

ViaSat-1 FAQ

What is ViaSat-1?

ViaSat-1 is a ViaSat-led project to build a satellite system that is designed to deliver a high-volume, media-enabled broadband experience by satellite for the first time. By putting more, cheaper bits in space, we want to match broadband user expectations with bandwidth allocation, so that satellite broadband subscribers get a great experience that compares favorably to median quality service for terrestrial broadband alternatives such as DSL and cable. Loral has been selected to build ViaSat-1 with a launch planned in early 2011.

How will ViaSat-1 “transform” satellite broadband?

ViaSat-1 is designed to be the highest capacity satellite ever built by an order of magnitude. The resulting powerful economies of scale promise to reduce satellite bandwidth costs to the point of providing a range of speeds that extend above the median for cable and DSL, at retail pricing the same as existing satellite services.

What makes this satellite different from other satellites in orbit? The simple answer is ViaSat-1 is focused on bandwidth maximization, so it will be able to support far more subscribers at lower cost. Further, the technology will bring customers a far better user experience by providing the more abundant bandwidth (capacity) that they want for today’s media-rich and peer-to-peer networking applications. The satellite spot beams will focus coverage into the areas where demand is greatest and ViaSat-1 will also incorporate a number of ViaSat technologies to increase satellite capacity to unprecedented levels.

What capacity improvements does ViaSat-1 bring to the market?

- At a projected 130 Gbps total throughput, ViaSat-1 will offer more than 10 times the capacity of current Ka-band satellites
- More total bandwidth capacity than all current Ku-, Ka-, and C- band satellites over North America combined (including those used for broadcast TV). Capital cost per bit will be only one-tenth the cost of even the current generation of new Ka-band satellites.
- 1.5 million total subscribers on one satellite (compared to 500,000 on WildBlue-1)

Can other satellite operators put up the same kind of satellite?

ViaSat has patiently assembled technology advantages over a number of years. The company is now the number one Ka-band technology provider in the world. We have a level of technology integration no one else has, with no competitor approaching the performance of our current SurfBeam® ground system, let alone our next generation system now in development. In addition, to-date we have filed for 40 patents related to the technology that will go into ViaSat-1.

Also important to note is that, as capable as ViaSat-1 is designed to be, the ground segment technology we will have in our next generation SurfBeam satellite networking system is an equally important part of the equation.

Why is ViaSat building a satellite when its strength is in ground systems?

ViaSat is embracing –not fighting – the irresistible, inevitable fact that Internet users want more bandwidth for new media-rich applications. With the demand clearly shown by the success of WildBlue, we feel this is the best way to be sure we can grow a market where we are already, by far, the leading equipment supplier. We will be supplying all the ground segment for ViaSat-1 and KA-SAT.

Is ViaSat going to become a satellite service provider or ISP?

Through our recent acquisition of WildBlue we have acquired the premier Ka-band satellite Internet service provider. The deal immediately brings us a 420,000-plus subscriber installed base together with successful help desk, retail ISP, and billing operations, and distribution partners. DirecTV, DISH, the NRTC, and AT&T are all distributors for WildBlue in the U.S. In addition, our ownership of WildBlue launches us into the Ka-band satellite service market one year ahead of our original plans.

Why is building this satellite a good idea?

Current satellite systems aren't designed for the high bandwidth applications that people want now, such as streaming video, file sharing, and peer-to-peer networking. And, based on the success of WildBlue, demand for satellite broadband has never been higher. The best terrestrial technologies don't start in the cities and then move into rural areas. Instead, the best urban markets are being over-built and fought over – and there are no terrestrial systems that extend services at these speeds and volumes into the markets that satellite can best serve. ViaSat-1 will transform satellite broadband by meeting that demand with more capacity than all current North American satellites combined. And there is no new Ka capacity scheduled for launch in the U.S. ahead of ours.

How will ViaSat finance this venture?

Discussions with potential strategic partners continue. However, given ViaSat cash on hand, external financial commitments of over \$100M in ViaSat-1, future cash flows including those from WildBlue, and the recently completed debt offering, we consider the project fully financed. We are interested in a limited amount of additional investments – but plan to retain control of the asset.

Who are your partners so far?

- Loral Space & Communications/Telesat – investor in Canadian capacity, contributing 115W orbital slot
- Barret Xplore – purchased Canadian capacity from Loral
- Eutelsat – strategic business relationship and ground system customer
- atContact – spectrum license support

Where will ViaSat-1 be located?

Through an agreement with Telesat, ViaSat 1 will occupy the 115W geosynchronous orbital slot over North America.

What is KA-SAT?

A parallel effort by Eutelsat to build and launch a similar satellite, called KA-SAT, will provide the same technology and low cost bandwidth in Europe, with a capacity of about 70 Gbps. Astrium has been selected to build KA-SAT with a launch planned in late calendar 2010.

Is ViaSat-1 designed only for consumer Internet access?

The market for consumer Internet access by satellite is well proven, with over 1 million subscribers, but we believe that the cost advantages will translate to many other markets including enterprise broadband, defense applications, mobile broadband, and even regional video distribution (not direct-to-home). Any satellite application can profit when bandwidth is increased and reduced in cost.

What is the time line going forward?

- 2008
 - First ground system orders for KA-SAT
- 2009
 - KA-SAT and ViaSat-1 development ongoing
 - Potential Ka-band gateway orders
 - Shipping KA-SAT ground systems
 - Barrett ground system orders for Canadian capacity
- 2010
 - Ship initial next generation SurfBeam terminals
 - First ground system orders for ViaSat-1
 - KA-SAT launch
- 2011
 - ViaSat-1 launch
 - Commence WildBlue services on ViaSat-1

Is ViaSat considering building more than just this one satellite?

With satellite broadband industry growth clearly capacity-constrained, we are open to leading additional satellite projects to meet demand and create additional ground segment opportunities for us. In addition, we have strong interest from international partners to duplicate this model on other continents.