

## ViaSat-1 FAQ

### **What is ViaSat-1?**

ViaSat-1 is a ViaSat-led project to build a satellite system that is designed to propel satellite into the mainstream of broadband access choices alongside DSL and cable by putting more, cheaper bits in space. Loral has been selected to build ViaSat-1 with a launch planned in early 2011.

### **Where will ViaSat-1 be located?**

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

### **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 well 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 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 Web 2.0 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 100 Gbps total throughput, ViaSat-1 will offer 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.
- Two 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, no one can create a satellite system that yields these capacity gains without the ground segment technology we have in our next generation SurfBeam satellite networking system.

**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 Web 2.0 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.

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

No. The satellite capacity of ViaSat-1 will be sold on a wholesale basis to distribution partners, in most cases service providers or telcos. We are going to leave the financial investments, and all the economic benefits of subscriber ownership, help desk, retail ISP services, and billing, to our distribution partners. The project also enhances ViaSat leadership in ground equipment, as we will be supplying all the ground segment for ViaSat-1 and KA-SAT.

**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 right now, 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 – primarily who can help with distribution - continue. However, given ViaSat cash on hand, external financial commitments of over \$100M in ViaSat-1, future cash flows, and available borrowing capacity, we consider the project fully financed from the beginning. We are interested in a limited amount of additional investments – but plan to retain control of the asset.

**Who are your partners so far?**

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

**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. Astrium has been selected to build KA-SAT with a launch planned in early 2010.

**Is ViaSat-1 designed only for consumer Internet access?**

We believe that its cost advantages will translate to many other markets including enterprise broadband, defense applications, mobile broadband & even regional video distribution & broadcast. Any satellite application can profit when it costs less to move bits in space.

**What is the time line going forward?**

- 2008
  - First ground system orders for KA-SAT
- 2009
  - KA-SAT and ViaSat-1 development ongoing
  - Shipping KA-SAT ground systems
- 2010
  - Ship initial next generation SurfBeam terminals
  - First ground system orders for ViaSat-1
  - KA-SAT launch
- 2011
  - ViaSat-1 launch
  - Growing infrastructure and terminal sales

**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.