

## Key Messages

### **1. Strategic Rationale**

- Sets stage for growth and expansion of WB broadband service
  - Integrating VS next-gen network / VS-1 satellite set to launch in 2011
- Companies are a perfect strategic fit:
  - Integration of service and technology
  - Have worked closely for 10 years to develop industry’s leading Ka platform
  - WB has achieved operational scale – but has no capacity for future growth.
  - VS first with the platform for the future – but no ongoing business.
- Cuts risk of growth strategy from VS-1 launch (future earnings growth) – distribution & execution
- Deal promotes organic growth opportunities for VS other commercial and defense initiatives as well
- Accelerates our Ka broadband services market entry by over one year

### **2. Transaction Motivation**

- For ViaSat:
  - Deliver maximum value creation from VS-1 venture to shareholders
  - Assure VS-1 project financing that protects VS balance sheet and earnings prospects
  - Cut risk of operational/implementation aspects of entering broadband satellite services business
  - Gain multiple distribution partners: DISH, DirecTV, AT&T, NRTC
- For WB:
  - Capital investment for growth and continued leadership in satellite broadband
  - Access to next-generation technologies and bandwidth capacity that improve both the economics of the business and service levels for customers
  - Return value to investors

## Specific Q&A

### *Deal Rationale/Terms*

- 1. Why take on the risk of entering a consumer business – which isn't a competency of ViaSat?**
  - a. This deal eliminates the risk of our entry into consumer broadband – We plan to plug-in the ViaSat-1 capacity into WB's existing service operation infrastructure.
  - b. Actually reduces the risk because of success track record of WildBlue and gaining distribution partners already signed with WildBlue; AT&T, DISH, DirecTV, NRTC
  
- 2. If the goal is to eliminate the risk of starting your own consumer business, is that really worth a half billion dollars?**
  - a. This is the rare opportunity to balance a strategic transaction with a fair price.
  - b. The cash on hand, cash flows, and tax credits of WildBlue support the financing of the transaction and the value of the net assets we are acquiring approximates the price paid.
  
- 3. How certain is the financing?**
  - a. We're in productive discussions on the financing and are comfortable we will complete the transaction on schedule.
  - b. Regulations prohibit us from providing any more detail on the debt portion of the financing. Watch our regulatory filings for more details in the future.
  
- 4. How does the second lien work if you have to go that route?**
  - a. It provides financing for \$350 million of the cash we need to deliver at closing. We expect it to be a backstop should our other financing alternatives not conclude prior to closing, and we do not expect to need it.
  
- 5. This deal is immediately accretive? Does it remain accretive even as you pay to complete/launch the satellite?**
  - a. Deal is neutral to accretive at closing on a GAAP basis and accretive on a non-GAAP basis.
  - b. Between signing and closing we expect dilution on a GAAP basis due to the transaction expenses incurred.
  
- 6. How will ViaSat finance this deal and continue to fund ViaSat-1?**
  - a. This deal effectively completes the financing for ViaSat-1 as we'll be able to harvest WB cash flows immediately as we work to complete the satellite

- 7. Explain your decision-making process on how many shares will be issued.**
- a. We have the opportunity to deliver cash in lieu of shares at closing. We will monitor our stock price and make appropriate decisions to minimize dilution.
- 8. What are the potential regulatory hurdles, if any, to completing the deal?**
- a. We expect that the regulatory approval process will take its normal course. The transaction requires approval from the Department of Justice and Federal Trade Commission under the Hart Scott Rodino Act and from the FCC. We look forward to working cooperatively with the agencies to explain the very pro-competitive nature of the transaction and the great benefits to consumers in expediting distribution of next generation satellite broadband. In addition, because ViaSat and WildBlue offer different services, at this point we do not expect any major issues to arise.
- 9. What break-up conditions/fees are in place**
- a. Should the acquisition not close, there is a provision in place for WildBlue to license 50% of ViaSat-1 U.S. payload capacity, which we view as a win-win for both parties. Alternatively, we can pay a break-up fee of \$22 million.
- 10. What synergies do you expect?**
- a. We expect significant synergies by integrating our ViaSat-1 satellite into WildBlue's business
    - i. Primarily via cost avoidance, for certain network operations, technical operations, logistics and back office functions
    - ii. Gain WB distribution partners: DirecTV, AT&T, NRTC, Dish
    - iii. Upgrades our current services network with current WB satellites, accelerating our development of services for mobile broadband, enterprise & government
    - iv. Gives us a CONUS augment to ViaSat-1 coverage

## *WildBlue*

- 11. Did WildBlue consider other exit strategies – didn't they plan an IPO at one point?**
- a. Like all companies, WildBlue regularly evaluated the best ways to maximize returns to their shareholders
  - b. The compelling strategic fit between these two partners made this merger the best long-term opportunity for return on investment and growth potential
- 12. What will happen to WildBlue employees?**
- a. WildBlue will continue to operate as a standalone entity as a subsidiary of ViaSat – there are no planned changes in service or support levels to WildBlue customers.
  - b. They have expertise that we don't have and that's part of the great fit between the companies.

**13. How many are there and will you be cutting jobs?**

- a. 265
- b. We do not anticipate job cuts

**14. Will WildBlue remain based in Denver?**

- a. Yes, it will continue to operate from its HQ in Greenwood Village, CO

**15. What will happen to the WildBlue name?**

- a. The WildBlue brand is a strong one in satellite broadband.
- b. There are no plans at present to change the name
- c. WildBlue will continue to be the name for our consumer and SOHO broadband service.

**16. Who will be in charge at WildBlue? What will WildBlue management's role be in the combined company moving forward?**

- a. The company will be run by its current leadership team during transition, during which time both parties will cooperate to determine the best management team for the company.

**17. Will anyone from WildBlue join the board?**

- a. At closing, WildBlue shareholders will have the right to nominate one representative to the ViaSat board of directors and have agreed to allow Liberty Media, who is expected to become a significant shareholder of ViaSat as part of this transaction, to select the representative.

**18. Will any of the current WildBlue owners – Liberty Media, Intelsat, the National Rural Telecommunications Cooperative (NRTC), Kleiner Perkins Caufield & Byers, and Telesat – maintain a role in the business?**

- a. Other than some continued investment participation and the potential board seat, no. NRTC is, of course, expected to remain a valued wholesale distributor of WildBlue.

**19. What will happen to the ARRA fund proposals submitted by WildBlue? Is there overlap? Will you have to withdraw them?**

- a. We do not expect the transaction to close until next spring, so we will wait out the process. WildBlue will assess what to do after receiving feedback on its applications.
- b. We hope that regardless of the outcome of the application process that the federal agencies have a better understanding of satellite broadband's value to the nation's broadband plan. We hope that the exciting possibilities associated with this deal and both companies' advocacy efforts over the past year will raise the profile in general for the satellite broadband industry.

- 20. Will you be switching all WildBlue customers to ViaSat-1 in 2011? What becomes of current owned and leased capacity on WildBlue-1, Anik F2, EchoStar AMC-15, etc.?**
- a. WildBlue's satellites and capacity are very valuable. We have developed a strategy to continue to use these satellites post ViaSat-1 service launch.
  - b. WildBlue-1 and Anik F2 in particular, can augment WildBlue service in areas not targeted by ViaSat-1, so will remain a valuable asset for some time to come.