intangible Assets," requires that intangible assets with an indefinite life should not be amortized until their life is determined to be finite, and all other intangible assets must be amortized over their useful life. SFAS 142 prohibits the amortization of goodwill and indefinite-lived intangible assets, but instead requires these assets to be tested for impairment in accordance with the provisions of SFAS 142 at least annually and more frequently upon the occurrence of specified events. In addition, all goodwill must be assigned to reporting units for purposes of impairment testing.

Patents, orbital slots and orbital licenses

The Company capitalizes the costs of obtaining or acquiring patents, orbital slots and orbital licenses. Amortization is provided for by the straight-line method over the shorter of the legal or estimated economic life. Patent filing, orbital slot and orbital license costs, which are included in other assets, were $4.4 million and $3.4 million at April 3, 2009 and March 28, 2008, respectively. Accumulated amortization was $0.2 million as of April 3, 2009 and March 28, 2008, respectively. Amortization expense was less than $0.1 million for each of the fiscal years ended April 3, 2009, March 28, 2008 and March 30, 2007, respectively. If a patent, orbital slot and orbital license is rejected, abandoned or otherwise invalidated, the unamortized cost is expensed in that period. During fiscal year 2009, fiscal year 2008 and fiscal year 2007, the Company did not write off any costs due to abandonment or impairment.

Software development

Costs of developing software for sale are charged to research and development expense when incurred, until technological feasibility has been established. Software development costs incurred from the time technological feasibility is reached until the product is available for general release to customers are capitalized and reported at the lower of unamortized cost or net realizable value. Once the product is available for general release, the software development costs are amortized based on the ratio of current to future revenue for each product with an annual minimum equal to straight-line amortization over the remaining estimated economic life of the product not to exceed five years. The Company capitalized $0.7 million of costs related to software developed for resale for fiscal year ended April 3, 2009. The Company capitalized no costs related to software development for resale for the fiscal years ended March 28, 2008 and March 30, 2007. Amortization expense of software development costs was $1.1 million for fiscal year 2009, $2.5 million for fiscal year 2008 and $3.1 million for fiscal year 2007.

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

In accordance with SFAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," the Company assesses potential impairments to 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. An impairment loss is recognized when the undiscounted cash flows expected to be generated by an asset (or group of assets) is less than its 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. No such impairments have been identified by the Company as of April 3, 2009.

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Impairment of goodwill

The Company accounts for its goodwill under SFAS 142. 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. 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 value below carrying value represents the amount of goodwill impairment. In accordance with SFAS 142 the Company tests 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.

The Company estimates the fair values of the related reporting units using discounted cash flows and other indicators of fair value. The forecast of future cash flows is based on the Company's best estimate of the future revenues and operating costs, based primarily on 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 goodwill impairment needs to be recorded.

The cash flow forecasts are adjusted using an appropriate discount rate and other indicators of fair value.

Acquisitions

On August 2, 2007, the Company completed the acquisition of all of the outstanding capital stock of JAST, a Switzerland based, privately-held developer of microwave circuits and antennas for terrestrial and satellite applications, specializing in small, low-profile antennas for mobile satellite communications. The acquisition was accounted for as a purchase and accordingly, the consolidated financial statements include the operating results of JAST from the date of acquisition in the Company's commercial networks segment.

On February 16, 2007, the Company completed the acquisition of all of the outstanding capital stock of ICT, a privately-held provider of data compression techniques, advanced transport protocols and application optimization to increase the speeds of either narrowband or broadband terrestrial, wireless or satellite services to corporations, internet service providers (ISPs) and satellite/wireless carriers. The acquisition was accounted for as a purchase and accordingly, the consolidated financial statements include the operating results of ICT from the date of acquisition in the Company's commercial networks segment.

On June 20, 2006, the Company completed the acquisition of all of the outstanding capital stock of Enerdyne, a privately-held provider of innovative data link equipment and digital video systems for defense and intelligence markets, including UAV and other airborne and ground based applications. The acquisition was accounted for as a purchase and accordingly, the consolidated financial statements include the operating results of Enerdyne from the date of acquisition in the Company's government systems segment.

Warranty reserves

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 twelve months are classified as a current liability.

Fair value of financial instruments

The carrying amounts of the Company's financial instruments, including cash equivalents, short-term investments, trade receivables, accounts payable and accrued liabilities, approximate their fair values due to their short-term maturities. The estimated fair value of the Company's long-term secured borrowing is determined by using available market information for those securities or similar financial instruments.

Payable to former stockholders of acquired business

On August 2, 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, of which \$0.5

million was payable in cash and $0.3 million was payable in stock or cash, at the Company's election. Accordingly, in August 2008, the Company paid approximately $0.8 million in cash to the former stockholders of JAST.

As of April 3, 2009, in connection with the Company's acquisition of JAST, the Company owed $0.2 million in additional consideration to the former stockholders of JAST, which was accrued and recorded as additional goodwill in the commercial networks segment as of April 3, 2009. Accordingly, On April 30, 2009, the Company paid $0.2 million of additional cash consideration to the former stockholders of JAST.

As of March 30, 2007, in connection with the Company's Enerdyne acquisition and under the terms of the Enerdyne acquisition agreement, the Company owed an additional consideration amount to the former Enerdyne stockholders in the amount of $5.9 million, which was accrued and recorded as additional goodwill in the government systems segment as of March 30, 2007. The $5.9 million was payable in cash and stock in accordance with certain terms of the agreement, in May 2007. Accordingly, on May 3, 2007, the Company paid $5.9 million of additional consideration to the former stockholders of Enerdyne, which was comprised of 170,763 shares of common stock and approximately $0.3 million in cash.

On May 23, 2006, in connection with the Company's ECC acquisition, the Company agreed under the terms of the ECC acquisition agreement to pay the maximum additional consideration amount to the former ECC stockholders in the amount of $9.0 million, which was accrued as of March 30, 2007. The $9.0 million was payable in cash or stock, at the Company's option, in May 2007. Accordingly, on May 30, 2007, the Company paid approximately $9.0 million of additional cash consideration to the former stockholders of ECC. The additional purchase price consideration of $9.0 million was recorded as additional goodwill in the commercial networks segment in the first quarter of fiscal year 2007.

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 April 3, 2009 and March 28, 2008 of $1.4 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 April 3, 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 had recorded a current asset of approximately $4.5 million as of March 28, 2008. During the fourth quarter of fiscal year 2009, the Company entered into certain agreements with the note receivable insurance carrier providing the Company approximately $1.7 million in cash payments. Additionally, pursuant to these agreements, the Company reclassified the balance of the note receivable insurance agreement as a current asset of approximately $1.7 million and a long-term asset of approximately $1.5 million as of April 3, 2009.

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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 April 3, 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, TrellisWare, owned by the minority stockholders 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 Company's 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 stockholders of the consolidated subsidiary. All earnings (losses), net of tax, are allocated to the stockholders 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 stockholders are recorded as minority interest in net earnings (losses) of subsidiary, net of tax, in the accompanying consolidated statements of operations.

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 fiscal years 2009 and 2008, the Company delivered 94,181 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 33,730 and 33,238 shares of common stock with a total value of $0.7 million and $1.0 million during fiscal year 2009 and fiscal year 2008, respectively. Repurchased shares of common stock of 66,968 and 33,238 were held in treasury as of April 3, 2009 and March 28, 2008, respectively.

Derivatives

On January 3, 2009, the beginning of the Company's fourth quarter of fiscal year 2009, the Company adopted the disclosure requirement of 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 133, "Accounting for Derivative Instruments and Hedging Activities," 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. The Company adopted SFAS 161 in the fourth quarter of fiscal year 2009 without a material impact to its disclosures.

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.

In fiscal years 2009, 2008 and 2007, the Company settled certain foreign exchange contracts and recognized a loss of $0.3 million, a gain of $0.2 million and a loss of $0.1 million, respectively, recorded in cost of revenues based on the nature of the underlying transactions. The Company had no foreign currency forward contracts outstanding at April 3, 2009 and March 28, 2008.

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Foreign currency

In general, the functional currency of a foreign operation is deemed to be the local country's currency. Consequently, assets and liabilities of operations outside the United States are generally translated into United States dollars, and the effects of foreign currency translation adjustments are included as a component of accumulated other comprehensive income (loss) within stockholders' equity.

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. In fiscal years 2009, 2008 and 2007, the Company recorded losses of approximately $5.4 million, $7.9 million and $4.5 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 (SAB) No. 104 (SAB 104). 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 Emerging Issues Task Force 00-21 (EITF 00-21), "Accounting for Multiple Element Revenue Arrangements," and recognized when the applicable revenue recognition criteria for each element have 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.

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.

Stock-based payments

Under SFAS 123R, "Share-Based Payment," stock-based compensation cost is measured at the grant date, based on the estimated fair value of the award, and is recognized as expense over the employee's requisite service period. The Company has no awards with market or performance conditions. The Company adopted the provisions of SFAS 123R using a modified prospective application. The valuation provisions of SFAS 123R apply to new awards and to awards that are outstanding on the effective date, which are subsequently modified or cancelled. Estimated compensation expense for awards outstanding at the effective date will be recognized over the remaining service period using the compensation cost calculated for pro forma disclosure purposes under FAS 123, "Accounting for Stock-Based Compensation."

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On April 3, 2009, the Company had one principal equity compensation plan and employee stock purchase plan described below. The compensation cost that has been charged against income for the equity plan under SFAS 123R was $8.7 million, $6.3 million and $3.1 million, and for the stock purchase plan was $1.1 million, $0.8 million and $0.8 million, for the fiscal years ended April 3, 2009, March 28, 2008 and March 30, 2007, respectively. The total income tax benefit recognized in the income statement for stock-based compensation arrangements under SFAS 123R was $3.5 million, $2.6 million and $1.3 million for fiscal years 2009, 2008 and 2007, respectively. There was no compensation cost capitalized as part of inventory and fixed assets for fiscal years 2009, 2008 and 2007.

As of April 3, 2009, there was total unrecognized compensation cost related to unvested stock-based compensation arrangements granted under the Equity Participation Plan (including stock options and restricted stock units) and the Employee Stock Purchase Plan of $19.6 million and $0.3 million, respectively. These costs are expected to be recognized over a weighted average period of 2.1 years, 2.8 years and less than six months for stock options, restricted stock units and the Employee Stock Purchase Plan, respectively. The total fair value of shares vested during the fiscal years ended April 3, 2009, March 28, 2008 and March 30, 2007, including stock options and restricted stock units, was $6.3 million, $6.8 million and $3.5 million, respectively.

Stock options and employee stock purchase plan. The Company's employee stock options have simple vesting schedules typically ranging from three to five years. The weighted average estimated fair value of employee stock options granted and employee stock purchase plan shares issued during the fiscal year 2009 was $7.24 and $6.70 per share, respectively, during fiscal year 2008 was $10.00 and $8.66 per share, respectively, and during the fiscal year 2007 was $11.99 and $7.03 per share, respectively, using the Black-Scholes model with the following weighted average assumptions (annualized percentages):

	Employee Stock Options			Employee Stock Purchase Plan		
	2009	2008	2007	2009	2008	2007
Volatility	38.9%	38.9%	48.0%	54.6%	37.1%	34.5%
Risk-free interest rate	2.7%	3.7%	4.8%	1.2%	4.1%	5.2%
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Weighted average expected life	4.1 years	4.2 years	4.5 years	0.5 years	0.5 years	0.5 years

The Company's expected volatility is a measure of the amount by which our stock price is expected to fluctuate over the expected term of the stock-based award. The estimated volatilities for stock options are based on the historical volatility calculated using the daily stock price of our stock over a recent historical period equal to the expected term. The risk-free interest rate that the Company uses in determining the fair value of its stock-based awards is based on the implied yield on United States Treasury zero-coupon issues with remaining terms equivalent to the expected term of its stock-based awards.

The expected life of employee stock options represents the calculation using the simplified method consistent with the guidance in the SEC's SAB 107, "Share-Based Payment." In December 2007, the SEC issued SAB 110, "Year-End Help For Expensing Employee Stock Options," to amend the SEC's views discussed in SAB 107 regarding the use of the simplified method in developing an estimate of the expected life of stock options in accordance with SFAS 123R. Due to significant changes in the Company's option terms in October of 2006, the Company will continue to use the simplified method until it has the historical data necessary to provide a reasonable estimate of expected life in accordance with SAB 107, as amended by SAB 110. For the expected option life, the Company has what SAB 107 defines as "plain-vanilla" stock options, and therefore used a simple average of the vesting period and the contractual term for options as permitted by SAB 107. The expected term or life of employee stock purchase rights issued represents the expected period of time from the date of grant to the estimated date that the stock purchase right under our Employee Stock Purchase Plan would be fully exercised.

A summary of employee stock option activity for fiscal year 2009 is presented below:

	Number of Shares	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value (In thousands)
Outstanding at March 28, 2008	5,641,225	$ 19.63		
Options granted	280,800	21.04		
Options canceled	(135,700)	24.86		
Options exercised	(337,276)	10.73		
Outstanding at April 3, 2009	5,449,049	$ 20.12	3.60	$ 20,970
Vested and exercisable at April 3, 2009	4,580,935	$ 19.19	3.46	$ 20,177

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The total intrinsic value of stock options exercised during the fiscal years 2009, 2008 and 2007 was $3.9 million, $6.8 million and $15.1 million, respectively.

Restricted stock units. Restricted stock units represent a right to receive shares of common stock at a future date determined in accordance with the participant's award agreement. There is no exercise price and no monetary payment required for receipt of restricted stock units or the shares issued in settlement of the award. Instead, consideration is furnished in the form of the participant's services to the Company. Restricted stock units generally vest over four years. Compensation cost for these awards is based on the fair value on the date of grant and recognized as compensation expense on a straight-line basis over the requisite service period. For fiscal years 2009, 2008 and 2007 the Company recognized $4.8 million, $2.4 million and $1.2 million, respectively, in stock-based compensation expense related to these restricted stock unit awards. At April 3, 2009, there was $13.2 million remaining in unrecognized compensation expense related to these awards, which is expected to be recognized over a weighted average period of 2.8 years.

The per unit weighted average grant date fair value of restricted stock units granted during fiscal years 2009, 2008 and 2007 was $20.41, $25.66 and $26.15, respectively. A summary of restricted stock unit activity for fiscal year 2009 is presented below:

	Restricted Stock Units	Weighted Average Remaining Contractual Term in Years	Aggregate Intrinsic Value (In thousands)
Outstanding at March 28, 2008	300,909		
Awarded	637,200		
Forfeited	(29,717)		
Released	(94,181)		
Outstanding at April 3, 2009	814,211	1.53	$ 18,572
Vested and deferred at April 3, 2009	4,585	—	$ 105

During fiscal year 2009, 94,181 restricted stock units vested with a total intrinsic value of $1.9 million. During fiscal year 2008, 94,165 restricted stock units vested with a total intrinsic value of $2.9 million. As of March 30, 2007, there were no restricted stock units vested, therefore, the total intrinsic value of vested restricted stock units during the fiscal year 2007 was $0.

As stock-based compensation expense recognized in the consolidated statement of operations for the fiscal years 2009 and 2008 is based on awards ultimately expected to vest, it has been reduced for estimated forfeitures. SFAS 123R requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

Total stock-based compensation expense recognized in accordance with SFAS 123R was as follows:

	Fiscal Year Ended April 3, 2009	Fiscal Year Ended March 28, 2008	Year Ended March 30, 2007
	(In thousands, except per share data)		
Stock-based compensation expense before taxes	$ 9,837	$ 7,123	$ 4,987
Related income tax benefits	(3,518)	(2,557)	(1,764)
Stock-based compensation expense, net of taxes	$ 6,319	$ 4,566	$ 3,223

For the year ended March 30, 2007, the impact of stock-based compensation expense on basic and diluted earnings per share was $0.11 and $0.10, respectively.

For fiscal years 2009, 2008 and 2007, the Company recorded incremental tax benefits from stock options exercised and restricted stock unit award vesting of $0.3 million, $1.0 million and $3.3 million, respectively, which is classified as part of cash flows from financing activities in the consolidated statements of cash flows.

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Independent research and development

Independent research and development, which is not directly funded by a third party, is expensed as incurred. Independent research and development expenses consist primarily of salaries and other personnel-related expenses, supplies, prototype materials and other expenses related to research and development programs.

Rent expense, deferred rent obligations and deferred lease incentives

The Company leases all of its facilities under operating leases. Some of these lease agreements contain tenant improvement allowances funded by landlord incentives, rent holidays and rent escalation clauses. Accounting principles generally accepted in the United States require rent expense to be recognized on a straight-line basis over the lease term. The difference between the rent due under the stated periods of the lease compared to that of the straight-line basis is recorded as deferred rent within accrued and other long-term liabilities in the consolidated balance sheet.

For purposes of recognizing landlord incentives and minimum rental expenses on a straight-line basis over the terms of the leases, the Company uses the date that it obtains the legal right to use and control the leased space to begin amortization, which is generally when the Company enters the space and begins to make improvements in preparation of occupying new space. For tenant improvement allowances funded by landlord incentives and rent holidays, the Company records a deferred lease incentive liability in accrued and other long-term liabilities on the consolidated balance sheet and amortizes the deferred liability as a reduction to rent expense on the consolidated statement of operations over the term of the lease.

Certain lease agreements contain rent escalation clauses which provide for scheduled rent increases during the lease term or for rental payments commencing at a date other than the date of initial occupancy. Such “stepped” rent expense is recorded in the consolidated statement of operations on a straight-line basis over the lease term.

At April 3, 2009 and March 28, 2008, deferred rent included in accrued liabilities in our consolidated balance sheets was $0.4 million and $0.3 million, respectively, and deferred rent included in other long-term liabilities in our consolidated balance sheets was $6.2 million and $4.4 million, respectively.

Income taxes

On March 31, 2007, the Company adopted the provisions of 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 109, “Accounting for Income Taxes.” 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 is greater than fifty percent likely of being realized upon ultimate settlement. Our policy is to recognize interest expense and penalties related to income tax matters as a component of income tax expense.

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.

Earnings per share

Basic earnings per share is computed based upon the weighted average number of common shares outstanding during the period. Diluted earnings per share is based upon the weighted average number of common shares outstanding and potential common stock, if dilutive during the period. 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, common shares expected to be issued under the Company's employee stock purchase plan, other conditions denoted in the Company's agreements with the predecessor stockholders of certain acquired companies at April 3, 2009, March 28, 2008 and March 30, 2007, and shares potentially issuable under the amended ViaSat 401(k) Profit Sharing Plan in connection with the Company's decision to pay a discretionary match in common stock or cash.

Segment reporting

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. Our Satellite Services segment is primarily comprised of our ViaSat-1 satellite, mobile broadband and enterprise VSAT services businesses. Our Commercial Networks segment comprises our former Satellite Networks and Antenna Systems segments, except for the Satellite Services segment. The Company's reporting segments, Government Systems, Commercial Networks and Satellite Services, are determined consistent with the way management currently organizes and evaluates financial information internally for making operating decisions and assessing performance. Prior periods have been recast to this new organizational and reporting structure.

Recent accounting pronouncements

In September 2006, the FASB issued 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 FSP SFAS 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 SFAS 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 (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 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 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 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

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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 April 2009, the FASB issued three FSPs to address concerns about measuring the fair value of financial instruments when the markets become inactive and quoted prices may reflect distressed transactions, recording impairment charges on investments in debt instruments and requiring the disclosure of fair value of certain financial instruments in interim financial statements. The first FSP, FSP SFAS 157-4, “Determining Whether a Market is Not Active and a Transaction is Not Distressed,” provides additional guidance to highlight and expand on the factors that should be considered in estimating fair value when there has been a significant decrease in market activity for a financial asset. The second FSP, FSP SFAS 115-2 and SFAS 124-2, “Recognition and Presentation of Other-Than-Temporary Impairments,” changes the method for determining whether an other-than-temporary impairment exists for debt securities and the amount of an impairment charge to be recorded in earnings. The third FSP, FSP SFAS 107-1 (FSP 107-1) and APB 28-1, “Interim Disclosures about Fair Value of Financial Instruments” increases the frequency of fair value disclosures from annual, to quarterly. All three FSPs are effective for interim periods ending after June 15, 2009, with the option for early adoption in interim periods ending after March 15, 2009. The Company did not choose to adopt early and does not expect that the adoption of the FSPs will have a material impact on its financial statements and disclosures.

Note 2 — Composition of Certain Balance Sheet Captions

	April 3, 2009	March 28, 2008
	(In thousands)	
Accounts receivable, net:		
Billed	$ 76,999	$ 92,516
Unbilled	87,469	63,278
Allowance for doubtful accounts	(362)	(310)
	$ 164,106	$ 155,484
Inventories:		
Raw materials	$ 33,607	$ 21,091
Work in process	14,876	8,883
Finished goods	17,079	30,352
	$ 65,562	$ 60,326
Prepaid expenses and other current assets:		
Prepaid expenses	$ 13,521	$ 9,537
Other	5,420	6,396
	$ 18,941	$ 15,933
Property, equipment and satellite, net:		
Machinery and equipment (estimated useful life 2-5 years)	$ 56,053	$ 51,067
Computer equipment and software (estimated useful life 3 years)	43,591	43,700
Furniture and fixtures (estimated useful life 7 years)	9,918	9,192
Leasehold improvements (estimated useful life 2-11 years)	17,573	13,849
Land	3,124	3,124
Satellite under construction	110,588	8,136
Construction in progress	5,272	3,501
	246,119	132,569
Less accumulated depreciation and amortization	(75,894)	(67,876)
	$ 170,225	$ 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	(65,034)	(56,212)
	$ 16,655	$ 25,477
Other assets:		
Capitalized software costs, net	$ 672	$ 1,091
Patents, orbital slots and other licenses, net	4,144	3,188
Deferred income taxes	13,771	10,169
Other	13,222	4,443
	$ 31,809	$ 18,891
Accrued liabilities:		
Current portion of warranty reserve	$ 6,853	$ 6,550
Secured borrowing and accrued interest	—	5,015
Accrued vacation	10,935	9,374
Accrued employee compensation	16,768	4,867
Collections in excess of revenues	26,811	37,252
Other	10,470	10,899
	$ 71,837	$ 73,957
Other liabilities:		
Accrued warranty	$ 4,341	$ 5,129

Unrecognized tax position liabilities	10,773	5,974
Deferred rent, long-term portion	6,191	4,387
Other	3,413	1,800
	$ 24,718	$ 17,290

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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 April 3, 2009:

	Fair value at April 3, 2009	Level 1	Level 2	Level 3
		(In thousands)		
Assets				
Cash equivalents	$ 2,029	$ 6	$ 2,023	$ —
Total assets measured at fair value on a recurring basis	$ 2,029	$ 6	$ 2,023	$ —

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. 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 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 April 3, 2009.

Note 4 — Accounting for Goodwill and Intangible Assets

The Company accounts for its goodwill under SFAS 142. 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 networks 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.

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The annual test of impairment as required by SFAS 142 was completed in the fourth quarter of our fiscal year. In applying the first step, which is identification of any impairment of goodwill as of the test date, no impairment of goodwill resulted. Since step two is required only if step one reveals an impairment, the Company was not required to complete step two and the annual impairment testing was complete.

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.

During the fourth quarter of fiscal year 2009, a $1.1 million adjustment reducing commercial networks segment goodwill was made related to pre-acquisition federal net operating loss carryovers with a corresponding adjustment to deferred tax assets. During the fourth quarter of 2009 a less than $0.1 million adjustment reducing our government systems segment goodwill related to certain deferred tax asset adjustments was made. As of April 3, 2009, JAST achieved financial results entitling the former JAST stockholders to $0.2 million of additional consideration. The $0.2 million payable outstanding at April 3, 2009, was paid on April 30, 2009 by the Company in cash in full settlement of all additional consideration provisions. The additional purchase price consideration of $0.2 million was recorded as additional commercial networks segment goodwill in the fourth quarter of fiscal year 2009.

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 $8.8 million, $9.6 million and $9.5 million for the fiscal years ended April 3, 2009, March 28, 2008 and March 30, 2007, respectively. The estimated amortization expense for the next five years is as follows:

	Amortization (In thousands)
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
Expected for fiscal year 2014	646
Thereafter	948
	$ 16,655

The allocation of the other acquired intangible assets and the related accumulated amortization as of April 3, 2009 and March 28, 2008 is as follows:

	As of April 3, 2009			As of March 28, 2008		
(In thousands)	Total	Accumulated Amortization	Net book Value	Total	Accumulated Amortization	Net book Value
Technology	$ 44,392	$ (35,288)	$ 9,104	$ 44,392	$ (29,529)	$ 14,863
Contracts and relationships	18,898	(13,030)	5,868	18,898	(10,868)	8,030
Non-compete agreements	9,076	(8,585)	491	9,076	(8,311)	765
Other amortizable assets	9,323	(8,131)	1,192	9,323	(7,504)	1,819
Total other acquired intangible assets	$ 81,689	$ (65,034)	$ 16,655	$ 81,689	$ (56,212)	$ 25,477

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Note 5 — 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 earnings before interest, taxes, depreciation and amortization (EBITDA). The Credit Facility is collateralized by substantially all of the Company's personal property. At April 3, 2009, the Company had $6.2 million outstanding under standby letters of credit, leaving borrowing availability under the Credit Facility of $78.8 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, 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 April 3, 2009.

Note 6 — Common Stock and Stock Plans

In April 2007, the Company filed a new universal shelf registration statement with the 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 the Company's universal shelf registration statements up to an aggregate of $400.0 million. The securities may be offered from time to time, separately or together, directly by the Company or through underwriters at amounts, prices, interest rates and other terms to be determined at the time of the offering.

In November 1996, the Company adopted the 1996 Equity Participation Plan. The 1996 Equity Participation Plan provides for the grant to executive officers, other key employees, consultants and non-employee directors of the Company a broad variety of stock-based compensation alternatives such as nonqualified stock options, incentive stock options, restricted stock and performance awards. From November 1996 to October 2008 through various amendments of the 1996 Equity Participation Plan, the Company increased the maximum number of shares reserved for issuance under this plan from 2,500,000 shares to 12,600,000 shares. The Company believes that such awards better align the interests of its employees with those of its stockholders. Shares of the Company's common stock granted under the Plan in the form of stock options or stock appreciation right are counted against the Plan share reserve on a one for one basis. Shares of the Company's common stock granted under the Plan as an award other than as an option or as a stock appreciation right with a per share purchase price lower than 100% of fair market value on the date of grant are counted against the Plan share reserve as two shares for each share of common stock. Option awards are granted with an exercise price equal to the market price of the Company's stock at the date of grant; those option awards generally vest based on three to five years of continuous service and have terms from six to ten years. Restricted stock units are granted to eligible employees and directors and represent rights to receive shares of common stock at a future date. As of April 3, 2009, the Company had granted options and restricted stock units, net of cancellations, to purchase 8,426,391 and 1,002,557 shares of common stock, respectively, under the Plan.

In November 1996, the Company adopted the ViaSat, Inc. Employee Stock Purchase Plan (the "Employee Stock Purchase Plan") to assist employees in acquiring a stock ownership interest in the Company and to encourage them to remain in the employment of the Company. The Employee Stock Purchase Plan is intended to qualify under Section 423 of the Internal Revenue Code. In September 2005, the Company amended the Employee Stock Purchase Plan to increase the maximum number of shares reserved for issuance under this plan from 1,000,000 shares to 1,500,000 shares. The Employee Stock Purchase Plan permits eligible employees to purchase common stock at a discount through payroll deductions during specified six-month offering periods. No employee may purchase more than $25,000 worth of stock in any calendar year. The price of shares purchased under the Employee Stock Purchase Plan is equal to 85% of the fair market value of the common stock on the first or last day of the offering period, whichever is lower. As of April 3, 2009, the Company had issued 1,382,274 shares of common stock under this plan.

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Transactions related to the Company's stock options are summarized as follows:

	Number of Shares	Exercise Price per Share	Weighted Average Exercise Price per Share
Outstanding at March 31, 2006	5,700,146	$4.25 — $43.82	$16.70
Options granted	928,850	23.85 — 33.68	26.68
Options canceled	(55,244)	5.03 — 28.91	20.63
Options exercised	(894,199)	4.25 — 27.94	13.58
Outstanding at March 30, 2007	5,679,553	4.70 — 43.82	18.78
Options granted	401,950	19.74 — 32.62	27.56
Options canceled	(54,089)	5.03 — 32.62	24.73
Options exercised	(386,189)	5.03 — 28.91	14.76
Outstanding at March 28, 2008	5,641,225	4.70 — 43.82	19.63
Options granted	280,800	19.05 — 27.27	21.04
Options canceled	(135,700)	10.73 — 33.68	24.86
Options exercised	(337,276)	4.70 — 22.03	10.73
Outstanding at April 3, 2009	5,449,049	$5.03 — $43.82	$20.12

All options issued under the Company's stock option plans have an exercise price equal to the fair market value of the Company's stock on the date of the grant.

The following table summarizes all options outstanding and exercisable by price range as of April 3, 2009:

Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life-Years	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$5.03 — $10.73	661,228	3.04	$ 9.59	660,707	$ 9.60
11.08 — 15.54	576,048	2.56	13.60	576,048	13.60
15.55 — 18.71	363,084	4.16	17.53	363,084	17.53
18.73 — 18.73	623,716	5.49	18.73	623,716	18.73
18.97 — 21.02	736,300	5.06	20.49	466,875	20.73
21.75 — 22.00	101,000	5.05	21.92	41,000	21.79
22.03 — 22.03	842,350	1.48	22.03	842,350	22.03
22.10 — 26.13	430,290	4.43	24.13	380,540	24.01
26.15 — 26.15	565,500	3.47	26.15	286,636	26.15
26.16 — 43.82	549,533	3.40	29.81	339,979	29.23
$5.03 — $43.82	5,449,049	3.60	$20.12	4,580,935	$19.19

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Transactions related to the Company's RSUs are summarized as follows:

	Number of Restricted Stock Units
Outstanding at March 30, 2007	389,514
Awarded	12,900
Forfeited	(7,340)
Released	(94,165)
Outstanding at March 28, 2008	300,909
Awarded	637,200
Forfeited	(29,717)
Released	(94,181)
Outstanding at April 3, 2009	814,211

All RSUs awarded under the Company's stock plans have an exercise price equal to zero.

Note 7 — Shares Used in Earnings Per Share Calculations

	Fiscal Years Ended		
	April 3, 2009	March 28, 2008	March 30, 2007
Weighted average common shares outstanding used in calculating basic net income per share	30,771,698	30,231,925	28,589,144
Weighted average options to purchase common stock as determined by application of the treasury stock method	944,110	1,835,023	2,129,238
Weighted average restricted stock units to acquire common stock as determined by application of the treasury stock method	129,550	96,198	17,804
Weighted average contingently issuable shares in connection with certain terms of the JAST acquisition agreement	5,017	9,803	—
Weighted average contingently issuable shares in connection with certain terms of the Enerdyne acquisition agreement	—	15,482	138,264
Weighted average potentially issuable shares in connection with certain terms of the amended Viasat 401(k) Profit Sharing Plan	1,204	—	—
Employee Stock Purchase Plan equivalents	32,028	35,259	18,988
Shares used in computing diluted net income per share	31,883,607	32,223,690	30,893,438

Antidilutive shares relating to stock options excluded from the calculation were 2,771,573, 986,136 and 511,253 shares for the fiscal years ended April 3, 2009, March 28, 2008, and March 30, 2007, respectively. Antidilutive shares relating to restricted stock units excluded from the calculation were 8,490 and 1,854 for the fiscal years ended April 3, 2009 and March 28, 2008. For the fiscal year ended March 30, 2007, there were no antidilutive shares relating to restricted stock units excluded from the calculation.

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Note 8 — Income Taxes

The provision for income taxes includes the following:

	Fiscal Years Ended April 3, 2009	March 28, 2008 (In thousands)	March 30, 2007
Current tax provision			
Federal	$ 13,021	$ 15,233	$ 10,781
State	3,644	1,650	191
Foreign	215	214	137
	16,880	17,097	11,109
Deferred tax benefit			
Federal	(5,059)	(2,064)	(3,269)
State	(5,005)	(1,512)	(1,085)
Foreign	(22)	—	—
	(10,086)	(3,576)	(4,354)
Total provision for income taxes	$ 6,794	$ 13,521	$ 6,755

Significant components of the Company's net deferred tax assets are as follows:

	As of April 3, 2009	March 28, 2008 (In thousands)
Deferred tax assets:		
Tax credit carryforwards	$ 14,768	$ 10,828
Warranty reserve	4,469	4,612
Accrued compensation	6,972	2,873
Deferred rent	2,606	1,850
Inventory reserve	1,666	1,271
Stock compensation	5,915	3,433
Contract accounting	5,939	4,750
Other	2,702	1,217
Valuation allowance	(2,062)	(969)
Total deferred tax assets	42,975	29,865
Deferred tax liabilities:		
Property, equipment and intangible assets	2,481	1,032
Total deferred tax liabilities	2,481	1,032
Net deferred tax assets	$ 40,494	$ 28,833

A reconciliation of the provision for income taxes to the amount computed by applying the statutory federal income tax rate to income before income taxes is as follows:

	Fiscal Years Ended April 3, 2009	March 28, 2008 (In thousands)	March 30, 2007
Tax expense at federal statutory rate	$ 15,834	$ 16,830	$ 13,016
State tax provision, net of federal benefit	2,545	2,071	1,595
Tax credits	(10,017)	(5,604)	(7,727)
Manufacturing deduction	(920)	(659)	(248)
Other	(648)	883	119
Total provision for income taxes	$ 6,794	$ 13,521	$ 6,755

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As of April 3, 2009, the Company had federal and state research credit carryforwards of approximately $5.4 million and $14.4 million, respectively, that begin to expire in fiscal year 2027 and fiscal year 2020, respectively.

In accordance with SFAS 109, 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. A valuation allowance of $2.1 million at April 3, 2009 and $1.0 million at March 28, 2008 has been established relating to state net operating loss carryforwards and research credit carryforwards that, based on management's estimate of future taxable income attributable to certain states and generation of additional research credits, are considered more likely than not to expire unused.

In fiscal year 2009, approximately $1.1 million of deferred tax assets related to pre-acquisition federal net operating loss carryovers were increased with a corresponding adjustment to decrease goodwill.

There is approximately $4.1 million of pre-acquisition state net operating loss carryovers related to the acquisition of ICT. The future tax benefits of these losses have not been recognized as deferred tax assets nor shown in the deferred tax table presented above based upon the uncertainty of future taxable income attributable to Massachusetts. To the extent these assets are recognized in the future, the adjustment will be applied as a reduction of the income tax provision.

On March 31, 2007, the Company adopted the provisions of FIN 48. The Company recorded a cumulative change of $0.3 million as a decrease to retained earnings.

The following table summarizes the activity related to our unrecognized tax benefits:

(In thousands)	
Balance at March 28, 2008	$ 30,691
Decrease related to prior year tax positions	(717)
Increases related to current year tax positions	8,880
Statute expirations	(937)
Settlements	—
Balance at April 3, 2009	$ 37,917

Of the total unrecognized tax benefits at April 3, 2009, approximately $23.6 million would reduce our annual effective tax rate if recognized.

Included in the balance at April 3, 2009 are $9.6 million of tax positions for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. Because of the impact of deferred tax accounting, other than interest and penalties, the disallowance of the shorter deductibility period would not affect the annual effective tax rate but would accelerate the payment of cash to the taxing authority to an earlier period.

In the next twelve months it is reasonably possible that the amount of unrecognized tax benefits will decrease by approximately $3.0 million as a result of the expiration of the statute of limitations or settlements with tax authorities for previously filed tax returns.

The Company is subject to periodic audits by domestic and foreign tax authorities. The Internal Revenue Service ("IRS") examination of our United States federal tax returns for fiscal years 2001-2004 was completed in the fourth quarter of fiscal year 2006 and agreement was reached with the IRS on the proposed adjustments. There was no material impact on income taxes or interest resulting from these audits and we consider those fiscal years to be effectively settled under FIN 48. By statute, our United States federal returns are subject to examination by the IRS for fiscal years 2006 through 2008. Additionally, tax credit carryovers that were generated in prior years and utilized in these years may also be subject to examination by the IRS. In July 2007, the IRS commenced an examination of our fiscal year 2006 federal income tax return. With few exceptions, the fiscal years 2005 to 2008 remain open to examination by state and foreign taxing jurisdictions. The Company believes that it has appropriate support for the income tax positions taken on its tax returns and its accruals for tax liabilities are adequate for all open years based on an assessment of many factors, including past experience and interpretations. The Company's policy is to recognize interest expense and penalties related to income tax matters as a component of income tax expense. There was $1.1 million of accrued interest and penalties associated with uncertain tax positions as of April 3, 2009. A decrease of $0.1 million of interest and penalties was recorded in the period ended April 3, 2009.

Note 9 — Employee Benefits

The Company is a sponsor of a voluntary deferred compensation plan under Section 401(k) of the Internal Revenue Code which was amended during the fourth quarter of fiscal year 2009. Under the amended plan, the Company may make discretionary contributions to the plan which vest over six years. The Company's discretionary matching contributions to the plan are based on the amount of employee contributions and can be made in cash or the Company's common stock at the Company's election. If the Company had elected to settle the discretionary contributions liability in stock, 223,257 of the maximum 250,000 shares of common stock approved at this time would have been issued based on the April 3, 2009 common stock closing price. Discretionary contributions accrued by the Company during fiscal years 2009, 2008, 2007 amounted to $5.1 million, $4.7 million and $3.9 million, respectively.

Note 10 — Commitments

In January 2008, the Company entered into several agreements with Space Systems/Loral (SS/L), Loral Space & Communications (Loral) and Telesat Canada (Telesat) related to the Company's 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. 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). The Company has entered into a beam sharing agreement with Loral, whereby Loral has agreed to reimburse the Company for 15% of the total costs associated with launch and launch insurance, for which the reimbursement amount is estimated to be approximately $20.7 million, and in-orbit insurance and satellite operating costs post launch.

In November 2008, the Company entered into a launch services agreement with Arianespace to procure launch services for the ViaSat-1 satellite at a cost estimated to be $107.8 million, depending on the mass of the satellite at launch. In March 2009, the Company substituted ILS International Launch Services, Inc. for Arianespace as the primary provider of launch services for ViaSat-1, and accordingly, the Company entered into a contract for launch services with ILS to procure launch services for the ViaSat-1 satellite at an estimated cost of $80.0 million, subject to certain adjustments.

On May 7, 2009, the Company entered into an Amended and Restated Launch Services Agreement with Arianespace where by, Arianespace has agreed to perform certain launch services to maintain the launch capability for the ViaSat-1 high-capacity satellite, should the need arise, or for launch services for a future ViaSat satellite launch prior to December 2015. This amendment and restatement also provides for certain cost adjustments depending on fluctuations in foreign currencies, mass of the satellite launched and launch period timing.

The Company leases office facilities under non-cancelable operating leases with initial terms ranging from one to eleven years which expire between fiscal year 2010 and fiscal year 2019 and provide for pre-negotiated fixed rental rates during the terms of the lease. Certain of the Company's facilities leases contain option provisions which allow for extension of the lease terms.

For operating leases, minimum lease payments, including minimum scheduled rent increases, are recognized as rent expense on a straight-line basis over the lease term as that term is defined in SFAS 13, "Accounting for Leases," as amended, including any option periods considered in the lease term and any periods during which the Company has use of the property but is not charged rent by a landlord ("rent holiday"). Leasehold improvement incentives paid to the Company by a landlord are recorded as a liability and amortized as a reduction of rent expense over the lease term. Total rent expense was $12.5 million, $10.2 million and $8.2 million in fiscal years 2009, 2008 and 2007, respectively.

Future minimum lease payments are as follows (in thousands):

Years Ending,	
2010	13,858
2011	15,180
2012	13,079
2013	12,305
2014	12,117
Thereafter	36,802
	$ 103,341

VIASAT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 11 — Contingencies

The Company is involved in a variety of claims, suits, investigations and proceedings arising in the ordinary course of business, including actions with respect to intellectual property claims, breach of contract claims, labor and employment claims, tax and other matters. Although claims, suits, investigations and proceedings are inherently uncertain and their results cannot be predicted with certainty, the Company believes that the resolution of its current pending matters will not have a material adverse effect on its business, financial condition, results of operations or liquidity.

Note 12 — 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 twelve 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 cost, the Company bases its estimates on its experience with the technology involved and the type 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 in fiscal years 2009, 2008 and 2007.

	Fiscal Years Ended		
	April 3, 2009	March 28, 2008 (In thousands)	March 30, 2007
Balance, beginning of period	$ 11,679	$ 9,863	$ 8,369
Change in liability for warranties issued in period	7,720	9,610	7,347
Settlements made (in cash or in kind) during the period	(8,205)	(7,794)	(5,853)
Balance, end of period	$ 11,194	$ 11,679	$ 9,863

Note 13 — 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. 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 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:

	Fiscal Years Ended		
	April 3, 2009	March 28, 2008 (In thousands)	March 30, 2007
Revenues			
Government Systems	$ 388,656	$ 319,538	$ 278,352
Commercial Networks	230,828	248,297	231,526
Satellite Services	8,695	6,815	6,688
Elimination of intersegment revenues	—	—	—
Total revenues	$ 628,179	$ 574,650	$ 516,566
Operating profits (losses)			
Government Systems	$ 57,019	$ 45,793	$ 42,795
Commercial Networks	63	9,802	4,279
Satellite Services	(3,978)	(2,851)	(1,699)
Elimination of intersegment operating profits	—	44	—
Segment operating profit before corporate and amortization	53,104	52,788	45,375
Corporate	5	(296)	(428)
Amortization of intangibles	(8,822)	(9,562)	(9,502)
Income from operations	$ 44,287	$ 42,930	$ 35,445

VIASAT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Amortization of acquired intangibles by segment for the fiscal years ended April 3, 2009, March 28, 2008 and March 30, 2007 was as follows:

(In thousands)	April 3, 2009	March 28, 2008	March 30, 2007
Government Systems	$ 1,088	$ 1,087	$ 2,009
Commercial Networks	7,734	8,475	7,493
Satellite Services	—	—	—
Total amortization of intangibles	$ 8,822	$ 9,562	$ 9,502

Assets identifiable to segments include: accounts receivable, unbilled accounts receivable, inventory, acquired intangible assets and goodwill. Segment assets as of April 3, 2009 and March 28, 2008 were as follows:

(In thousands)	April 3, 2009	March 28, 2008
Segment assets		
Government Systems	$ 145,568	$ 139,979
Commercial Networks	164,844	166,858
Satellite Services	1,278	1,016
Total segment assets	311,690	307,853
Corporate assets	311,252	243,241
Total assets	$ 622,942	$ 551,094

Net acquired intangible assets and goodwill included in segment assets as of April 3, 2009 and March 28, 2008 were as follows:

	Net intangible assets		Goodwill	
(In thousands)	April 3, 2009	March 28, 2008	April 3, 2009	March 28, 2008
Government Systems	$ 2,792	$ 3,880	$ 22,161	$ 22,191
Commercial Networks	13,863	21,597	43,268	44,216
Satellite Services	—	—	—	—
Total	$ 16,655	$ 25,477	$ 65,429	$ 66,407

Revenue information by geographic area for the fiscal years ended April 3, 2009, March 28, 2008 and March 30, 2007 was as follows:

	Fiscal Years Ended		
	April 3, 2009	March 28, 2008	March 30, 2007
		(In thousands)	
United States	$ 528,342	$ 472,151	$ 434,458
Europe, Middle East and Africa	49,024	40,472	33,930
Asia, Pacific	30,716	27,745	21,927
North America other than United States	14,840	28,638	16,706
Central and Latin America	5,257	5,644	9,545
	$ 628,179	$ 574,650	$ 516,566

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 and $0.4 million at April 3, 2009 and March 28, 2008, respectively.

VIASAT, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 14 — 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 $57.6 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 fiscal years ended April 3, 2009 and March 28, 2008, related to the construction of the Company's anticipated high-capacity satellite system, the Company paid $92.7 million and $3.8 million, respectively, to SS/L. The Company had outstanding payables related to SS/L as of April 3, 2009 and March 28, 2008 of $9.7 million and $3.8 million, respectively. In the normal course of business, the Company recognized $2.0 million, $11.1 million and $9.7 million of revenue related to Telesat Canada for the fiscal years ended April 3, 2009, March 28, 2008 and March 30, 2007. Accounts receivable due from Telesat Canada as of April 3, 2009 and March 28, 2008 were $2.7 million and $3.1 million, respectively.

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SCHEDULE II

VALUATION AND QUALIFYING ACCOUNTS
For the Three Fiscal Years Ended April 3, 2009

Date	Allowance for Doubtful Accounts (In thousands)
Balance, March 31, 2006	$ 265
Provision	1,215
Write-off	(266)
Balance, March 30, 2007	$ 1,214
Provision	501
Write-off	(1,405)
Balance, March 28, 2008	$ 310
Provision	377
Write-off	(325)
Balance, April 3, 2009	$ 362

Date	Deferred Tax Asset Valuation Allowance (In thousands)
Balance, March 31, 2006	$ 303
Provision	100
Write-off	—
Balance, March 30, 2007	$ 403
Provision	566
Write-off	—
Balance, March 28, 2008	$ 969
Provision	1,093
Write-off	—
Balance, April 3, 2009	$ 2,062

AMENDED AND RESTATED
LAUNCH SERVICES AGREEMENT
FOR THE LAUNCHING INTO
GEOSTATIONARY TRANSFER ORBIT
OF A VIASAT SATELLITE
BY AN ARIANE 5 LAUNCH VEHICLE

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

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PART I

TERMS AND CONDITIONS

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ANNEXES

PART I

TERMS AND CONDITIONS

RECITALS

WHEREAS CUSTOMER has approached ARIANESPACE with a view to launching a ViaSat Satellite through an Optional Launch 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.

Backup Launch means the Optional Launch as converted by the CUSTOMER in accordance with the terms of Paragraph 4, and ARTICLE 8 herein, in order to launch the ViaSat-1 satellite on an expedited basis.

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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.

Conversion Date means the date of receipt by ARIANESPACE of CUSTOMER's notification of its decision to convert the Optional Launch into either a Firm Launch or a Backup Launch.

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

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overcome using efforts (including work-around plans, alternate sources or other means) which 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 Optional Launch as converted by the CUSTOMER in accordance with Paragraph 4.4 and ARTICLE 8 herein, in order to launch a CUSTOMER Satellite.

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

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Satellite for CUSTOMER's intended communication purposes, using reasonable business judgment.

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 the terms 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.

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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.

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 means the Services ordered by CUSTOMER from ARIANESPACE as from the Effective Date of this Agreement which may be converted by CUSTOMER, into either a Firm Launch or a Backup Launch in accordance with the terms herein.

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.

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.

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<u>Refund Option</u> 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.

<u>Replacement Launch</u> 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.

<u>Satellite</u> (referred to as Spacecraft in Annex 1 to this Agreement) means the spacecraft supplied by CUSTOMER (following conversion of the Optional Launch as a Firm Launch or as a Backup Launch), that is compatible with the Launch Vehicle and the Launch Vehicle Mission, and that meets 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.

<u>Satellite Mission</u> means the mission assigned to the Satellite by CUSTOMER after separation from the Launch Vehicle.

<u>Services</u> means any and all services to be provided by ARIANESPACE under this Agreement.

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

<u>Third Party Customer(s) of ARIANESPACE</u> 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 Satellite upon conversion by CUSTOMER of the Optional Launch as a Firm Launch or as a Backup Launch, with such Satellite to be 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 perform the Services under this Agreement including:

4.1.1 Launch Services.

(i) 4.1.1.1 In consideration for providing the Deposit, as later defined, from EDC up to the earlier of the completion of the [***] or the Conversion Date, ARIANESPACE shall provide the services to integrate the ViaSat-1 satellite as set forth in Part 1, Part 2 and Part 4 of Annex 1 to this Agreement.

It is acknowledged by the Parties that upon completion of [***], ARIANESPACE shall not be obligated to continue such integration activities unless CUSTOMER converts the Optional Launch as a Backup Launch or a Firm Launch.

(ii) 4.1.1.2 Following conversion by CUSTOMER of the Optional Launch as a Firm Launch or as a Backup Launch, ARIANESPACE shall perform the services set forth in this Agreement and Annex 1 to this Agreement.

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 no later than [***] months following the Conversion Date.

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

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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.

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 Conversion

4.4.1 Option Conversion: Subject to the terms of ARTICLE 6, CUSTOMER shall have the possibility to convert the Optional Launch, either as a Backup Launch or as a Firm Launch, at any time by written notice to ARIANESPACE for a Launch with an initial Launch Period scheduled in accordance with the terms of Paragraph 6.1 of ARTICLE 6.

4.4.2 The Optional Launch 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 Launch after its Conversion Date, shall be subject to the terms of Paragraph 18.2 to this Agreement.

In case of non conversion of the Optional Launch either as a Backup Launch or as a Firm Launch on or prior to a date consistent with a Launch to take place in an initial Launch period scheduled in accordance with the terms of Paragraph 6.1 of ARTICLE 6 and taking into consideration the available Launch Opportunities, then CUSTOMER shall be considered to have terminated this Agreement for convenience and ARIANESPACE shall be entitled to keep the Deposit identified in Article 10.1.1 as its sole termination fee.

ARTICLE 5 — CUSTOMER’S TECHNICAL COMMITMENTS

5.1 In the event CUSTOMER converts the Optional Launch, 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 In the event CUSTOMER converts the Optional Launch, the Launch of the Satellite shall take place during the following Launch Period(s):

6.1.1 Firm Launch:

If CUSTOMER converts the Optional Launch as a Firm Launch, the Launch shall take place during a Launch Period to be mutually agreed upon between the PARTIES following the Conversion Date provided that, the first day of the requested Launch Period shall not be prior to [***] months following the Conversion Date, and being further agreed that the last day of the said Launch Period shall not be later than [***].

6.1.2 Backup Launch:

If CUSTOMER converts the Optional Launch as a Backup Launch, the Launch shall take place during a Launch Period to be determined by CUSTOMER and identified in CUSTOMER's conversion notice to ARIANESPACE, provided that:

(i) If CUSTOMER converts the Optional Launch as a Backup Launch on or before [***], the Launch Period shall be [***] 2011 through [***] 2011;

or

(ii) If CUSTOMER converts the Optional Launch as a Backup Launch after [***], ARIANESPACE shall use its reasonable commercial efforts to provide CUSTOMER with the first available Launch Opportunity closest to CUSTOMER'S requested Launch Period or Launch Slot, provided that the last day of 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 Launch as converted either as a Firm Launch or as a Backup Launch, and subject to the availability of Launch Opportunities, shall offer CUSTOMER the first available Launch Opportunity 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(s) 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.

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

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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, is a fixed price, as follows:

8.1.1

a) In the event CUSTOMER converts the Optional Launch as a Firm Launch:

(iii) 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 as on the Conversion Date of the Optional Launch.

(iv) 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.

Any increase in mass shall be subject to a variation in the firm fixed amount stated above of [***] Euros (€[***]) for each kilogram that the Satellite mass is increased above [***] kg up to a maximum total mass of [***] kg. Such amount shall escalate in accordance with Article 8.2 of this Agreement.

b) In the event CUSTOMER converts the Optional Launch as a Backup Launch:

(v) 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, as on the Conversion Date of the Optional Launch.

(vi) 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.

(vii) Any increase in mass shall be subject to a variation in the firm fixed amount stated above of [***] Euros (€[***]) for each kilogram that the Satellite mass is increased above [***] kg up to a maximum total mass of [***] kg, such amount shall escalate in accordance with Article 8.2 of this Agreement.

c) The prices for the Optional Launch, whether converted by CUSTOMER as a Firm Launch or as a Backup Launch, shall be fixed for a Launch to take place on or prior to [***]. Should the Launch Period requested by CUSTOMER in accordance with Sub-paragraph 6.1.2 of ARTICLE 6 hereof be beyond [***] (but in no event can the Firm or Backup Launch, as applicable, occur later than [***]), then the price shall be escalated by [***] percent per quarter from said date up to the first day of the initially requested Launch Period.

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

(x) 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.

(xi) 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 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 shall be [***].

(xii)

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.

8.4 Following payment of the Deposit as stipulated in Paragraph 10.1.1 herein, CUSTOMER shall have no further financial obligation hereunder unless and until CUSTOMER converts, if any, the Optional Launch in a Firm or Backup Launch.

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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 It is hereby acknowledged by the Parties that CUSTOMER has paid ARIANESPACE FIVE MILLION THREE HUNDRED EIGHTY SEVEN THOUSAND NINE HUNDRED United States Dollars (US$5,387,900). Such amount added to the first payment due at EDC, as specified in Paragraph 10.1.1 herein, shall be known as the deposit (the “Deposit”). Such Deposit shall be credited against the amount due to ARIANESPACE upon conversion of the Optional Launch by CUSTOMER.

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

(xiii)

(xiv) **DATE** (xv) **Percentage of the Launch Services price referred to in Sub-paragraph 8.1.1 of Article 8 of this Agreement (*)**

(xvi) [***]

(xvii) 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).

(xviii) (*) In the event CUSTOMER converts the Optional Launch as a Firm Launch or as a Backup Launch and the first day of the agreed Launch Period is less than [***] from the date of conversion, and as a result of such schedule, any payments should already have been made, such payments shall be immediately invoiced by ARIANESPACE and shall be paid by CUSTOMER within ten (10) days of receipt of invoice by CUSTOMER.

(xix) (**) “EDC” means the Effective Date of this amended and restated Agreement, as defined in accordance with ARTICLE 23.

(xx) (***) 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

(xxi)

(xxii)

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

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(xxiii) **DATE**	(xxiv) **Percentage of the price of the Refund or Reflight Option referred to in Sub-paragraph 8.1.2 of Article 8 of this Agreement**

(xxv) [***]

(xxvi) 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 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).

10.1.3 Mass variation

If CUSTOMER varies the Satellite mass under Sub-paragraph 8.1.1 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, 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.

(xxvii)

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 for the first payment provided in Sub-paragraph 10.1.1 of ARTICLE 10 of this Agreement, for which invoice will be presented upon EDC 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

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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 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 Optional Launch, if converted either as a Firm Launch or as a Backup Launch, as identified in Sub-paragraph 10.1.1 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 the Launch. 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 the Launch as set forth in identified in Sub-paragraph 10.1.1 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

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to that effect, or alternatively, shall be credited to CUSTOMER's subsequent payment due to ARIANESPACE under this Agreement.

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

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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.

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.

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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).

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 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

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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.

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 liabilities, and shall indemnify and hold CUSTOMER and its contractors and subcontractors and each of their respective officers, directors, legal representatives,

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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:

(xxx) (xxxi) **Effective date of termination** (xxxii)	(xxxiii) (xxxiv) **Percentage of P**
On or before C-[***]	[***]%
Between C-[***] Months and C[***]	[***]%
Between C-[***] Months and C-[***] Months	[***]%
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 Optional Launch when converted into either a Firm Launch or a Backup Launch, 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 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.

* 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.

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 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

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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 the EDC payment obligation as stipulated in Paragraph 10.1.1, and does not pay within THIRTY (30) days after the date of receipt of ARIANESPACE written notice to that effect, ARIANESPACE shall be entitled to terminate the Optional Launch and ARIANESPACE shall be entitled to the Deposit as liquidated damages.

19.2 Except as stipulated in Paragraph 19.1 above, ARIANESPACE may not terminate this Agreement for any reason prior to CUSTOMER's conversion of the Optional Launch.

19.3 In the event CUSTOMER converts the Optional Launch into either a Firm Launch or a Backup Launch, and 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.

19.4 In the event of termination by ARIANESPACE pursuant to the provisions of Paragraph 19.3 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		ViaSat, Inc.	
Boulevard de l'Europe		6155 El Camino Real	
91000 EVRY		Carlsbad, CA 92009	
FRANCE		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

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

* 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.

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 the 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 amended and restated Agreement shall take effect after signature by the TWO Parties.

Executed in Paris,

On May 7th, 2009

In two (2) originals

ARIANESPACE	**CUSTOMER**
Name : Jean-Yves LE GALL Title : Chairman & CEO Date : May 7, 2009 Signature /s/ J. Y. LE GALL	Name : David Abrahamian Title : Director, Space Systems Contracts Date : May 7, 2009 Signature /s/ David Abrahamian

Exhibit 10.14

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.

CONTRACT FOR LAUNCH SERVICES

Between

ILS International Launch Services, Inc.

and

ViaSat, Inc.

Contract No. ILSB-0902-2720

CONTRACT FOR LAUNCH SERVICES

This Contract No. ILSB-0902-2720 is made and entered into as the date last signed by the Parties ("Effective Date") by and between **ILS International Launch Services, Inc.,** a Delaware corporation, having its principal place of business at 1875 Explorer Street, Suite 700, Reston, Virginia 20109, USA ("Contractor") and **ViaSat, Inc.,** a Delaware corporation, having its principal place of business at 6155 El Camino Real, Carlsbad, California 92009, USA ("Customer").

ARTICLE 1
DEFINITIONS

Capitalized terms used and not otherwise defined herein shall have the following meanings:

Affiliate means, with respect to a Party, any other entity, directly or indirectly, Controlling or Controlled by or under common Control with such first named Party.

Business Day means any day that business is transacted in New York, New York, USA, and shall exclude all Saturdays, Sundays and Legal Bank Holidays.

Contract means this instrument and all exhibits attached hereto, as the same may be amended from time to time in accordance with the terms hereof, including:

Exhibit 1 –	Proton Launch Services Statement of Work for the ViaSat-1 Program, dated 25 February 2009, Document No. ILSB-0808-1958
Exhibit 2 –	Proton Interface Control Document for the ViaSat-1 Program - valid and incorporated into the Contract once signed by the Parties (title subject to revision)

Constructive Total Failure means a Constructive Total Loss of the Satellite due to the performance of the Launch Vehicle.

Constructive Total Loss shall have the meaning assigned to the term "Constructive Total Loss" in Customer's Launch and In-Orbit Insurance policy in place at the time of Launch. Customer shall provide a copy of such definition to Contractor promptly after the issuance of such Launch and In-Orbit Insurance policy.

Control and its derivatives mean, with respect to a Party, (i) the legal, beneficial, or equitable ownership, directly or indirectly, of fifty percent (50%) or more 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.

Insured Launch Activities means the activities carried out by either Party or the Related Third Parties of either Party in accordance with the terms of this Contract at the launch site and the Satellite processing facility, including transportation of the Satellite from the Satellite processing facility to the launch site and, if required, transportation of the Satellite from the launch site to the Satellite processing facility.

Ignition means the Ignition of the first-stage engine(s) of the Launch Vehicle that has been integrated with the Satellite. Ignition can be followed by either (i) physical separation from the Launch pad and the ground support equipment; or (ii) total loss or destruction of the Satellite and/or the Launch Vehicle; or (iii) Terminated Ignition.

Interface Control Document means that document referred to in the Statement of Work attached or to be attached as Exhibit 2 to this Contract upon approval by both Parties.

Initial Payment means the first payment made pertaining to the Launch Service as set forth in Section 5.1 of this Contract.

Launch means Ignition followed by either (i) physical separation from the Launch pad and the ground support equipment; or (ii) loss or destruction of the Satellite and/or the Launch Vehicle.

Launch Date means the calendar date on which the Launch is scheduled to occur, as established in accordance with Paragraph 6.3 entitled "Launch Date" and as such Launch Date may be adjusted in accordance with Article 7 entitled "Launch Schedule Adjustments."

Launch Failure means a Partial Failure, Constructive Total Failure or a Total Failure.

Launch Opportunity means an adequate time period during which Contractor, in its reasonable judgment, may provide a Launch Service to Customer, taking into account all relevant conditions, including but not limited to, commitments to other customers, maintenance of appropriate clearance times between flights, hardware and range availability and requirements of the Government of the Russian Federation and/or the Government of the Republic of Kazakhstan, as applicable, for range support.

Launch Period means a period of time during which the Launch is scheduled to occur, as specified in Paragraph 6.1 and as such Launch Period may be adjusted in accordance with Article 7 entitled "Launch Schedule Adjustments."

Launch Service means those services to be provided by Contractor to Customer for a single Launch, utilizing a Proton Launch Vehicle, as set forth in Exhibit 1 and Exhibit 2.

Launch Service Price means the price for the Launch Service as set forth in Paragraph 4.1 entitled "Launch Service Price."

Launch Slot means a period of thirty (30) days within the Launch Period during which the Launch is scheduled to occur, as specified in Paragraph 6.2 and as such Launch Slot may be adjusted in accordance with Article 7 entitled "Launch Schedule Adjustments."

Launch Vehicle means the Proton launch vehicle system consisting of a Proton launch vehicle, a Breeze M upper stage, the payload fairing and the payload adapter with separation system collectively identified as the Proton.

Legal Bank Holiday means a day that banks are scheduled in advance to be closed in New York, New York, USA.

Partial Failure means a Partial Loss of the Satellite due to performance of the Launch Vehicle.

Partial Loss shall have the meaning assigned to the term "Partial Loss" in Customer's Launch and In-Orbit Insurance policy in place at the time of Launch. Customer shall provide a copy of such definition to Contractor promptly after the issuance of such Launch and In-Orbit Insurance policy.

Party or Parties means Contractor, Customer or both.

Related Third Parties means (i) the Parties' directors, officers, agents employees and customers; (ii) the Parties' contractors, subcontractors and suppliers at any tier involved directly or indirectly in the performance of this Contract, and their directors, officers, agents and employees; (iii) entities involved with payload processing or other activities in the payload processing facilities, including the contractor providing the payload processing facilities, other customers of the payload processing facilities contractor, and all employees and contractors of those contractors and customers; and (iv) parties having any right, title or interest, whether through sale, lease or service arrangement or otherwise, directly or indirectly, in the Satellite or any transponder, the Launch Vehicle or the Launch Service.

Satellite means Customer-provided satellite and associated property to be launched on the Launch Vehicle associated with the applicable Launch Service under this Contract with the technical specifications and characteristics set forth in Exhibit 1 and Exhibit 2.

Satellite Mission Failure means that, due to an event(s) that occurs at any time after Launch, it can be determined from telemetry data or other evidence that the Satellite (i) was completely destroyed, totally lost or unable to separate from the Launch Vehicle, (ii) was not capable of reaching its specified orbital location within [***] days after Launch, or (iii) available operational capability is less than [***] percent ([***]%) of the stated Satellite operational capability in the Satellite specification between Customer and its Satellite manufacturer.

Statement of Work or SOW means that document identified as such and attached as Exhibit 1 to this Contract.

Terminated Ignition means that, following Ignition, the first-stage engine(s) of the Launch Vehicle shut down prior to physical separation from the Launch pad and the ground support equipment and without loss or destruction of the Satellite and/or Launch Vehicle and the launch pad is officially declared safe by Contractor.

Termination Charge means the charge calculated in accordance with Paragraph 21.6 entitled “Termination Charge.”

Third Party means any person or entity other than Contractor, Customer, their respective Related Third Parties, the United States Government and its agencies, contractors or subcontractors, and the governments of the Russian Federation and the Republic of Kazakhstan and their agencies, contractors or subcontractors involved directly in the performance of the Proton Launch Services.

Total Failure means a Total Loss of the Satellite due to performance of the Launch Vehicle.

Total Loss shall have the meaning assigned to the term “Total Loss” in Customer’s Launch and In-Orbit Insurance policy in place at the time of Launch. Customer shall provide a copy of such definition to Contractor promptly after the issuance of such Launch and In-Orbit Insurance policy.

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ARTICLE 2
SERVICES TO BE PROVIDED

2.1 Launch Service Contractor shall furnish one (1) Launch Service for the Launch of one (1) Customer-provided Satellite from the launch site, in accordance with the applicable Exhibits and scheduled for the Launch Period specified in Paragraph 6.1 entitled “Launch Period.”

ARTICLE 3
RESERVED

ARTICLE 4
LAUNCH SERVICE PRICE

4.1 Launch Service Price

4.1.1 The Launch Service Price shall be U.S.$80,000,000

4.1.2 In the event that Customer is entitled to purchase a Replacement Launch Service, the Launch Service Price for the Replacement Launch shall be determined in accordance with the terms of Article 17 herein.

4.2 Taxes

4.2.1 The Launch Service Price includes all taxes, duties and other levies imposed by the United States Government and any political subdivisions thereof, and by any taxing authority in the Russian Federation or Kazakhstan Government and any political subdivision thereof, as may be required by law to be paid by the Contractor in full in the performance of this Contract, including any duties or other levies that may be imposed on any Satellite or any Customer-furnished items including but not limited to its support equipment associated with transportation and handling in Russia and Kazakhstan. Should any such taxes, duties and/or levies become the obligation of Customer for any reason, Contractor shall indemnify and hold harmless Customer from such obligation and shall reimburse Customer within thirty (30) days of Customer’s invoice for payment of such amounts.

4.2.2 Any taxes, duties or levies imposed on Customer-furnished items, other than for those taxes, duties or levies associated with transportation and handling in Russia and Kazakhstan, shall be the obligation of Customer and, should such become an obligation of Contractor for any reason, Customer shall indemnify and hold harmless Contractor from such obligation and shall reimburse Contractor within thirty (30) days of Contractor’s invoice for payment of such amounts.

ARTICLE 5
PAYMENT

5.1 Timing of Payments Payment of the Launch Service Price shall be in U.S. Dollars, subject to conditions set forth in this Article and made in accordance with the following schedule:

Table 5.1 Payment Schedule

Payment Number	Payment Due Date	Amount
[***]	[***]	[***]
	Total:	**$80,000,000**

Where "L" is the first day of the originally scheduled Launch Period.

5.2 Payment Dates If a payment due date falls on a Saturday, Sunday or Legal Bank Holiday, then payment shall be due on the following Business Day.

5.3 Invoicing Instructions All invoices to Customer will be sent to the address set forth below:

David Abrahamian
ViaSat, Inc.
6155 El Camino Real
Carlsbad, CA 92009
USA

Telephone Number: [***]

5.4 Wire Transfer Instructions All payments to Contractor will be by wire transfer to the address set forth below and shall not be reduced by any wire transfer fee, bank processing fee, or other fee pertaining to the rendering of payment.

ILS International Launch Services, Inc.
[***]

* 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.

5.5 Payment of Invoices

5.5.1 Scheduled Payments Contractor shall submit invoices not later than thirty (30) days in advance of the scheduled payment due dates, except that the invoice for the Initial Payment shall be submitted as soon as reasonably possible after contract execution and shall be due on its due date. Other scheduled Launch Service payments shall be made on their respective due dates, or within thirty (30) days after Customer's receipt of the corresponding invoice, whichever is later.

5.5.2 Other Than Scheduled Payments Payment of invoices for other than scheduled Launch Service payments shall be due and paid by Customer no later than thirty (30) days after receipt of invoice by Customer. If any portion of an invoice for other than scheduled Launch Service payments is disputed by Customer, Customer shall pay the undisputed invoice amount by the applicable invoice due date and shall provide reasonably detailed information to Contractor regarding the disputed amount. Upon resolution of any disputed amount, Customer shall promptly pay Contractor any balance or amount owed to Contractor pertaining to such invoice.

5.5.3 Credit for Payment Payments shall be deemed made when credit for the payment amount is established in Contractor's bank account set forth in Paragraph 5.4.

5.6 Interest on Payments Due If any undisputed amount due to by Customer to Contractor under this Contract shall remain unpaid after its due date, and if Contractor has provided Customer written notice thereof with a ten (10) day period to cure, then the Customer shall pay simple interest to Contractor, based upon an annual rate of the prime rate plus [***] percent ([***]%). Interest will be computed commencing as of the day after the due date until and including the date payment is actually made, [***]. If a payment is withheld because of a dispute and that dispute is later settled in favor of the Contractor, interest will be computed commencing as of the day after the due date until and including the date payment is actually made.

5.7 Accelerated Payments In the event that the Launch Service is accelerated as described in Article 7 entitled "Launch Schedule Adjustments," the remaining payments shall be accelerated on a day-for day basis for such Launch Service. If, as a result of such acceleration, any payments should already have been made, such payments shall be immediately invoiced by Contractor and shall be paid by Customer within thirty (30) days of receipt of invoice by Customer.

5.8 Postponed Payments

5.8.1 Postponements by Contractor In the event of postponement of the Launch Period, Launch Slot or Launch Date, as applicable, for the affected Launch Service is declared by Contractor for any reason including those in Article 7 entitled "Launch Schedule Adjustments," the Contract payments 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, except for any payments due after Launch.

5.8.2 Postponements by Customer In the event of postponement of the Launch Period, Launch Slot or Launch Date, as applicable, for the affected Launch Service is declared by Customer for any reason including those in Article 7 entitled "Launch Schedule Adjustments," the Contract payments shall remain due as if the Launch Period, Launch Slot or Launch Date, as applicable, had not been postponed, except for any payments due after Launch, which shall remain due after Launch.

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ARTICLE 6
LAUNCH SCHEDULE

6.1 Launch Period The Launch Period shall be [***] 2011 through [***] 2011.

6.2 Launch Slot At least [***] months prior to the first day of the Launch Period, Customer will give notice to Contractor of its desired Launch Slot within the Launch Period. Within fifteen (15) days of Customer's request for a Launch Slot, Contractor shall respond to Customer's request, by either confirming that Customer's requested Launch Slot is available, or by counter-proposing a Launch Slot as close as possible to Customer's requested Launch Slot, taking into account Customer's requirements and the requirements for a Launch Opportunity. The Parties will cooperate in good faith to finalize the selection of a Launch Slot. However, in the event that the Parties cannot mutually agree upon a Launch Slot within thirty (30) days of Customer's request, Contractor shall make such determination taking into account the available Launch Opportunities as close as possible to Customer's requested Launch Slot and the other requirements and interests of Customer.

6.3 Launch Date At least [***] months prior to the first day of the Launch Slot, Customer will give notice to Contractor of its desired Launch Date within the Launch Slot. Within seven (7) days of Customer's request for a Launch Date, Contractor shall respond to Customer's request, by either confirming that Customer's requested Launch Date is available, or by counter-proposing a Launch Date as close as possible to Customer's requested Launch Date, taking into account Customer's requirements and the requirements for a Launch Opportunity. The Parties will cooperate in good faith to finalize the selection of a Launch Date. However, in the event that the Parties cannot mutually agree upon a Launch Date within fifteen (15) days of Customer's request, Contractor shall make such determination taking into account the available Launch Opportunities as close as possible to Customer's requested Launch Date and the other requirements and interests of Customer.

6.4 Manifest Policy Contractor shall comply with the following launch schedule prioritization policy, in the event of a postponement declared by either the Customer or Contractor.

6.4.1 Customer's launch will not be displaced from the Launch Period, Launch Slot, or Launch Date, as applicable, by another customer of Contractor with a later contract signature or option exercise date unless the Satellite is unable to support the assigned Launch Period, Launch Slot, or Launch Date.

6.4.2 In the event of a Contractor postponement of either the Customer's launch or prior third party customer launches, the firing order shall remain in effect as of the date of the Contractor's postponement, unless such postponement is unique to the Customer's or another customer of Contractor's launch vehicle configuration or the other mission is a planetary window mission.

6.4.3 In the event of a Customer postponement that would significantly affect subsequent third party customer schedules, the Customer will be re-sequenced to the next available Launch Opportunity, taking into account the commercial requirements and interests of Customer.

6.4.4 In the event of a third party customer postponement that would significantly affect the Customer's schedule, the third party customer will be re-sequenced to the next available Launch Opportunity following the Customer's scheduled Launch Period, Launch Slot or Launch Day, as applicable, unless the third party customer's mission is a planetary window mission.

6.4.5 In the event that a third party customer of Contractor requests the acceleration of its launch, such that Customer's Launch Period, Launch Slot or Launch Date could reasonably be expected by Customer to be adversely impacted by such acceleration, Customer shall retain

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priority over the Launch Period, Launch Slot or Launch Date, as applicable, and Contractor shall not accept such schedule acceleration.

6.5 Accelerated Launch Opportunities. If a Launch Opportunity becomes available in Contractor's manifest that is earlier than the Launch Period or Launch Slot assigned at the time to Customer, then Contractor shall promptly notify Customer of such availability (such earlier Launch Opportunity, the "Accelerated Launch Opportunity"). In the event the notification by the Contractor of the Accelerated Launch Opportunity occurs within [***] of the proposed new Launch Date, the Contractor shall promptly provide to the Customer a commercially reasonable proposal detailing the necessary costs directly associated with the corresponding acceleration of mission integration and Launch Vehicle manufacturing activities, and the Customer and Contractor shall in good faith thereafter negotiate Contractor's proposal within thirty (30) days, or such longer period that the Parties may agree to. Any changes to the Launch Period, Launch Slot or Launch Service Price agreed to by Customer and Contractor shall be reflected in a written amendment to this Contract in accordance with Article 26.

ARTICLE 7
LAUNCH SCHEDULE ADJUSTMENTS

7.1 Customer Launch Schedule Adjustments Customer may request either a postponement or advancement of the Launch Period, Launch Slot or Launch Date by giving written notice to the Contractor representative set forth in Paragraph 9.2 requesting a new Launch Period, Launch Slot or Launch Date. The Parties will cooperate in good faith to select a new Launch Period, Launch Slot or Launch Date. However, in the event that the Parties cannot mutually agree within [***] days of Customer's notice (or such shorter time period as Contractor may determine, in light of the proximity to the Launch), Contractor shall make such determination taking into account the manifest policy set forth in Paragraph 6.4, the available Launch Opportunities as close as possible to Customer's requested Launch Period, Launch Slot or Launch Date and the other requirements and interests of Customer, and Contractor shall use commercially reasonable efforts to mitigate any postponements in the Launch of the Satellite. Until a new Launch Period, Launch Slot or Launch Date is selected in accordance with this Paragraph 7.1, the then-current launch schedule shall remain in effect.

7.1.1 If the launch schedule adjustment results in a later Launch Period, Launch Slot or Launch Date, then only the total number of calendar days of delay originally requested by Customer shall be attributed to Customer. Any delay in the Launch Period, Launch Slot or Launch Date resulting from the determination of a Launch Period, Launch Slot or Launch Date, as applicable, by Contractor in excess of the delay requested by Customer shall not be deemed to be attributed to Contractor or Customer.

7.1.2 Postponements by Customer under this Article 7 for each Launch Service shall not exceed a total of [***] months. In the event that a single postponement, or cumulative postponements, attributed to Customer exceed such maximum permissible postponement for the Launch Service, the Launch Service shall, at the election of Contractor, be subject to renegotiation. Contractor shall provide Customer a commercially reasonable proposal for equitable adjustment to extend the period of performance of this Contract in order to accommodate Customer's postponement within [***] of receipt by Contractor of Customer's postponement notice which exceeds the maximum permissible postponement. [***] The Parties agree to renegotiate the Contract in good faith and in a commercially reasonable manner, within [***] of the date Customer receives Contractor's proposal. Should the Parties fail to conclude negotiations and amend this Contract within this [***] timeframe, such matter shall be subject to resolution in accordance with Article 22 entitled Dispute Resolution.

7.1.3 Should Customer request or cause postponement of a Launch Date where, in the reasonable judgment and discretion of Contractor (as notified in writing to Customer), the

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postponement requires that the Satellite be de-mated from the Launch Vehicle and/or the Launch Vehicle or part thereof be removed from the launch pad so that Contractor will be able to meet other contractual commitments, Russian Federation Government requirements, access by Customer or its Related Third Parties to the Satellite or for other operational or safety reasons, Customer will be liable for the necessary, reasonable and documented actual costs incurred for such effort, including, without limitation, to de-mate and/or remove, place and maintain in storage, re-mate and re-integrate the Satellite, re-erect and re-process the Launch Vehicle and Satellite [***]. Contractor shall utilize reasonable efforts to minimize such costs. Such costs will be paid within thirty (30) days of receipt of Contractor's invoice.

7.2 Contractor Launch Schedule Adjustments Contractor may postpone or request an advancement of the Launch Period, Launch Slot or Launch Date by giving notice to Customer proposing a new Launch Period, Launch Slot or Launch Date. The Parties will cooperate in good faith to select a new Launch Period, Launch Slot or Launch Date. However, in the case of a postponement, if the Parties cannot mutually agree within [***] days of Contractor's proposal (or such shorter time period as Contractor may determine, in light of the proximity to the Launch), Contractor shall make such determination in good faith taking into account the manifest policy set forth in Paragraph 6.4, the available Launch Opportunities as close as possible to Customer's requested Launch Period, Launch Slot or Launch Date and the other requirements and interests of Customer, and Contractor shall use commercially reasonable efforts to mitigate any postponements in the Launch of the Satellite. Until a new Launch Period, Launch Slot or Launch Date is selected in accordance with this Paragraph 7.2, the then-current launch schedule shall remain in effect.

7.2.1 If the final launch schedule adjustment results in a later Launch Period, Launch Slot or Launch Date, then the total number of calendar days of delay originally requested by Contractor shall be attributed to Contractor.

7.2.2 Postponements by Contractor under this Article 7 shall not exceed a total of [***] months for the Launch Service. In the event that a single postponement, or cumulative postponements, attributed to Contractor exceed such maximum permissible postponement for the Launch Service, the Launch Service shall, at the election of Customer, be subject to termination by Customer in accordance with Paragraph 21.2 entitled "Termination by Customer for Excessive Launch Postponement."

7.2.3 Should Contractor request or cause postponement of a Launch Date where, in the reasonable judgment and discretion of Contractor (as notified in writing to Customer), the postponement requires that the Launch Vehicle or part thereof be removed from the launch pad so that Contractor will be able to meet other contractual commitments, Russian Federation requirements, access by Customer or its Related Third Parties to the Satellite or for other operational or safety reasons, Contractor will be liable for the necessary, reasonable and documented actual costs incurred by Customer at the launch site to remove, place and maintain in storage, re-process the Satellite and to re-integrate the Satellite at the launch site, [***]. Customer shall utilize reasonable efforts to minimize such costs. Such costs will be paid within thirty (30) days of receipt of Customer's invoice.

7.3 Reserved

7.4 Postponements Attributed to Non-Complying Party under Article 10 Should the failure of either Party to provide required data, hardware and services result in a delay to the launch schedule, then a postponement shall be attributed to the non-complying Party under this Article 7 upon notice by the other Party. Requirements to provide data, hardware and services, delays and the length of postponement chargeable to the non-complying Party are described in Article 10 entitled "Additional Contractor and Customer Obligations Prior to Launch."

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7.5 Obligation to Give Prompt Notice Contractor and Customer acknowledge and agree that it is in the best interests of both Parties to promote certainty in launch schedule decisions and minimize disruption to other customers of Contractor. Therefore, the Parties agree to give prompt notice of any need for schedule change under this Article 7 or any actual or potential delay that might impact the launch schedule.

ARTICLE 8
LAUNCH VEHICLE QUALIFICATION

8.1 Contractor shall only provide a Launch Vehicle to perform the Launch Service under this Contract which meets or exceeds all of the following criteria:

8.1.1 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 [***] prior to the start of the then-current Launch Period, Launch Slot, or Launch Date; and

8.1.2 The Launch Vehicle shall not have suffered a Launch Failure in [***] immediately preceding Customer's Launch.

8.1.3 If the flight of the Launch Vehicle immediately preceding Customer's scheduled Launch, results in a launch failure, either partial or total, Customer shall have the option, in its sole discretion, to:

8.1.3.1 Use the return to flight launch service for the Launch of the Satellite, or

8.1.3.2 If Customer chooses not to exercise to use the return to flight launch service as stated in Paragraph 8.1.3.1 above, then Contractor shall conduct a return to flight prior to conducting Customer's mission. In this event, Customer's Launch shall be rescheduled to the next available Launch Opportunity.

8.1.4 In the event that the conditions stated in Paragraph 8.1.2 are not satisfied, Customer will be assigned [***]

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ARTICLE 9
COORDINATION AND COMMUNICATION BETWEEN CUSTOMER AND CONTRACTOR

9.1 Mission Managers Each Party hereby identifies to the other a single Mission Manager to coordinate the activities under this Contract. The Mission Managers of each Contractor and Customer are not authorized to direct work contrary to the requirements of this Contract or make modifications to this Contract. Any and all modifications to the terms, conditions and requirements of this Contract shall be made pursuant to Article 26, entitled "Amendment."

Contractor's Mission Manager is:
TBD
ILS International Launch Services, Inc.
1875 Explorer Street, Suite 700
Reston, VA 20190
Telephone: 571.633.xxxx
Fax: 571.633.xxxx

Customer's Mission Manager is:
TBD
ViaSat, Inc.
6155 El Camino Real
Carlsbad, CA 92009
Telephone:
Fax:

9.2 Notices All notices that are required or permitted to be given under this Contract shall be in writing and shall be delivered in person or sent by facsimile, certified mail (return receipt requested) or air courier service to the representative and address set forth below, or to such other representative or address specified in a notice to the other Party. Notices shall be effective upon delivery in person or upon confirmation of receipt in the case of facsimile, certified mail or air courier.

Notices to Contractor:
Tom Tshudy
ILS International Launch Services, Inc.
1875 Explorer Street, Suite 700
Reston, VA 20190
Telephone: [***]
Fax: [***]

Notices to Customer:
David Abrahamian
ViaSat, Inc.
6155 El Camino Real
Carlsbad, CA 92009
Telephone: [***]
Fax: [***]

9.3 Communications in English All documentation, notices, reports and correspondence under this Contract shall be submitted and maintained in the English language.

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ARTICLE 10
ADDITIONAL CONTRACTOR AND CUSTOMER OBLIGATIONS
PRIOR TO LAUNCH

10.1 Obligation to Provide Information Contractor shall provide to Customer the data, hardware and services identified in the applicable Statement of Work, and Customer shall provide to Contractor the data, hardware and services identified in the Statement of Work, in accordance with the schedules contained therein.

10.2 Notification of Non-Compliance The Party receiving the data, hardware or services referred to in Paragraph 10.1 shall promptly notify the other in accordance with Paragraph 9.2 in the event the data, hardware or services are not consistent with the requirements contained in the Statement of Work, or not suitable for their intended purpose. The notification shall contain a statement of the discrepancy and recommend solutions. The Party receiving the notification shall provide written direction to the other Party as to how to proceed, taking into account the recommended solutions within ten (10) calendar days following receipt of notice.

10.3 Impact of Non-Compliance on Launch Schedule In the event that the data, hardware or services to be supplied by one Party to the other, in accordance with Paragraph 10.1 above, are not furnished in accordance with the required schedules set forth in applicable Statement of Work, the receiving Party shall use commercially reasonable efforts to continue its obligations under this Contract without affecting the launch schedule or incurring additional expense. If however, despite the receiving Party's commercially reasonable efforts, such continuation is not possible and, as a result of the other Party's failure to provide data, hardware or services as required in accordance with Paragraph 10.1 above, the launch schedule is adversely affected, then a launch schedule postponement shall be declared by the receiving Party under the appropriate provisions of Article 7 attributable to the Party failing to provide the data, hardware or services as required by the Statement of Work.

ARTICLE 11
FACTORY AND LAUNCH SITE ACCESS

Subject to appropriate export, regulatory, confidentiality, security and/or safety limitations, Customer shall have access to Contractor's mission hardware final assembly factory to witness Contractor's mission hardware final acceptance activities, as well as other production status reviews as required by the SOW. Customer will similarly have access to the launch site, launch complex and Satellite encapsulation area to witness major Customer-related mission tests and to attend regular coordination meetings.

ARTICLE 12
LAUNCH VEHICLE AND SATELLITE REGISTRATION

12.1 Launch Vehicle Registration. Contractor shall be responsible for registering the Launch Vehicle with the appropriate launching state or states as required by the 1975 Convention on Registration of Objects Launched into Outer Space.

12.2 Satellite Registration. Customer shall be responsible for registering the Satellite with the appropriate launching state or states as required by the 1975 Convention on Registration of Objects Launched into Outer Space.

ARTICLE 13
GOVERNMENTAL APPROVALS, LICENSES, CLEARANCES, PERMITS AND COMPLIANCE WITH REQUIREMENTS

13.1 Parties Respective Obligations. Each Party is responsible for obtaining all governmental approvals, including any licenses, clearances, permits or governmental authorizations from any governmental authority that has jurisdiction or authority to require such approvals, licenses, clearances, permits or authorizations necessary to carry out such Party's respective obligations in accordance with this Contract. Contractor shall be responsible for obtaining and maintaining approval of the Technical Assistance Agreement necessary for Satellite integration and Launch.

13.2 Mutual Assistance. The Parties shall cooperate and provide each other upon request and without cost to the other Party all reasonable and necessary assistance in obtaining and maintaining any and all governmental approvals that they may respectively be required to obtain to fulfill their obligations under this Contract.

13.3 Documentation. The Parties shall provide to each other upon request and without cost, acceptable documentation or other reasonable evidence to show that they have obtained and are maintaining in full force and effect any and all governmental approvals that they respectively are required to obtain to fulfill their obligations under this Contract.

13.4 Satellite Approvals. Unless otherwise specified herein, Customer shall obtain and maintain all governmental approvals necessary for the transfer of the Satellite and any Customer-furnished items from the Satellite's country of origin to the Launch Site. To the extent any U.S. Government licenses are required for the export of Satellite-related technical data, Customer shall apply, or cause appropriate parties to apply, for such licenses not later than sixty (60) days after the Effective Date of this Contract. To the extent any U.S. Government licenses are required for the export of the Satellite, associated test, electrical or mechanical support equipment or Satellite propellant, Customer shall apply, or cause appropriate parties to apply, for such licenses not later than twelve (12) months prior to the beginning of the Launch Period or Launch Slot, as applicable, for the applicable Launch Service.

13.5 Launch Vehicle and Launch Site Approvals. Contractor shall obtain all governmental approvals necessary for the transfer of the Launch Vehicle and any auxiliary equipment to the Launch Site and shall obtain all governmental approvals necessary for the use of the Launch Site and its facilities.

13.6 Safeguarding U.S.-Licensed Spacecraft Contractor and Customer shall abide by and require its Related Third Parties, as applicable, to abide by all United States, Russian and Kazakh Government security rules and regulations pertaining to the safeguarding of U.S.-licensed spacecraft in connection with the performance of this Contract. Such security rules and regulations include, but are not limited to, the Government to Government Technology Safeguards Agreement, dated January 25, 1999, and amendments thereto, for the safeguarding of U.S.-licensed spacecraft transported to Russia and/or Kazakhstan for launch from the Baikonur Cosmodrome, applicable licenses, technology transfer control plans and the Proton Launch Operations Security Plan at Baikonur Cosmodrome.

13.7 Compliance with U.S. Export Requirements

13.7.1 Each Party shall be responsible for compliance with applicable United States or Russian Government regulations relating to the transfer of technical data to the other Party or to Third Parties. Contractor and Customer agree that all export/import/re-export of goods, defense services and technical data made pursuant to this Contract shall be in strict compliance with all laws, rules and regulations of the United States, including the United States Department of State International Traffic in Arms Regulations ("ITAR") and the Export Administration Regulations ("EAR") of the United States Department of Commerce. Additionally, it is understood that Contractor and Customer are subject to the applicable laws and regulations of the Russian Federation and the Republic of Kazakhstan.

13.7.2 Customer hereby agrees to identify and promptly notify Contractor of any Third Country National (defined as a person holding citizenship in a country different than the country of the company with whom they are employed) directors, officers, agents or employees or Dual National (defined as a person holding citizenship in more than one country, one of which is the same as the country of the company with whom they are employed) directors, officers, agents or employees who may participate in technical exchanges or have access to any technical data in connection with performance of this contract in order to support Contractors application for approval of a Technical Assistant Agreement or other license with the U.S. Government.

13.7.3 Customer hereby agrees to identify and promptly notify Contractor of any Related Third Parties, consultant or representatives who may participate in technical exchanges or have access to any technical data in connection with performance of this contract as required to support, including identification of any Third Country Nationals or Dual Nationals as required to support Contractor's application for approval of Technical Assistance Agreement or other license with the U.S. Government.

13.8 Contractor Assistance for Proton Launch Services Contractor will assist Customer and its Related Third Parties, as applicable, with administrative arrangements necessary for the transportation of personnel, the Satellite and related equipment or supplies from the point of entry into the Russian Federation or Republic of Kazakhstan, as the case may be, to the Launch site. Such assistance to Customer and its Related Third Parties shall include assisting in obtaining on behalf of Customer and Customer's Related Third Parties, as applicable, necessary consents and authorizations from the relevant governmental authorities for the entry and temporary stay in the Russian Federation or the Republic of Kazakhstan, as the case may be, of such personnel, Satellite and related equipment or supplies.

13.9 Security. Customer shall abide by and require its employees, agents, subcontractors, and Related Third Parties to abide by all applicable United States, Russian and Kazakh Government security rules and regulations while they are on Contractor's or its Related Third Parties' premises in connection with this Contract.

ARTICLE 14
COMPLETION OF CONTRACTOR'S OBLIGATION AND RENDERING OF PAYMENT

The Launch Service to be provided under this Contract shall be considered complete upon Launch and the submission of data required by the Statement of Work. No portion of the Launch Service Price shall be refundable in the event the Launch Service fails to perform in accordance with the Statement of Work. Any portion of the Launch Service Price set forth in the Payment Schedule due after Launch shall be payable on the date due whether or not the Launch Service performs in accordance with the Statement of Work. The Launch shall not be deemed complete in the event of a Terminated Ignition.

ARTICLE 15
EXCLUSION OF WARRANTY, WAIVER OF LIABILITY AND ALLOCATION OF CERTAIN RISKS

15.1 NO REPRESENTATIONS OR WARRANTIES CONTRACTOR HAS NOT MADE NOR DOES IT MAKE ANY REPRESENTATION OR WARRANTY, WHETHER WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF DESIGN, OPERATION, CONDITION, QUALITY, SUITABILITY OR MERCHANTABILITY OR OF FITNESS FOR USE OR FOR A PARTICULAR PURPOSE, ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, WITH REGARD TO THE SUCCESS OF ANY LAUNCH OR OTHER PERFORMANCE OF ANY LAUNCH SERVICE HEREUNDER. WITHOUT LIMITING OR CREATING EXCEPTIONS TO THE RECIPROCAL WAIVER OF LIABILITY SET FORTH IN Article 15 OR THE EXCLUSIVE REMEDIES SET FORTH IN Article 18, AND EXCEPT FOR (1) THE OBLIGATION TO INDEMNIFY PROVIDED IN PARAGRAPHS 15.3 AND 15.4; AND (2) THE PARTIES' CONFIDENTIALITY OBLIGATIONS SET FORTH IN Article 23, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER OR TO PERSONS CLAIMING BY OR THROUGH SUCH PARTY UNDER ANY THEORY OF TORT, CONTRACT, STRICT LIABILITY, NEGLIGENCE OF ANY TYPE OR UNDER ANY OTHER LEGAL OR EQUITABLE THEORY FOR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION, COSTS OF EFFECTING COVER, LOST PROFITS, LOST REVENUES OR COSTS OF RECOVERING A PAYLOAD OR THE SATELLITE, ARISING OUT OF OR RELATING TO THIS CONTRACT.

15.2 Waiver of Liability

15.2.1 Contractor and Customer hereby agree to a reciprocal waiver of liability pursuant to which each Party agrees not to bring a claim or sue the other Party, the United States Government, the government of the Russian Federation, or the government of the Republic of Kazakhstan, or Related Third Parties of the other Party for any property loss or damage it sustains, including but not limited to, in the case of Customer, loss of or damage to the Satellite, or any other property loss or damage, personal injury or bodily injury, including death, sustained by any of its directors, officers, agents and employees, arising in any manner in connection with the performance of or activities carried out pursuant to this Contract or other activities in or around the launch site or Satellite processing area, or the operation or performance of the Launch Vehicle or the Satellite. Such waiver of liability applies to all damages of any sort or nature, including, but not limited to, any direct, indirect, special, incidental or consequential damages or other loss of revenue or business injury or loss such as costs of effecting cover, lost profits, lost revenues or costs of recovering a payload or the Satellite, from damages to the Satellite before, during or after Launch or from the failure of the Satellite to reach its planned orbit or operate properly.

15.2.2 Claims of liability are waived and released regardless of whether loss, damage or injury arises from the acts or omissions, negligent or otherwise, of either Party or its Related Third Parties. This waiver of liability shall extend to all theories of recovery, including in contract for property loss or damage, tort, product liability and strict liability. In no event shall this waiver of liability prevent or encumber enforcement of the Parties' contractual rights and obligations to each other as specifically provided in this Contract.

15.2.3 Contractor and Customer shall each extend the waiver and release of claims of liability as provided in Paragraphs 15.2.1 and 15.2.2 to its Related Third Parties (other than employees, directors and officers) by requiring them to waive and release all claims of liability they may have against the other Party, its Related Third Parties, the United States Government and its contractors and subcontractors at every tier, the government of the Russian Federation and its contractors and subcontractors at every tier, the government of the Republic of Kazakhstan and its contractors and subcontractors at every tier, and to agree to be responsible for any property loss or damage, personal injury or bodily injury, including death, sustained by them arising in any manner in connection with the performance of or activities carried out pursuant to this Contract or other related activities in or around the launch site or Satellite processing area, or the operation or performance of the Launch Vehicle or the Satellite.

15.2.4 The waiver and release by each Party and its Related Third Parties of claims of liability against the other Party and the Related Third Parties of the other Party extends to the successors and assigns, whether by subrogation or otherwise, of the Party and its Related Third Parties. Each Party shall obtain a waiver of subrogation and release of any right of recovery against the other Party and its Related Third Parties from any insurer providing coverage for the risks of loss for which the Party hereby waives claims of liability against the other Party and its Related Third Parties.

15.2.5 In the event of any inconsistency between the provisions of this Paragraph 15.2 and any other provisions of this Contract, the provisions of this Paragraph 15.2 shall take precedence.

15.3 Indemnification — Property Loss and Damage and Bodily Injury

15.3.1 To the extent that claims of liability by Related Third Parties are not covered by an insurance policy of either Contractor or Customer, Contractor and Customer each agree to defend, hold harmless and indemnify the other Party and its Related Third Parties, for any liabilities, costs and expenses (including attorneys' fees, costs and expenses), arising as a result of claims brought by Related Third Parties of the indemnifying Party, for property loss or damage, personal injury or bodily injury, including death, sustained by such Related Third Parties, arising in any manner in connection with the activities carried out pursuant to this Contract, other activities in and around the launch site or the Satellite processing area, or the operation or performance of the Launch Vehicle or the Satellite. Such indemnification applies to any claim for direct, indirect, special, incidental or consequential damages or other loss of revenue or business injury or loss, including but not limited to costs of effecting cover, lost profits or lost revenues, resulting from any loss of or damage to the Satellite before, during, or after Launch or from the failure of the Satellite to reach its planned orbit or operate properly.

15.3.2 To the extent that claims of liability by Third Parties are not covered by the third party liability insurance referred to in Paragraph 16.1 entitled "Third Party Liability Insurance," or an insurance policy of either Contractor or Customer, Contractor will defend, hold harmless and indemnify Customer and its Related Third Parties from: (1) any and all claims of Third Parties for property loss or damage, personal injury or bodily injury, including death, and (2) any and all claims of Third Parties for direct, indirect, special, incidental or consequential damages or other loss of revenue or business injury or loss (other than claims of Third Parties for which Customer has the obligation to defend, hold harmless and indemnify Contractor and its Related Third Parties under Sections 15.3.3 and 15.3.4, below), in each case arising in any manner from the operation or performance of the Launch Vehicle.

15.3.3 To the extent that claims of liability by Third Parties are not covered by the third party liability insurance referred to in Paragraph 16.1 entitled "Third Party Liability Insurance," or an insurance policy of either Contractor or Customer, Customer will defend, hold harmless and indemnify Contractor and its Related Third Parties for any and all claims of Third Parties, for property loss or damage, personal injury or bodily injury, including death, arising in any manner from the processing, testing, operation or performance of the Satellite or from any claim for indirect, special, incidental or consequential damages or other loss of revenue or business injury or loss including, but not limited to costs of effecting cover, lost profits or lost revenues resulting from any loss of or damage to the Satellite before, during or after Launch or from the failure of the Satellite to reach its planned orbit or operate properly.

15.3.4 Notwithstanding Paragraphs 15.3.2 and 15.3.3 above, Contractor shall not be obligated to defend, hold harmless or indemnify Customer for any claim brought by a Third Party against Customer resulting from any damage to or loss of the Satellite, whether sustained before or after Launch and whether due to the operation, performance, non-performance or failure of the Launch

Vehicle or due to any other causes. Customer shall defend, hold harmless and indemnify Contractor for any claims brought by Third Parties against Contractor for damage to or loss of the Satellite, whether sustained before or after Launch or whether due to the operation, performance, non-performance or failure of the Launch Vehicle or due to other causes.

15.3.5 The indemnification for property loss or damage, personal injury or bodily injury, including death, provided by this Paragraph 15.3, shall be available regardless of whether such loss, damage or injury arises from the acts or omissions, whether negligent or otherwise, of the Party entitled to indemnification, or its Related Third Party, as the case may be.

15.3.6 The right of either Party or Related Third Parties to indemnification under this Article is not subject to subrogation or assignment and either Party's obligation set forth herein to indemnify the other Party or Related Third Parties extends only to that Party or those Related Third Parties and not to others who may claim through them by subrogation, assignment or otherwise, unless properly claimable pursuant to an assignment in accordance with Article 29.

15.4 Indemnification — Intellectual Property Infringement

15.4.1 Contractor shall defend, hold harmless and indemnify Customer, and its Related Third Parties for any and all claims resulting from the infringement, or claims of infringement, of the patent rights or any other intellectual property rights of a Third Party, that may arise from the design, manufacture or operation of the Launch Vehicle or Contractor's provision of Launch Services.

15.4.2 Customer shall defend, hold harmless and indemnify Contractor and its Related Third Parties for any and all claims resulting from the infringement, or claims of infringement, of the patent rights or any other intellectual property rights of a Third Party, that may arise from the design, manufacture, or operation of Customer's Satellite or a claim alleging that the Contractor aided or enabled infringement in the design, manufacture, or operation of Customer's Satellite by the furnishing of Launch Services.

15.5 Rights and Obligations The rights and obligations specified in Paragraphs 15.3 and 15.4 shall be subject to the following conditions:

15.5.1 The Party seeking indemnification shall promptly advise the other Party in writing of the filing of any suit, or of any written or oral claim alleging an infringement of any Related Third Party's or any Third Party's rights, upon receipt thereof; and shall provide the Party required to indemnify, at such Party's request and expense, with copies of all relevant documentation.

15.5.2 The Party seeking indemnification shall not reach a compromise or settlement without the prior written approval of the other Party, which approval shall not be unreasonably withheld or delayed.

15.5.3 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 attorney's fees, 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.

15.5.4 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.

15.6 Reserved

15.7 Survival of Obligations All indemnities, obligations, liabilities and payments provided for in this Article 15 shall survive, and remain in full force and effect, after the expiration or other termination of this Contract and, subject to the limitations set forth in this Article 15, notwithstanding any other provision of this Contract to the contrary.

15.8 Authority to Destroy Launch Vehicle Any operation of the Launch Vehicle automatic destruct or flight termination system which causes the destruction of the Launch Vehicle or Satellite shall be without liability or indemnity of Contractor or Contractor's Related Third Parties to Customer or Customer's Related Third Parties.

15.9 Limitation of Liability Except for: (1) the obligation to indemnify provided in Paragraph 15.3 and 15.4; and (2),the Parties' confidentiality obligations set forth in Article 23, Contractor's cumulative liability to Customer for any and all claims that have not been waived or released pursuant to the terms of Article 15 with respect to Proton Launch Services and any claim to which the remedies are not limited pursuant to the terms of Article 18 entitled "Remedies and Limitations on Remedies", arising out of or relating to this Contract, including, without limitation, any claim for termination (other than termination pursuant to Paragraph 21.2, in which case the maximum liability shall be the reimbursement amounts set forth therein), shall not, under any circumstances, exceed the amount of the Launch Service Price paid by Customer relating to such claim as of the date of such claim.

ARTICLE 16
INSURANCE

16.1 Third Party Liability Insurance Contractor shall procure and maintain in effect insurance for third party liability to provide for the payment of claims resulting from property loss or damage or bodily injury, including death, sustained by Third Parties caused by an occurrence resulting from Insured Launch Activities. The insurance shall have a limit of US$[***] per occurrence and in the aggregate and shall be subject to standard industry exclusions and/or limitations, including, but not limited to, exclusions and/or limitations with regard to terrorism. Coverage for damage, loss or injury sustained by Third Parties arising in any manner in connection with Insured Launch Activities shall attach upon arrival of the Satellite at the launch site and will terminate upon the earlier to occur of the return of all parts of the Launch Vehicle to Earth or [***] months following the date of Launch, unless the Satellite is removed from the launch site other than by Launch, in which case, coverage shall extend only until such removal. Such insurance shall not cover loss of or damage to the Satellite even if such claim is brought by any Third Party or Related Third Parties.

16.1.1 [***].

16.2 Property Insurance Contractor shall provide such insurance as may be required by applicable law or governmental authority within Russia and/or Kazakhstan having jurisdiction over the launch site.

16.3 Miscellaneous Requirements The third party liability insurance shall name as named insured Contractor and shall name as additional insureds Customer and the respective Related Third Parties of the Parties identified by each Party and such other persons as Contractor may determine. Customer shall provide a listing of additional insureds to Contractor not later than four (4) months prior to the beginning of the then-applicable Launch Slot. Such insurance shall provide that the insurers shall waive all rights of subrogation that may arise by contract or at law against the named insured or any additional insured. The insurance described in this Article 16 shall be obtained from an insurance carrier and/or underwriter recognized by the commercial space industry. [***].

ARTICLE 17

* 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.

REPLACEMENT LAUNCH SERVICE

17.1 Replacement Launch Service Customer may request a replacement launch in the event of a Launch Failure or a Satellite Mission Failure.

17.2 Notice of Request The request for a Replacement Launch must be in writing and received by Contractor no later than; (1), [***] after the determination of a Launch Failure; or (2), no later than [***] after the determination of a Satellite Mission Failure. For Customer to be entitled to a Replacement Launch in the event of a Satellite Mission Failure, such Satellite Mission Failure must be declared within [***] following Launch. The request shall indicate the Launch Period designated for the Replacement Launch, and begin no sooner than [***] and not later than [***] months after request for Replacement Launch is received by Contractor.

17.3 Existence of Launch Opportunity Contractor shall inform Customer, after receipt of the request, if a Launch Period exists as requested. If a Launch Period does not exist as requested, the Parties will negotiate in good faith a mutually acceptable Launch Period taking into account the available Launch Opportunities as close as possible to Customer's requested Launch Period, and the other requirements and interests of Customer.

17.4 Agreement on Replacement Launch Any agreement reached by the Parties on a Replacement Launch shall be in writing. The Replacement Launch shall be provided in accordance with the terms and conditions of this Contract. A Replacement Launch is not available for the Replacement Launch provided in this Article 17.

17.5 Similar Configuration and Mission Requirements of Satellite The configuration and mission requirements of the Satellite selected by the Customer for the Replacement Launch shall be sufficiently similar to avoid any need for Launch Vehicle or interface changes (i.e., not a first of a kind spacecraft to launch vehicle integration).

17.6 Price of Replacement Launch The price for a Replacement Launch shall be [***].

17.7 A Replacement Launch is not available for any Replacement Launch to which Customer may be entitled.

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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.

17.8 Payment Plan of Replacement Launch Customer shall make payment for the Replacement Launch in accordance with the payment schedule below:

Payment Number	Payment Due Date	Amount
[***]	[***]	[***]
	Total:	100%

17.9 Remedies The remedies set forth in this Article 17 shall constitute the sole and exclusive remedies of a Party for a Launch Failure.

17.10 Contract Terms for a Replacement Launch Except as provided in this Article 17, the contract terms for a Replacement Launch shall be in accordance with the balance of the terms and conditions of this Contract.

ARTICLE 18
REMEDIES AND LIMITATIONS ON REMEDIES

This provision is intended to highlight notice to the Parties of certain specified exclusive rights and remedies of the Parties as stated elsewhere in the Contract, but shall not be construed as an all-inclusive list thereof.

18.1 Postponement of Launch Period, Launch Slot or Date The exclusive rights and remedies of a Party with respect to postponement of a Launch Period, Launch Slot or Launch Date attributed to the other Party shall be as provided in Paragraphs 7.1.3, 21.2 entitled "Termination by Customer for Excessive Launch Postponements" and 21.6 entitled "Termination Charge".

18.2 Failure to Provide Data The exclusive remedy for failure by either Party to provide the data, hardware or services it is required to provide pursuant to Paragraph 10.3 shall be the adjustment in the Launch Schedule contemplated in Paragraph 10.3.

18.3 Claims by Third Parties

18.3.1 The exclusive rights and remedy of Customer for claims by Third Parties for property loss or damage, personal injury or bodily injury, including death, arising in any manner from the operation or performance of the Launch Vehicle, to the extent such claims are not eligible for payment by any insurance policies as provided in Paragraph 15.3.2, shall be the indemnification by Contractor as provided in Paragraph 15.3.2.

18.3.2 The exclusive rights and remedy of Contractor for claims by Third Parties for property loss or damage, personal injury or bodily injury, including death, arising in any manner from the operation or performance of the Satellite, or from any loss of or damage to the Satellite before, during or after Launch or from the failure of the Satellite to reach its planned orbit or operate properly, to the extent such claims are not eligible for payment by any insurance policies as provided in Paragraph 15.3.3, shall be the indemnification by Customer as provided in Paragraphs 15.3.3 and 15.3.4.

18.4 Intellectual Property Infringement The exclusive rights and remedy of the Parties for claims resulting from the infringement of patent rights or any other intellectual property rights of a Third Party shall be the indemnification as provided in Paragraph 15.5.

18.5 Termination for Convenience The exclusive rights and remedy of Customer to terminate this Contract for convenience are described in Paragraph 21.1 entitled "Termination by Customer for Convenience."

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18.6 Non-Payment The exclusive rights and remedy of Contractor to terminate this Contract in the event of nonpayment or delay in payment are described in Paragraph 5.6 and Paragraph 21.3, entitled “Termination by Contractor for Nonpayment.”

ARTICLE 19
RESERVED

ARTICLE 20
RESERVED

ARTICLE 21
TERMINATION

21.1 Termination by Customer for Convenience Customer may terminate the Launch Service under this Contract for any reason at its convenience following written notice to Contractor given at least thirty (30) days prior to the then-scheduled Launch Period, Launch Slot or Launch Date. If Customer terminates the Launch Service under this Paragraph 21.1, Contractor shall be entitled to the Termination Charge set forth in Paragraph 21.6.

21.2 Termination by Customer for Excessive Launch Postponements Customer may terminate the Launch Service under this Contract if: Contractor has actually postponed, or provided notice of postponement of such Launch Service under Article 7 entitled “Launch Schedule Adjustments” or a postponement has been attributed to Contractor under Paragraph 10.3 for longer than the aggregate period of permissible postponements under said Article. If Customer does not provide a notice of termination to Contractor within sixty (60) days of postponement or notice of postponement by Contractor, Customer waives its right to terminate the postponed Launch Service under this Paragraph 21.2 unless Contractor further postpones the Launch Service under Article 7. If Customer terminates the Launch Service in accordance with this Paragraph 21.2, Contractor shall reimburse Customer for all payments made to Contractor for the terminated Launch Service.

21.3 Termination by Contractor for Non-Payment Contractor may terminate the Launch Service under this Contract if Customer fails to make any payment to Contractor relating to such Launch Service on the due date as required by this Contract, provided Customer fails to remedy such non-payment within thirty (30) days of notice from Contractor describing such non-payment. If Contractor terminates the Launch Service in accordance with this Paragraph 21.3, Contractor shall be entitled to retain the Termination Charge set forth in Paragraph 21.6.

21.4 Reserved

21.5 Termination Date The termination date of the Launch Service terminated under this Article 21 shall be effective as of the date of receipt of the notice of termination provided to Contractor in accordance with Paragraph 9.2.

21.6 Termination Charge If the Launch Service is terminated in accordance with the provisions of Paragraphs 21.1 or 21.3, Contractor may retain as a Termination Charge the following amount(s), plus any amounts that may be due under Article 7.

Table 21.6.1 — Termination Charge Schedule

Termination Date	Amount
[***]	[***]

If the effective termination date falls between the Termination Dates, the Termination Charge attributable to such partial period shall be prorated through the effective termination date. Customer will pay to Contractor any unpaid portion of the Termination Charge within thirty (30) days of Contractor’s invoice. Contractor shall refund to Customer any amount paid, without interest, under this Contract for the terminated Launch Service in excess of the Termination Charge within thirty (30) days of the effective termination date for such Launch Service.

21.7 Effect of Termination If either Party terminates the Launch Service under this Article 21, both Parties’ obligations under this Contract with respect to such Launch Service shall be discharged as of the Launch Service effective termination date except that Customer’s obligation to pay the Termination Charge described in Paragraph 21.6, any fees or charges due to Contractor in accordance with Paragraphs 5.6 and 7.1.3, the indemnity obligations set forth in Paragraphs 15.3 and 15.4, or Contractor

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obligation to repay amounts paid in excess of the Termination Charge shall survive the termination of the Launch Service and this Contract.

ARTICLE 22
DISPUTE RESOLUTION

22.1 Dispute Resolution Any dispute arising under or relating to this Contract or the breach thereof, including any dispute concerning the validity, scope or enforceability of this provision, that is not promptly resolved directly by the Parties shall be resolved through negotiation or arbitration as set forth in this Article 22.

22.2 Negotiation Any dispute arising hereunder that is not promptly resolved by the individuals identified in Article 9 shall be referred to the senior management of Contractor and Customer designated by the Parties. If such senior management cannot satisfactorily resolve the dispute in a timely fashion, as determined by either Party, the Parties shall seek resolution of the matter through mediation, or court proceedings as provided below.

22.3 Arbitration. All disputes, claims or controversies arising under or in connection with the Agreement and its interpretation or performance, including the validity, scope and enforceability of this provision, and which are not otherwise settled by the negotiation procedures herein, shall be solely and finally settled by Arbitration.

22.3.1 The arbitration shall be held in [***] and shall be conducted in accordance with the rules of Conciliation and Arbitration of the International Chamber of Commerce (ICC) in accordance with its Rules of Arbitration (the “Rules”) by a panel of arbitrators appointed in accordance with said rules.

22.3.2 The arbitration shall be conducted by a panel of three (3) arbitrators, one of whom shall be named by each Party. The third arbitrator who shall act as Chairman shall be appointed by the two arbitrators named by each Party. In the event the arbitrators named by each Party fail to appoint a third arbitrator within thirty (30) days of written notice by any of the Parties to appoint the arbitrator, the Parties agree to allow the ICC to select the third arbitrator.

22.3.3 The arbitrators shall decide each issue presented to them in writing and by a majority vote. Their decisions shall be final and conclusive. The arbitrators shall have no authority to award punitive damages or any other damages except as authorized under the express terms and conditions of this Agreement.

22.3.4 All information relating to or disclosed by any Party in connection with the arbitration of any dispute relating to this Contract shall be treated by the Parties, the representative of the Parties, and the arbitration panel as Proprietary Information and no disclosure of such information shall be made by either Party or the arbitration panel without the prior written authorization of the Party furnishing such information in connection with the arbitration proceedings.

22.3.5 The parties shall evenly divide the costs of the arbitrators. Each Party shall bear the burden of its own costs and counsel fees and expenses incurred in connection with arbitration proceedings under this Contract.

22.3.6 In the event either Party fails to comply with the decision of the Arbitrators, judgment upon the award returned by the arbitrators may be entered in any court having jurisdiction over the Parties or their assets or application may be made to such court for judicial acceptance of the award and an order of enforcement, as the case may be.

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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.

22.4 Injunctive Relief. Notwithstanding the terms of Paragraph 22.3 herein, either Party may seek preliminary or temporary injunctive relief, including specific performance, or relief in and of arbitration at any time from a court of competent jurisdiction where immediate irreparable harm to that Party is threatened by the other Party's acts or omissions; provided, however, that requests for permanent injunctive relief shall be arbitrated pursuant to Paragraph 22.3.

22.5 Language Negotiations, mediation sessions or court proceedings in connection with this Contract shall be conducted in the English language, provided that at the request and expense of the requesting Party, documents and testimony shall be translated into any language specified by the requesting Party.

ARTICLE 23
CONFIDENTIALITY

23.1 Contract Provisions

23.1.1 Each Party shall make reasonable efforts to assure that its employees do not disclose the terms or conditions of this Contract, except as may be required to perform this Contract, to acquire insurance or the benefit thereof, in support of arbitration or legal proceedings relating hereto, as required by their respective governments, or in the normal course of reporting to its parent company.

23.1.2 No publicity or information regarding this Contract will be given or released without the prior written consent of the other Party. Consent to release of information by either Party shall not be unreasonably delayed or withheld.

23.2 Proprietary Information. It is recognized that Customer and Contractor each will have developed business, financial, and technical information including but not limited to information relating to the mating and launching of the Launch Vehicle and the Satellite that will be exchanged between the Parties. To the extent that such data is considered "Proprietary Information" by either Party, such disclosures shall be handled in accordance with this Article 23.

23.2.1 "Proprietary Information" (i) shall mean this Contract for Launch Services and that information, data or material in written form that is conspicuously marked "Proprietary," and that is delivered by Contractor or by Customer, as the case may be, to the representative(s) designated for receipt thereof by the other Party and (ii) shall include all copies in whole or in part made of such information, data or material or derivative uses thereof. Oral disclosure, if identified as "Proprietary Information" prior to disclosure, will be treated as proprietary under this Article provided that the oral information is reduced to writing and a copy marked as "Proprietary" is sent to the recipient within thirty (30) days of such disclosure.

23.2.2 Each Party agrees not to use the other Party's Proprietary Information for any purpose other than for the performance of this Contract. Any other use or disclosure of such Proprietary Information shall be made only upon prior written consent of the other Party.

23.2.3 Each Party agrees to restrict disclosures of the Proprietary Information of the other Party to only those having a need to know in the performance of this Contract and to have all such Proprietary Information protected with reasonable care such as that care normally used to protect its own Proprietary Information within its own organization. If such care is used, the recipient shall not be liable for the unauthorized disclosure of Proprietary Information.

23.2.4 The aforementioned restrictions on use and disclosure of Proprietary Information will not apply:

23.2.4.1 If either Party can show that the Proprietary Information received from the other is or has become generally available through the public domain without fault of such Party;

23.2.4.2 If the Proprietary Information is in a written record in one Party's files prior to its receipt from the other Party and is not otherwise restricted as to its use or disclosure;

23.2.4.3 If either Party at any time lawfully obtains the Proprietary Information in writing from a Third Party under circumstances permitting its disclosure;

23.2.4.4 If the Proprietary Information is disclosed with the prior written consent of the other Party, provided such disclosure complies in all respects with the terms of the written consent;

23.2.4.5 When the Proprietary Information is disclosed more than six (6) years after the date of receipt of the information.

23.2.5 Upon termination or expiration of this Contract, the Parties, within a reasonable period of time, will return all Proprietary Information received from the other Party under the terms of this Contract or certify that all the Proprietary Information has been destroyed.

23.2.6 It is understood that neither Party assumes any liability to the other for damages arising from the other Parties use of or reliance upon any Proprietary Information disclosed pursuant to this Article except as provided elsewhere herein.

ARTICLE 24
INTELLECTUAL PROPERTY

Neither Party will acquire, as a result of the services to be provided under this Contract, any rights to the inventions, patents, copyrights, trademarks or other technical property or any rights to the proprietary information of the other Party or the Related Third Parties of the other Party.

ARTICLE 25
RIGHT OF OWNERSHIP AND CUSTODY

25.1 Customer hereby acknowledges and agrees that at no time shall it obtain title to or ownership of or any other legal or equitable right or interest in any part of the Launch Vehicle or in any other tangible or intangible property or hardware of Contractor or its Related Third Parties, including, without limitation, any patent or data rights used or furnished in providing Launch Services under this Contract. Such property shall be considered the sole and exclusive property of Contractor.

25.2 Contractor hereby acknowledges and agrees that at no time shall it obtain title to or ownership of or any other legal or equitable right or interest in any part of the Satellite or in any other tangible or intangible property or hardware of Contractor or its Related Third Parties, including, without limitation, any patent or data rights with respect to the Satellite. Such property shall be considered the sole and exclusive property of Customer.

ARTICLE 26
AMENDMENT

Any amendment, modification or change to this Contract, including but not limited to launch requirements, changes in quantity or schedule adjustments, may only be made in writing by the authorized representatives of Customer and Contractor named in Paragraph 9.2.

ARTICLE 27
GOVERNING LAW

This Contract shall be governed by and construed in accordance with the laws of the State of New York, United States of America, exclusive of that jurisdiction's conflict of law rules. The provisions of the United Nations Convention for the International Sale of Goods shall not be applicable to this Contract.

ARTICLE 28
WAIVER OF BREACH

All waivers hereunder must be in writing, signed by the authorized representatives named in Paragraph 9.2 of the Party making the waiver. The failure of either Party, at any time, to require performance of the other Party of any provision of this Contract shall not waive the requirement for such performance at any time thereafter.

ARTICLE 29
ASSIGNMENT

29.1 This Contract shall not be transferred, assigned in full or in part, as security or otherwise, or delegated to any other individual, firm, institution, organization or government agency by either Party without the prior written consent of the other Party, except for transfers, assignments or delegations:

29.1.1 by Customer; (i) to a Related Third Party or Affiliate, provided that such Related Third Party or Affiliate has sufficient financial resources or funding to fulfill Customer's obligations under this Contract; (ii) when pledged as security in connection with obtaining debt or equity financing for the Launch Service under any financing agreement; or (iii) to any entity which, by way of merger, consolidation, sale, 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 Contract succeeds to the interests of Customer, provided in each case the assignee, transferee, or successor to Customer has expressly assumed all the obligations of Customer and all terms and conditions applicable to Customer under this Agreement and has sufficient financial resources or funding to fulfill Customer's obligations under this Contract. Any such assignment must be in accordance with all applicable U.S. export laws and regulations; or

29.1.2 by Contractor to any entity which, by way of merger, consolidation, sale, or any similar transaction involving the acquisition of substantially all the stock or the entire business assets of Contractor relating to the subject matter of this Contract succeeds to the interests of Contractor, provided in each case the assignee, transferee, or successor to Contractor has expressly assumed all the obligations of Contractor and all terms and conditions applicable to Contractor under this Agreement and has sufficient financial resources or funding to fulfill Contractor's obligations under this Contract.

29.2 Any assignment of this Contract must be in accordance with all applicable U.S. export laws and regulations.

29.3 Contractor shall cooperate reasonably in providing the Customer assignee of an security interest in this Contract as provided for in Paragraph 29.1.1 its acknowledgment of and consent to such assignment as may be reasonably requested by such assignee.

29.4 Consent to transfers, assignments or delegations by either Party shall not be unreasonably delayed or withheld. Any attempted assignment or delegation without such consent, other than those expressly permitted by Paragraph 29.1 above, shall be void and without effect. Any permitted transfers, assignments or delegations shall not act to release a Party from its obligations under this Contract unless the consent to transfers, assignments or delegations from the other Party specifically provides for such release.

ARTICLE 30
ORDER OF PRECEDENCE

In the event of any conflict among the various portions of this Contract, the following order of precedence shall prevail:

1. Articles 1 through 34

2. Exhibit 2 — Proton Interface Control Document for the ViaSat-1 Program (when signed by the Parties)

3. Exhibit 1 — Proton Launch Services Statement of Work for the ViaSat-1 Program, dated 25 February 2009, Document No. ILSB-0808-1958

4. All other Exhibits to this Contract.

ARTICLE 31
ENTIRE AGREEMENT

This Contract constitutes the entire agreement and understanding between the Parties. No other promises or representations, either verbal or written, with the exception of duly executed subsequent written modifications to the Contract shall have any force or effect in regard to the contractual obligations of the Parties herein.

ARTICLE 32
SEVERABILITY

The invalidity, unenforceability or illegality of any provision hereto shall not affect the validity or enforceability of the other provisions of this Contract, which provisions shall remain in full force and effect.

ARTICLE 33
TITLES AND HEADINGS

Titles and headings to Articles, paragraphs and tables in this Contract are provided for convenience of reference only and shall not affect the meaning or interpretation of this Contract.

ARTICLE 34
SURVIVAL

Notwithstanding any other provision to the contrary, and in addition to any other provision in this Contract stated to survive the termination or expiration of this Contract, the provisions contained in Paragraphs 12.2, 13.7, Article 15, Article 22, Article 23, Article 24, Article 25 and Article 27 shall survive the termination or expiration of this Contract.

IN WITNESS WHEREOF, the Parties hereto have executed this Contract as of the day and year last below written:

For Customer

VIASAT, INC.

By: /s/ David Abrahamian
Name: David Abrahamian
Title: Director, Space Systems Contracts
Date: 5 March 2009

For Contractor

ILS INTERNATIONAL LAUNCH SERVICES, INC.

By: /s/ T. P. Tshudy
Name: Thomas P. Tshudy
Title: Vice President and General Counsel
Date: 27 February 2009

Exhibit 21.1

Subsidiaries of ViaSat

1. ViaSat Worldwide Limited, a Delaware corporation.
2. ViaSat China Services, Inc., a Delaware corporation
3. ViaSat Australia PTY Limited, an Australian corporation
4. ViaSat Canada Company, a Nova Scotia unlimited liability company
5. ViaSat Europe S.r.l., an Italian limited liability company
6. ViaSat India Pvt. Ltd., an Indian private limited company
7. Immeon Networks, LLC., a Delaware limited liability company
8. U.S. Monolithics, LLC., an Arizona limited liability company
9. Efficient Channel Coding, Inc., an Ohio corporation
10. Enerdyne Technologies, Inc., a Delaware corporation
11. Intelligent Compression Technologies, Inc., a Delaware corporation
12. JAST, S.A., a Swiss corporation
13. ViaSat (IOM) Limited, an Isle of Man limited company
14. IOM Licensing Holding Company Limited, an Isle of Man limited company
15. ViaSat Satellite Ventures Holdings Luxembourg S.a.r.l., a Luxembourg private limited company
16. ViaSat Satellite Ventures Holdings France SAS, a societe par actions simplifee.
17. Softswitch LLC., a Delaware limited liability company.
18. ViaSat Credit Corp., a Delaware corporation
19. ViaSat Satellite Ventures, LLC., a Delaware limited liability company.

20. VSV I Holdings, LLC., a Delaware limited liability company.
21. VSV II Holdings, LLC., a Delaware limited liability company.
22. ViaSat Satellite Ventures U.S. I, LLC., a Delaware limited liability company.
23. ViaSat Satellite Ventures U.S. II, LLC., a Delaware limited liability company.
24. ViaSat Credit, LLC., a Delaware limited liability company.

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (File Nos. 333-143425, 333-85522, 333-74276, 333-69664, 333-116468, 333-135652, 333-141238 and 333-141859) and the Registration Statements on Form S-8 (File Nos. 333-21113, 333-68757, 333-40396, 333-67010, 333-82340, 333-109959, 333-131377, 333-131382 and 333-153828) of ViaSat, Inc., of our report dated May 27, 2009 relating to the financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
San Diego, California
May 27, 2009

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 annual report on Form 10-K 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: May 27, 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 annual report on Form 10-K 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: May 27, 2009

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

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 annual report on Form 10-K of the Company for the fiscal year ended April 3, 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: May 27, 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 annual report on Form 10-K of the Company for the fiscal year ended April 3, 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: May 27, 2009

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