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

FORM 10-Q

(Mark One)

[X] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the quarterly period ended June 30, 1999.

or

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the transition period from ____________ to____________.

Commission File Number (0-21767)

VIASAT, INC.
(Exact name of registrant as specified in its charter)

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

2290 COSMOS COURT, CARLSBAD, CALIFORNIA 92009
(760) 438-8099
(Address, including zip code, and telephone number, including area code, of principal executive offices)

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

The number of shares outstanding of the issuer's common stock, $.0001 par value, as of August 4, 1999 was 8,080,138.

VIASAT, INC.
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VIASAT, INC.
CONDENSED BALANCE SHEET

	JUNE 30, 1999	MARCH 31, 1999
	(UNAUDITED)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,543,000	$ 6,005,000
Short-term investments	11,836,000	14,788,000
Accounts receivable	22,086,000	16,176,000
Inventory	2,838,000	2,525,000
Deferred income taxes	2,588,000	2,358,000
Other current assets	405,000	446,000
Total current assets	44,296,000	42,298,000
Property and equipment, net	6,244,000	6,630,000
Other assets	673,000	1,088,000
Total assets	$51,213,000	$50,016,000
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 3,469,000	$ 3,754,000
Accrued liabilities	5,880,000	6,027,000
Current portion of notes payable	1,126,000	1,219,000
Total current liabilities	10,475,000	11,000,000
Notes payable	984,000	1,243,000
Other liabilities	845,000	926,000
Total long-term liabilities	1,829,000	2,169,000
Contingencies (Note 6)		
Stockholders' equity:		
Common stock	81,000	81,000
Paid in capital	17,866,000	17,609,000
Retained earnings	20,962,000	19,157,000
Total stockholders' equity	38,909,000	36,847,000
Total liabilities and stockholders' equity	$51,213,000	$50,016,000

See accompanying notes to condensed financial statements

VIASAT, INC.
CONDENSED STATEMENT OF INCOME
(UNAUDITED)

	THREE MONTHS ENDED JUNE 30, 1999	THREE MONTHS ENDED JUNE 30, 1998
Revenues	$ 17,035,000	$ 16,304,000
Cost of revenues	9,709,000	9,832,000
Gross profit	7,326,000	6,472,000
Operating expenses:		
Selling, general and administrative	2,948,000	2,355,000
Independent research and development	1,590,000	1,940,000
Income from operations	2,788,000	2,177,000
Other income (expense):		
Interest income	256,000	140,000
Interest expense	(47,000)	(70,000)
Income before income taxes	2,997,000	2,247,000
Provision for income taxes	1,192,000	858,000
Net income	$ 1,805,000	$ 1,389,000
Basic net income per share	$ .22	$ .18
Diluted net income per share	$ .22	$ .17
Shares used in basic net income per share computation	8,034,508	7,921,563
Shares used in diluted net income per share computation	8,207,555	8,209,522

See accompanying notes to condensed financial statements.

VIASAT, INC.
CONDENSED STATEMENT OF CASH FLOWS
(UNAUDITED)

	THREE MONTHS ENDED JUNE 30,	
	1999	1998
Cash flows from operating activities:		
Net income	$ 1,805,000	$ 1,389,000
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	885,000	688,000
Deferred taxes	184,000	(83,000)
Increase (decrease) in cash resulting from changes in:		
Accounts receivable	(5,910,000)	2,737,000
Inventory	(313,000)	(1,124,000)
Other assets	41,000	213,000
Accounts payable	(285,000)	(891,000)
Accrued liabilities	(147,000)	(379,000)
Other liabilities	(81,000)	(66,000)
Net cash (used in) provided by operating activities	(3,821,000)	2,484,000
Cash flows from investing activities:		
Purchases of short-term investments, net	2,952,000	834,000
Purchases of property and equipment	(498,000)	(1,073,000)
Net cash provided by (used in) investing activities	2,454,000	(239,000)
Cash flows from financing activities:		
Proceeds from issuance of notes payable	-	1,007,000
Repayment of notes payable	(352,000)	(252,000)
Proceeds from issuance of common stock	257,000	465,000
Net cash (used in) provided by financing activities	(95,000)	1,220,000
Net (decrease) increase in cash and cash equivalents	(1,462,000)	3,465,000
Cash and cash equivalents at beginning of period	6,005,000	3,290,000
Cash and cash equivalents at end of period	$ 4,543,000	$ 6,755,000
Supplemental information:		
Cash paid for interest	$ 47,000	$ 70,000
Cash paid for income taxes	$ 584,000	$ 260,000

See accompanying notes to condensed financial statements

VIASAT, INC.
CONDENSED STATEMENT OF STOCKHOLDERS' EQUITY
(UNAUDITED)

	COMMON STOCK			
	NUMBER OF SHARES	AMOUNT	PAID IN CAPITAL	RETAINED EARNINGS
Balance at March 31, 1999	8,034,204	$ 81,000	$17,609,000	$19,157,000
Adjust	(1)			
Exercise of stock options	7,213		11,000	
Issuance of shares for Employee Stock Purchase Plan	28,810		246,000	
Net Income				1,805,000
Balance at June 30, 1999	8,070,226	$ 81,000	$17,866,000	$20,962,000

See accompanying notes to condensed financial statements.

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

NOTE 1 - BASIS OF PRESENTATION

The accompanying condensed balance sheet as of June 30, 1999, the condensed statements of income and of cash flows for the three month periods ended June 30, 1999 and 1998, and the condensed statement of stockholders' equity for the three months ended June 30, 1999 have been prepared by ViaSat, Inc. (the "Company"), and have not been audited. These financial statements, in the opinion of management, include all adjustments (consisting only of normal recurring accruals) necessary for a fair presentation of the financial position, results of operations and cash flows for all periods presented. These financial statements should be read in conjunction with the financial statements and notes thereto for the year ended March 31, 1999 included in the Company's 1999 Annual Report on Form 10-K. Interim operating results are not necessarily indicative of operating results for the full year.

NOTE 2 - MANAGEMENT ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with generally accepted accounting principles 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.

NOTE 3 - REVENUE RECOGNITION

The majority of the Company's revenues are derived from services performed for the United States Government and its prime contractors under a variety of contracts including cost-plus-fixed fee, fixed-price, and time and materials type contracts. Generally, revenues are recognized as services are performed using the percentage of completion method, measured primarily by costs incurred to date compared with total estimated costs at completion or based on the number of units delivered. The Company provides for anticipated losses on contracts by a charge to income during the period in which they are first identified.

Contract costs, including indirect costs, are subject to audit and negotiations with Government representatives. These audits have been completed and agreed upon through fiscal year 1996. Contract revenues and accounts receivable are stated at amounts which are expected to be realized upon final settlement.

NOTE 4 - EARNINGS PER SHARE

Common stock equivalents of 173,047 and 287,959 shares for the three months ended June 30, 1999 and 1998, respectively, were used to calculate diluted earnings per share. Antidilutive shares excluded from the calculation were 564,173 and 31,637 shares for the three months ended June 30, 1999 and 1998, respectively. Common stock equivalents are primarily comprised of options granted under the Company's stock option plan. There are no reconciling items in calculating the numerator for basic and diluted earnings per share for any of the periods presented.

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

NOTE 5 - COMPOSITION OF CERTAIN BALANCE SHEET CAPTIONS

	JUNE 30, 1999 (UNAUDITED)	MARCH 31, 1999
Accounts receivable:		
Billed	$13,858,000	$ 7,765,000
Unbilled	8,228,000	8,411,000
	$22,086,000	$16,176,000
Inventory:		
Raw materials	$ 1,468,000	$ 914,000
Work in process	906,000	1,157,000
Finished goods	464,000	454,000
	$ 2,838,000	$ 2,525,000
Accrued liabilities:		
Current portion of warranty reserve	$ 1,612,000	$ 1,440,000
Accrued vacation	1,254,000	1,143,000
Accrued bonus	268,000	1,195,000
Accrued 401(k) matching contribution	268,000	791,000
Income taxes payable	1,118,000	694,000
Collections in excess of revenues	1,175,000	527,000
Other	185,000	237,000
	$ 5,880,000	$ 6,027,000

NOTE 6 - CONTINGENCIES

The Company is currently a party to various government and commercial contracts which require the Company to meet performance covenants and project milestones. Under the terms of these contracts, failure by the Company to meet such performance covenants and milestones permit the other party to terminate the contract and, under certain circumstances, recover liquidated damages or other penalties. The Company is currently not in compliance, or in the past was not in compliance, with the performance or milestone requirements of certain of these contracts. Historically, the Company's customers have not elected to terminate such contracts or seek liquidated damages from the Company and management does not believe that its existing customers will do so; therefore, the Company has not accrued for any potential liquidated damages or penalties.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

When used in this discussion, the words "believes," "anticipated" and similar expressions are intended to identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to certain risks and uncertainties which could cause actual results to differ materially from those projected. Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date hereof. The Company undertakes no obligation to republish revised forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. Readers are also urged to carefully review and consider the various disclosures made by the Company which attempt to advise interested parties of the factors which affect the Company's business, including without limitation the disclosures made under the caption "Risk Factors" in the Company's Annual Report on Form 10-K for its fiscal year ended March 31, 1999 filed with the Securities and Exchange Commission.

RESULTS OF OPERATIONS

The following table sets forth, as a percentage of total revenues, certain income data for the periods indicated.

	THREE MONTHS ENDED JUNE 30,	
	1999	1998
Revenue	100.0%	100.0%
Cost of revenue	57.0	60.3
Gross profit	43.0	39.7
Operating expenses:		
Selling, general, and administrative	17.3	14.4
Independent research and development	9.3	11.9
Income from operations	16.4	13.4
Income before income taxes	17.6	13.8
Net income	10.6	8.5

THREE MONTHS ENDED JUNE 30, 1999 VS. THREE MONTHS ENDED JUNE 30, 1998

Revenues. Revenues increased 4.5% from $16.3 million for the three months ended June 30, 1998 to $17.0 million for the three months ended June 30, 1999. This increase was primarily due to improvements in revenues generated by development programs.

Gross Profit. Gross profit increased 13.2% from $6.5 million (39.7% of revenues) for the three months ended June 30, 1998 to $7.3 million (43.0% of revenues) for the three months ended June 30, 1999. The increase in gross margin was primarily due to higher profitability than expected on certain percent complete contracts and a favorable inventory reserve adjustment due to improvement in commercial sales, offset in part by a lower volume of high margin products shipped and by discretionary spending on the MIDS program.

Selling, General and Administrative Expenses. Selling, general and administrative ("SG&A") expenses increased 25.2% from $2.4 million (14.4% of revenues) for the three months ended June 30, 1998 to $2.9 million (17.3% of revenues) for the three months ended June 30, 1999. The increase in SG&A expenses as a percentage of revenues reflects increased expenditures relating to marketing of commercial products, increased business development and bid and proposal efforts for defense programs, and additional administrative staffing to support the Company's growth. SG&A expenses consist primarily of personnel costs and expenses for business development, marketing and sales, bid and proposal, finance, contract administration and general management. Certain SG&A expenses are difficult to predict and vary based on specific government and commercial sales opportunities.

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

Independent Research and Development. Independent research and development ("IR&D") expenses decreased 18.0% from $1.9 million (11.9% of revenues) for the three months ended June 30, 1998 to $1.6 million (9.3% of revenues) for the three months ended June 30, 1999. This decrease resulted from the award of funded development contracts related to both the Company's defense and commercial products.

Interest Expense. Interest expense decreased from $70,000 for the three months ended June 30, 1998 to $47,000 for the three months ended June 30, 1999. Interest expense relates to loans for the purchase of capital equipment, which are generally four year fixed-rate term loans, and to short-term borrowings under the Company's line of credit to cover working capital requirements. Total outstanding equipment loans were $3.4 million at June 30, 1998 and $2.1 million at June 30, 1999. There were no outstanding borrowings under the Company's line of credit as of June 30, 1998 and 1999.

Interest Income. Interest income increased from $140,000 for the three months ended June 30, 1998 to $256,000 for the three months ended June 30, 1999. This increase resulted from increased invested cash balances. Interest income relates largely to interest earned on short-term deposits of cash.

Provision for Income Taxes. The Company's effective income tax rate increased from 38.2% for the three months ended June 30, 1998 to 39.8% for the three months ended June 30, 1999. The difference relates primarily to reductions in research and development tax credits.

BACKLOG

At June 30, 1999, the Company had firm backlog of $46.5 million, of which $32.7 million was funded. The firm backlog of $46.5 million does not include contract options of $61.4 million. These options include $48.0 million of Indefinite Delivery/Indefinite Quantity (IDIQ) UHF Satcom products and $10.0 million of IDIQ awards for other Company products. As a result of the Federal Acquisition Streamlining Act of 1994, the trend in U.S. Government procurement has been toward more off the shelf products and technology. More of the Company's backlog is expected to come from this type of order with shorter lead-times. Consequently the Company's backlog is expected to remain lower than historical trends would indicate. Of the $46.5 million in firm backlog, approximately $37.1 million is expected to be delivered in the fiscal year ending March 31, 2000, $7.3 million is expected to be delivered in the fiscal year ending March 31, 2001 and the balance is expected to be delivered in the fiscal year ending March 31, 2002 and thereafter. The Company had firm backlog of $44.9 million at March 31, 1999, of which $36.8 million was funded, not including options of $45.2 million. The Company includes in its backlog only those orders for which it has accepted purchase orders. However, backlog is not necessarily indicative of future sales. A majority of the Company's backlog scheduled for delivery can be terminated at the convenience of the government since orders are often made substantially in advance of delivery, and the Company's contracts typically provide that orders may be terminated with limited or no penalties. In addition, purchase orders may set forth product specifications that would require the Company to complete additional product development. A failure to develop products meeting such specifications could lead to a termination of the related purchase order.

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

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date primarily from cash flows from operations, bank line of credit financing, equity financing and loans for the purchase of capital equipment. Cash used by operating activities for the three months ended June 30, 1999 was $3.8 million and cash provided by operating activities was $2.5 million for the three months ended June 30, 1998. The relative decrease in cash provided by operating activities for the three months ended June 30, 1999 compared to the same period of the prior year was primarily due to the timing of receivable collections.

Cash provided by investing activities for the three months ended June 30, 1999 was $2.5 million and cash used in investing activities for the three months ended June 30, 1998 was $200,000. During the three months ended June 30, 1999, $3.0 million in cash equivalents matured and were used to fund operations. The Company purchased $500,000 and $1.1 million of property and equipment during the three months ended June 30, 1999 and 1998, respectively. The Company's purchases of property and equipment primarily consist of test equipment and computers.

Cash used by financing activities for the three months ended June 30, 1999 was $95,000 and cash provided by financing activities for the three months ended June 30, 1998 was $1.2 million. This decrease was primarily the result of reduced borrowings for equipment financing and decreased proceeds from the sale of common stock through the Company's employee stock option and purchase plans.

At June 30, 1999, the Company had $16.4 million in cash, cash equivalents and short-term investments, $33.8 million in working capital and $1.8 million in long-term debt, which consisted of equipment financing. The Company had a zero balance under its line of credit at June 30, 1999.

The Company's credit facilities, including the line of credit and equipment financing, expired on December 15, 1998. The Company is in the process of renegotiating the terms of the commitment with Union Bank of California.

The Company's future capital requirements will depend upon many factors, including the progress of the Company's research and development efforts, expansion of the Company's marketing efforts, and the nature and timing of orders. The Company believes that its current cash balances and net cash expected to be provided by operating activities will be sufficient to meet its working capital and capital expenditure requirements for at least the next 12 months. Management invests the Company's cash in excess of current operating requirements in short-term, interest-bearing, investment-grade securities.

YEAR 2000 ISSUE

Many computer programs have been written using two digits rather than four to define the applicable year. This poses a problem when 1/1/00 could represent either year 2000 or year 1900. This, in turn, could result in system failures or miscalculations, and is generally referred to as the "Year 2000 issue." The Company's Year 2000 Plan includes four phases--evaluation, implementation of any required changes, testing and release/installation.

The Company has completed the evaluation and implementation of modifications for its business systems software and has completed testing of Company computers. Because the Company's fiscal year 2000 began April 1, 1999, applications which depend upon the fiscal year instead of the calendar year were required to be free of any Year 2000 issues by April 1,1999. All critical business systems dependent upon the fiscal year 2000 were compliant before April 1, 1999, and subsequently there have been no related issues. A few personal computers were found to need modifications and/or replacement to be Year 2000 compliant. All necessary modifications and replacements will be complete before January 1, 2000.

The Company has conducted evaluations of its products to determine if they are Year 2000 compliant. The Company does not believe that there are any material Year 2000 defects in its products. The Company has been asked by some customers to complete tests on products to determine if there are any Year 2000 issues. The products have passed these tests. The Company does not believe that any Year 2000 compliance issues related to its products will result in a material adverse effect on the financial position or results of operations of the Company.

The Company has completed extensive inquiries with significant suppliers to evaluate their Year 2000 status to determine the extent to which the Company is vulnerable to those third parties' failure to remedy their own Year 2000 issues. The Company does not believe that any Year 2000 compliance issues related to its suppliers will result in a material adverse effect on the financial position or results of operations of the Company.

The Company currently estimates that the total cost of implementing its Year 2000 Plan will be less than $100,000.

The Company anticipates that the Year 2000 issue will not have a material adverse effect on the financial position or results of operations of the Company. There can be no assurances, however, that the systems of other companies or the U.S. Government, on which the Company relies for supplies, cash payments, and future business, will be timely converted, or that a failure to convert by another company or the U.S. Government would not have a material adverse effect on the financial position or results of operations of the Company. If third party service providers and vendors, due to the Year 2000 issue, fail to provide the Company with components or materials which are necessary to manufacture its products, with sufficient electrical power and other utilities to sustain its manufacturing process, or with adequate, reliable means of transporting its products to its customers worldwide, then any such failure could have a material adverse effect on the Company's ability to conduct business, as well as on the Company's financial position and results of operations.

Because the Company has adopted a plan to address Year 2000 issues, it has not developed a comprehensive contingency plan for dealing with the most reasonably likely worst case scenario. However, if the Company identifies significant risks in the future or is unable to meet its anticipated schedule for completion of its Year 2000 compliance, the Company will develop contingency plans to the extent necessary at that time.

The foregoing discussion of Year 2000 issues contains forward-looking statements and should be read, along with all other forward-looking statements herein, in conjunction with the Company's disclosures in the first paragraph under the caption "Item 2.
Management's Discussion and Analysis of Financial Condition and Results of Operations" above.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

PART II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibit 27.1 - Financial Data Schedule

(b) The Company filed no reports on Form 8-K during the quarter ended June 30, 1999.

SIGNATURES

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

VIASAT, INC.

Date: August 13, 1999

/s/ Mark D. Dankberg

MARK D. DANKBERG
President
Chief Executive Officer

/s/ Richard Baldridge

RICHARD BALDRIDGE
Vice President
Chief Financial Officer

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE VIASAT, INC. FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED JUNE 30, 1999 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS INCLUDED IN FORM 10-Q.

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MAR-31-2000
APR-01-1999
JUN-30-1999
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