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Telebras, Viasat Enter into Strategic Agreement to Connect the Unconnected in Brazil

Collaboration is Focused on Driving Digital Inclusion across Brazil; Making the Internet Affordable, Accessible to All

BRASÍLIA, Brazil, and CARLSBAD, Calif., Feb. 26, 2018 /PRNewswire/ -- [Telebras](#) (B3/Bovespa: TELB3 & TELB4), a Brazilian state-controlled public telecommunications company, and [Viasat Inc.](#) (NASDAQ: VSAT), a global communications company, today announced a strategic agreement to bring high-speed, affordable internet to unserved and underserved communities, health clinics, schools and hospitals across all of Brazil.

The collaboration will help fulfill the Brazilian Government's National Broadband Program (or Programa Nacional de Banda Larga, known as "PNBL"), which is focused on promoting social and economic development in the country by ensuring fast, affordable broadband connectivity to all Brazilians. The collaboration will combine the Ka-band capacity of the Telebras-owned and controlled satellite, the SGDC-1 (Geostationary Satellite for Defense and Strategic Communications), with Viasat's proven ground network and infrastructure, and Viasat's unique ability to bring affordable and scalable broadband services to communities where internet service has historically been unavailable.

Telebras launched the SGDC-1 satellite—the only Ka-band satellite to offer nationwide high-capacity broadband coverage across 100% of Brazil's territory, including coastal areas—in May 2017. By working with Viasat, Telebras can take advantage of Viasat's innovative ground infrastructure to enable the commercial viability of the SGDC-1 satellite, and begin connecting the unconnected across the country. Once the SGDC-1 network is operational, Telebras can meet its obligations to provide internet services to Brazil's citizens under the Brazilian Internet For All public policy as well as key national government entities, including schools, hospitals and other government institutions under the Brazilian e-government initiative known as Governo Electronico - Serviço de Atendimento ao Cidadão (GESAC). In addition, under the terms of the agreement, Viasat will leverage the SGDC-1 satellite network to explore satellite services for enterprise and commercial aviation markets as well as launch satellite-enabled Wi-Fi hotspot and residential services into communities across Brazil that lack high-quality, affordable internet services.

"Our agreement with Viasat enables us to establish the necessary infrastructure to bring wide-reaching, reliable, high-speed data communications to Brazilians - even in the farthest-to-reach, less populated regions of the country," said Maximiliano Martinhão, Telebras' president. "We believe, that together with Viasat, we can help meet Telebras' mission in public policies: to bring affordable internet to all, while building Brazil's competitive global future through job creation, skillset development and by reducing the socio-economic disparities created by a lack of internet access across the region. To put it simply, this agreement means confidence in the recovery of Brazil's economy and Telebras' ability to achieve its objectives."

"We are extremely pleased to collaborate with Telebras in delivering affordable broadband internet across Brazil," said Mark Dankberg, Viasat's chairman and chief executive officer. "We are committed to helping Brazil realize the opportunities and benefits that can be achieved by connecting the country. We believe Telebras is an excellent partner to help us target the places with the greatest needs in order to effectively make the greatest impact."

Viasat has deep domain knowledge and expertise in bringing cost-effective satellite-enabled communications and Wi-Fi hotspot services to unconnected communities across North America. The Company had successfully operated 14 million hotspots across 30 countries, and today has deployed affordable satellite-enabled Wi-Fi services covering hundreds of thousands of residents in multiple communities across rural Mexico, where internet service was unavailable prior. This experience makes Viasat an ideal company to cooperate with Telebras in making the internet affordable and accessible in Brazil.

Specific terms of the agreement have not been made public; however, the arrangement is founded on a success-based revenue-share model in which Telebras expects newly-enabled market opportunities can potentially generate more than USD\$1 billion in revenues for the company over the next 10 years.

Availability

Viasat equipment began shipping to Brazil in February 2018. Initial service is expected to commence in April 2018.

About Telebras

Telecomunicações Brasileiras S.A. (Telebras) is a Brazilian state-controlled public company that aims to implement the National Broadband Program (PNBL), which has the goal of delivering broadband internet connectivity to all of Brazil's 5,570 municipalities. In addition to being the executing arm of public telecommunications policies (e.g. Gesac, Connected Education and Internet for All) in Brazil, Telebras is also tasked with universalizing the broadband internet access within the country. The Company maintains more than 28 thousand km of optical fiber within Brazil's national fiber backbone. To learn more about Telebras, visit: www.telebras.com.br, or follow the company on social media at: [Facebook](#), [Instagram](#), [LinkedIn](#), [Twitter](#) or [YouTube](#).

About Viasat

Viasat is a global communications company that believes everyone and everything in the world can be connected. For more than 30 years, Viasat has helped shape how consumers, businesses, governments and militaries around the world communicate. Today, the Company is developing the ultimate global communications network to power high-quality, secure, affordable, fast connections to impact people's lives anywhere they are—on the ground, in the air or at sea. To learn more about Viasat, visit: www.viasat.com, go to [Viasat's Corporate Blog](#), or follow the Company on social media at: [Facebook](#), [Instagram](#), [LinkedIn](#), [Twitter](#) or [YouTube](#).

Forward-Looking Statements

This press release contains forward-looking statements that are subject to the safe harbors created under the Securities Act of 1933 and the Securities Exchange Act of 1934. Forward looking statements include among others, statements about the future plans, operation, performance and expected potential revenues of the strategic agreement between Viasat and Telebras, its business prospects, and the expansion and growth of broadband markets. Readers are cautioned that actual results could differ materially from those expressed in any forward-looking statements as these statements are not of historical facts and represent only the Company's current expectations regarding such matters. These statements inherently involve a wide range of known and unknown risks and uncertainties. Factors that could cause actual results to differ include: the parties' ability to successfully integrate and operate the new strategic agreement, and achieve expected synergies and other benefits; the ability to attract and retain key employees for the new strategic agreement; the impact of competition; the ability to develop products and technologies; the impact of changes in the financial markets and global economic conditions; risks associated with the operation of Viasat's ground segment infrastructure; risks associated with the operation of Telebras' satellite, which is to be used to supply new internet services, including the effect of any anomaly, operational failure or degradation in satellite performance; reduced demand for products as a result of constraints on capital spending by customers; changes in relationships with, or the financial condition of, key customers or suppliers; reliance on a limited number of third parties to manufacture and supply products; Viasat's level of indebtedness and ability to comply with applicable debt covenants; and other factors as may be detailed from time to time in the Company's public announcements and SEC filings. Please refer to the risk factors contained in Viasat's SEC filings available at www.sec.gov, including Viasat's most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Readers are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date on which they are made. Viasat undertakes no obligation to update or revise any forward-looking statements for any reason.

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