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**FORM 6 – K**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Report on Foreign Issuer

Pursuant to Rule 13a – 16 or 15d – 16  
of the Securities Exchange Act of 1934

For the Month of February 2012

**Gilat Satellite Networks Ltd.**  
(Translation of Registrant's Name into English)

Gilat House, Yegia Kapayim Street  
Daniv Park, Kiryat Arye, Petah Tikva, Israel  
(Address of Principal Corporate Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F ☒

Form 40-F ☐

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐

No ☒

If “Yes” is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

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Attached hereto is Registrant's press release dated February 22, 2012, announcing Registrant's financial results for the fourth quarter and full year 2011.

This Form 6-K is being incorporated by reference into the Registrants Form F-3 registration statement file nos. 333-174142 and 333-160683 and Form S-8 registration statements file nos. 333-158476, 333-96630, 333-132649, 333-123410, 333-113932, 333-08826, 333-10092, 333-12466 and 333-12988.

Signature

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.

Gilat Satellite Networks Ltd.  
(Registrant)

Dated February 22, 2012

By: /s/ Joann R. Blasberg  
Joann R. Blasberg  
Corporate Secretary

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## **Gilat Announces Fourth Quarter and Full Year 2011 Results**

**Petah Tikva, Israel - February 22, 2012** – Gilat Satellite Networks Ltd. (NASDAQ: GILT), a worldwide leader in satellite networking technology, solutions and services, today reported its results for the fourth quarter and year ended December 31, 2011.

### **Key Highlights:**

- Quarterly revenues of \$93.6 million, up 42% compared to fourth quarter 2010
- Full year revenues increased to \$339.2 million, up from \$233 million in 2010
- Non-GAAP year-over-year operating income reached \$17.5 million compared to \$1.3 million in 2010
- 2011 EBITDA of \$33.5 million, up from EBITDA of \$14.2 million in 2010

Revenues for the fourth quarter of 2011 were \$93.6 million, compared to \$66.1 million for the same period in 2010. GAAP operating loss for the fourth quarter of 2011 was \$15.2 million compared to an operating loss of \$4.1 million in the fourth quarter of 2010.

On a GAAP basis, net loss for the fourth quarter of 2011 was \$11.5 million or \$0.28 per diluted share, compared to a net loss of \$4.9 million or \$0.12 per diluted share in the fourth quarter of 2010.

During the fourth quarter of 2011 we recorded a one-time non-cash impairment of goodwill relating to our investment in Wavestream in accordance with ASC 350 (formerly SFAS No. 142) in the amount of \$17.9 million, and restructuring costs and other charges relating to cost reduction efforts in the amount of \$1.6 million, totaling \$19.5 million.

On a non-GAAP basis, operating income for the fourth quarter of 2011 was \$6.6 million compared to \$0.5 million in the fourth quarter of 2010. Non-GAAP net income for the period was \$8.4 million or \$0.20 per diluted share, compared to a net loss of \$0.3 million, or \$0.01 per diluted share, in the comparable period in 2010.

Revenues for the year ended December 31, 2011 were \$339.2 million, compared to \$233.0 million in the comparable period of 2010. On a GAAP basis, operating loss for the year 2011 was \$12.3 million, compared with an operating loss of \$6.2 million in the prior year. Net loss for the twelve month period ended December 31, 2011 was \$5.9 million or \$0.14 per diluted share, compared to a net income of \$30.6 million or \$0.73 per diluted share, in the same period of 2010.

On a non-GAAP basis, operating income for the year ended December 31, 2011 was \$17.5 million compared to \$1.3 million in the full year 2010. Non-GAAP net income for the period was \$15.9 million or \$0.37 per diluted share, compared to a net income of \$0.7 million, or \$0.02 per diluted share, in the comparable period in 2010.

EBITDA for the twelve months of 2011 reached \$33.5 million compared with \$14.2 million in the comparable period in 2010.

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**Executive Perspective:**

"Our strong financial performance in the fourth quarter was accompanied by several important contract wins for Gilat. In 2011 we made significant inroads in our strategy with key awards in the Ka-band market and stood by the management objectives we set at the beginning of the year," said Erez Antebi, Gilat's Chief Executive Officer. "Looking forward, we have identified the key growth drivers we will be focusing on – Ka-band, defense and homeland security, and Managed Network Services markets - and I believe that our differentiated product offering and capabilities give us a significant advantage in these markets which are expected to grow long term."

As part of the results announcement, management has set the Company's financial objectives for 2012 to increase annual revenues between \$340 and \$350 million and, while continuing to invest in future products, maintain EBITDA margin levels at 10%.

**Key Recent Announcements:**

- January 2012 - Gilat announced that it has signed a supply and development agreement with O3b Networks Limited. [Read](#)
- January 2012 - Gilat announced the extension of services agreement for the Colombian Ministry of Information Technology and Communications for an additional nine-months period. [Read](#)
- December 2011 - Gilat announced that it has been awarded a new contract by the Colombian Ministry of Information Technology and Telecommunication (MINTIC) to provide broadband Internet connectivity to over 1,600 schools throughout the country's rural regions. The project is valued at approximately \$18.5 million. [Read](#)
- December 2011 - Gilat announced that was selected by JSC NC 'Kazsatnet', a Republic of Kazakhstan telecommunications company, to deploy a SkyEdge™ II broadband satellite network to complement its fiber and IP networks. [Read](#)
- November 2011 - Gilat introduced of a satcom-on-the-move (SOTM) solution for airborne applications, featuring a very small Ku-band broadband antenna customized for airborne use. [Read](#)
- November 2011 - Gilat announced the appointment of Glenn Katz as CEO of its wholly owned subsidiary, Spacenet Inc. [Read](#)
- November 2011 - Gilat announced that it was selected by a leading Latin American operator for the delivery of a full scale SkyEdge II network that will provide national connectivity to the Latin American country's national post office. [Read](#)
- November 2011 – Gilat announced that it has signed agreements with Russian-based service provider RTComm, the satellite service arm of Rostelecom Group, Russia's national telecommunications operator, and with NIIR FSUE, Russia's institute for technology advancement for the supply of network equipment and Ka-band end-user terminals for RTComm's future constellation of multi spot-beam satellites. [Read](#)
- November 2011 – Gilat announced that its wholly owned subsidiary Wavestream® introduced the AeroStream™ family of airborne-qualified solid-state transceivers for integration into both military and commercial airborne and unmanned satellite communication systems. [Read](#)
- October 2011 - Gilat announced that its Board of Directors has appointed Erez Antebi as Chief Executive Officer of the Company, effective January 1, 2012. Amiram Levinberg, Gilat's current CEO and Chairman of the Board intends to continue to serve as Chairman of the Board. [Read](#)
- October 2011 - Gilat announced that its wholly owned subsidiary, Spacenet Inc., was selected by Cumberland Farms Inc. to upgrade and manage its communications infrastructure for over 600 stores across 11 states. [Read](#)
- October 2011 – Gilat announced that it shipped its one millionth VSAT (very small aperture terminal), marking a major milestone for the company. [Read](#)

**Conference Call and Webcast Details:**

Gilat management will host a conference call today at 14:30 GMT/09:30 EST/16:30 Israel Local Time to discuss the results. International participants are invited to access the call at (972) 3-918-0610, and US-based participants are invited to access the call by dialing (888) 407-2553.

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The results presentation may be accessed prior to the conference call via Webcast through the Company's website at [www.gilat.com](http://www.gilat.com).

A replay of the conference call will be available beginning at approximately 17:00 GMT/12:00 EST today, until 17:00 GMT/12:00 EST February 24, 2012. International participants are invited to access the replay at (972) 3-925-5921, and US-based participants are invited to access the replay by dialing (888) 782-4291. A replay of the call may also be accessed as a webcast via Gilat's website at [www.gilat.com](http://www.gilat.com) and will be archived for 30 days.

**Notes:**

(1) The attached summary financial statements were prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP). The attached summary financial statements are unaudited. To supplement the consolidated financial statements presented in accordance with GAAP, the Company presents Gilat's EBITDA before the impact of non-cash share-based payment charges, depreciation and amortization, other income, impairment of goodwill, restructuring cost, and other costs related to acquisition transactions. Non-GAAP presentations of net income, EBITDA and earnings per share are provided to enhance the understanding of the Company's historical financial performance and comparability between periods.

(2) Operating income before depreciation, amortization, non-cash stock option expenses as per ASC 718 (formerly SFAS 123(R)), impairment of goodwill, restructuring cost and other costs related to acquisition transactions ('EBITDA') is presented because it is a measure commonly used and is presented solely in order to improve the understanding of the Company's operating results and to provide further perspective on these results. EBITDA, however, should not be considered as an alternative to operating income or net income for the period as an indicator of the operating performance of the Company.

Similarly, EBITDA should not be considered as an alternative to cash flows from operating activities as a measure of liquidity. EBITDA is not a measure of financial performance under generally accepted accounting principles and may not be comparable to other similarly titled measures for other companies. EBITDA may not be indicative of the historic operating results of the Company; nor is it meant to be predictive of potential future results. Reconciliation between the Company's Operating income and EBITDA is presented in the attached summary financial statements.

**About Gilat Satellite Networks Ltd.:**

Gilat is a leading provider of products and professional services for satellite-based broadband communication networks worldwide. Gilat was founded in 1987 and has shipped over one million VSATs (Very Small Aperture Terminals) to more than 85 countries across six continents. Gilat's headquarters are located in Petah Tikva, Israel, and the Company has 22 sales and service offices worldwide. Gilat develops and markets an expansive range of broadband satellite solutions including high-performance VSATs under the SkyEdge™ and SkyEdge II brands, low-profile antennas for communications-on-the-move, under the RaySat Antenna Systems and the StealthRay™ brands, and next generation solid-state power amplifiers for mission-critical defense and broadcast satellite communications systems under the Wavestream brand. Gilat's wholly-owned subsidiary, Spacenet Inc., is a leading provider of managed services in North America to the business and government segments. Visit Gilat at [www.gilat.com](http://www.gilat.com).

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*Certain statements made herein that are not historical are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. The words “estimate”, “project”, “intend”, “expect”, “believe” and similar expressions are intended to identify forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties. Many factors could cause the actual results, performance or achievements of Gilat to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, changes in general economic and business conditions, inability to maintain market acceptance to Gilat’s products, inability to timely develop and introduce new technologies, products and applications, rapid changes in the market for Gilat’s products, loss of market share and pressure on prices resulting from competition, introduction of competing products by other companies, inability to manage growth and expansion, loss of key OEM partners, inability to attract and retain qualified personnel, inability to protect the Company’s proprietary technology and risks associated with Gilat’s international operations and its location in Israel. For additional information regarding these and other risks and uncertainties associated with Gilat’s business, reference is made to Gilat’s reports filed from time to time with the Securities and Exchange Commission.*

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GILAT SATELLITE NETWORKS LTD.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
US dollars in thousands

|  | December 31,<br>2011<br>Unaudited | December 31,<br>2010 |
|--|-----------------------------------|----------------------|
| <b>ASSETS</b>  |                                   |                      |
| <b>CURRENT ASSETS:</b>   |                                   |                      |
| Cash and cash equivalents  | 56,231                            | 57,238               |
| Short-term restricted cash   | 7,034                             | 3,839                |
| Restricted cash held by trustees   | 1,549                             | 1,004                |
| Trade receivables, net   | 51,654                            | 51,994               |
| Inventories  | 31,933                            | 29,612               |
| Other current assets   | 25,767                            | 22,973               |
| <b>Total current assets</b>  | <b>174,168</b>                    | <b>166,660</b>       |
| <b>LONG-TERM INVESTMENTS AND RECEIVABLES:</b>  |                                   |                      |
| Long-term restricted cash  | 2,025                             | 4,583                |
| Severance pay fund   | 9,722                             | 10,572               |
| Long-term trade receivables, receivables in respect of capital<br>leases and other receivables | 20,219                            | 6,538                |
| <b>Total long-term investments and receivables</b>   | <b>31,966</b>                     | <b>21,693</b>        |
| <b>PROPERTY AND EQUIPMENT, NET</b>   | <b>100,926</b>                    | <b>103,490</b>       |
| <b>INTANGIBLE ASSETS AND DEFERRED CHARGES, NET</b>   | <b>49,927</b>                     | <b>57,453</b>        |
| <b>GOODWILL</b>  | <b>89,691</b>                     | <b>106,082</b>       |
| <b>TOTAL ASSETS</b>  | <b>446,678</b>                    | <b>455,378</b>       |

GILAT SATELLITE NETWORKS LTD.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
US dollars in thousands

|   | <u>December 31,</u><br><u>2011</u><br><u>Unaudited</u> | <u>December 31,</u><br><u>2010</u> |
|---|--|------------------------------------|
| <b>LIABILITIES AND EQUITY</b>                               |  |                                    |
| <b>CURRENT LIABILITIES:</b>                                 |  |                                    |
| Short-term bank credit                                      | 2,971  | 2,129                              |
| Current maturities of long-term loans and convertible notes | 19,092   | 2,186                              |
| Trade payables  | 25,477   | 18,267                             |
| Accrued expenses  | 25,609   | 24,591                             |
| Short-term advances from customer, held by trustees         | 1,551  | 1,004                              |
| Other current liabilities                                   | 36,764   | 39,675                             |
| <b>Total current liabilities</b>                            | <u>111,464</u>   | <u>87,852</u>                      |
| <b>LONG-TERM LIABILITIES:</b>                               |  |                                    |
| Accrued severance pay                                       | 9,445  | 10,579                             |
| Long-term loans, net  | 40,353   | 45,202                             |
| Accrued interest related to restructured debt               | -  | 575                                |
| Convertible subordinated notes                              | -  | 14,379                             |
| Other long-term liabilities                                 | 25,341   | 32,678                             |
| <b>Total long-term liabilities</b>                          | <u>75,139</u>  | <u>103,413</u>                     |
| <b>COMMITMENTS AND CONTINGENCIES</b>                        |  |                                    |
| <b>EQUITY:</b>  |  |                                    |
| Share capital - ordinary shares of NIS 0.2 par value        | 1,882  | 1,855                              |
| Additional paid in capital                                  | 867,100  | 865,080                            |
| Accumulated other comprehensive income                      | 539  | 774                                |
| Accumulated deficit   | (609,446)  | (603,596)                          |
| <b>Total equity</b>   | <u>260,075</u>   | <u>264,113</u>                     |
| <b><u>TOTAL LIABILITIES AND EQUITY</u></b>                  | <u>446,678</u>   | <u>455,378</u>                     |



**GILAT SATELLITE NETWORKS LTD.**  
**RECONCILIATION BETWEEN GAAP AND NON-GAAP STATEMENTS OF OPERATIONS**  
**FOR COMPARATIVE PURPOSES**

U.S. dollars in thousands (except per share data)

|  | Three months ended<br>31 December<br>2011 |                 |               | Three months ended<br>31 December<br>2010 |                 |               |
|--|---|-----------------|---------------|---|-----------------|---------------|
|  | GAAP                                      | Adjustments (1) | Non-GAAP      | GAAP                                      | Adjustments (1) | Non-GAAP      |
|  | Unaudited                                 | Unaudited       | Unaudited     | Unaudited                                 | Unaudited       | Unaudited     |
| Revenues   | 93,604                                    | -               | 93,604        | 66,059                                    | -               | 66,059        |
| Cost of revenues   | 59,943                                    | (1,699)         | 58,244        | 42,645                                    | (1,512)         | 41,133        |
| <b>Gross profit</b>  | <b>33,661</b>                             | <b>1,699</b>    | <b>35,360</b> | <b>23,414</b>                             | <b>1,512</b>    | <b>24,926</b> |
|  | <b>36%</b>                                |                 | <b>38%</b>    | <b>35%</b>                                |                 | <b>38%</b>    |
| <b>Research and development expenses:</b>  |   |                 |               |   |                 |               |
| Expenses incurred  | 8,963                                     | (48)            | 8,915         | 7,342                                     | (48)            | 7,294         |
| Less - grants  | 635                                       | -               | 635           | 878                                       | -               | 878           |
|  | 8,328                                     | (48)            | 8,280         | 6,464                                     | (48)            | 6,416         |
| Selling, marketing, general and administrative expenses                                  | 21,046                                    | (588)           | 20,458        | 18,480                                    | (466)           | 18,014        |
| Costs related to acquisition transactions  | -   | -               | -             | 2,612                                     | (2,612)         | -             |
| Impairment of goodwill and restructuring costs   | 19,478                                    | (19,478)        | -             | -   | -               | -             |
| <b>Operating income (loss)</b>   | <b>(15,191)</b>                           | <b>21,813</b>   | <b>6,622</b>  | <b>(4,142)</b>                            | <b>4,638</b>    | <b>496</b>    |
| Financial expenses, net  | (113)                                     | -               | (113)         | (243)                                     | -               | (243)         |
| Other income   | 1,863                                     | (1,863)         | -             | 75  | (75)            | -             |
| <b>Income (loss) before taxes on income</b>  | <b>(13,441)</b>                           | <b>19,950</b>   | <b>6,509</b>  | <b>(4,310)</b>                            | <b>4,563</b>    | <b>253</b>    |
| Taxes on income (tax benefit)  | (1,911)                                   | -               | (1,911)       | 589                                       | -               | 589           |
| <b>Net income (loss)</b>   | <b>(11,530)</b>                           | <b>19,950</b>   | <b>8,420</b>  | <b>(4,899)</b>                            | <b>4,563</b>    | <b>(336)</b>  |
| <b>Basic net earnings (loss) per share</b>   | <b>(0.28)</b>                             |                 | <b>0.20</b>   | <b>(0.12)</b>                             |                 | <b>(0.01)</b> |
| <b>Diluted net earnings (loss) per share</b>   | <b>(0.28)</b>                             |                 | <b>0.20</b>   | <b>(0.12)</b>                             |                 | <b>(0.01)</b> |
| <b>Weighted average number of shares used in computing net earnings (loss) per share</b> |   |                 |               |   |                 |               |
| Basic  | 41,111                                    |                 | 41,111        | 40,639                                    |                 | 40,639        |
| Diluted  | 41,111                                    |                 | 42,782        | 40,639                                    |                 | 40,639        |

(1) Adjustments reflect the effect of non-cash stock options expenses as per SFAS123R, costs related to acquisition transactions, impairment of goodwill and restructuring costs, amortization of intangible assets related to acquisition transactions and other income.

|   | Three months ended<br>31 December<br>2011 | Three months ended<br>31 December<br>2010 |
|---|---|---|
| <b>Non-cash stock-based compensation expenses:</b>                            |   |   |
| Cost of Revenues  | 69  | 77  |
| Research and development  | 48  | 48  |
| Selling, general, marketing and administrative                                | 358                                       | 307                                       |
|   | <b>475</b>                                | <b>432</b>                                |
| <b>Amortization of intangible assets related to acquisition transactions:</b> |   |   |
| Cost of Revenues  | 1,630                                     | 1,435                                     |
| Selling, general, marketing and administrative                                | 230                                       | 159                                       |
|   | <b>1,860</b>                              | <b>1,594</b>                              |

GILAT SATELLITE NETWORKS LTD.  
RECONCILIATION BETWEEN GAAP AND NON-GAAP STATEMENTS OF OPERATIONS  
FOR COMPARATIVE PURPOSES  
U.S. dollars in thousands (except per share data)

|  | Year ended<br>31 December<br>2011 |                 |                | Year ended<br>31 December<br>2010 |                 |               |
|--|-----------------------------------|-----------------|----------------|-----------------------------------|-----------------|---------------|
|  | GAAP                              | Adjustments (1) | Non-GAAP       | GAAP                              | Adjustments (1) | Non-GAAP      |
|  | Unaudited                         | Unaudited       | Unaudited      | Unaudited                         | Unaudited       | Unaudited     |
| Revenues   | 339,201                           | -               | 339,201        | 232,985                           | -               | 232,985       |
| Cost of revenues   | 217,574                           | (7,416)         | 210,158        | 153,131                           | (1,939)         | 151,192       |
| <b>Gross profit</b>  | <b>121,627</b>                    | <b>7,416</b>    | <b>129,043</b> | <b>79,854</b>                     | <b>1,939</b>    | <b>81,793</b> |
|  | 36%                               |                 | 38%            | 34%                               |                 | 35%           |
| <b>Research and development expenses:</b>  |                                   |                 |                |                                   |                 |               |
| Expenses incurred  | 35,076                            | (222)           | 34,854         | 22,194                            | (172)           | 22,022        |
| Less - grants  | 3,375                             | -               | 3,375          | 3,249                             | -               | 3,249         |
|  | 31,701                            | (222)           | 31,479         | 18,945                            | (172)           | 18,773        |
| Selling, marketing, general and administrative expenses                                  | 82,528                            | (2,437)         | 80,091         | 63,240                            | (1,523)         | 61,717        |
| Costs related to acquisition transactions  | 256                               | (256)           | -              | 3,842                             | (3,842)         | -             |
| Impairment of goodwill and restructuring costs   | 19,478                            | (19,478)        | -              | -                                 | -               | -             |
| <b>Operating income (loss)</b>   | <b>(12,336)</b>                   | <b>29,809</b>   | <b>17,473</b>  | <b>(6,173)</b>                    | <b>7,476</b>    | <b>1,303</b>  |
| Financial expenses, net  | (1,931)                           | -               | (1,931)        | (557)                             | -               | (557)         |
| Other income   | 8,074                             | (8,074)         | -              | 37,360                            | (37,360)        | -             |
| <b>Income (loss) before taxes on income</b>  | <b>(6,193)</b>                    | <b>21,735</b>   | <b>15,542</b>  | <b>30,630</b>                     | <b>(29,884)</b> | <b>746</b>    |
| Taxes on income (tax benefit)  | (343)                             | -               | (343)          | 11                                | -               | 11            |
| <b>Net income (loss)</b>   | <b>(5,850)</b>                    | <b>21,735</b>   | <b>15,885</b>  | <b>30,619</b>                     | <b>(29,884)</b> | <b>735</b>    |
| <b>Basic net earnings (loss) per share</b>   | <b>(0.14)</b>                     |                 | <b>0.39</b>    | <b>0.76</b>                       |                 | <b>0.02</b>   |
| <b>Diluted net earnings (loss) per share</b>   | <b>(0.14)</b>                     |                 | <b>0.37</b>    | <b>0.73</b>                       |                 | <b>0.02</b>   |
| <b>Weighted average number of shares used in computing net earnings (loss) per share</b> |                                   |                 |                |                                   |                 |               |
| Basic  | 40,929                            |                 | 40,929         | 40,467                            |                 | 40,467        |
| Diluted  | 40,929                            |                 | 42,889         | 41,985                            |                 | 42,806        |

(1) Adjustments reflect the effect of non-cash stock options expenses as per SFAS123R, costs related to acquisition transactions, impairment of goodwill and restructuring costs, amortization of intangible assets related to acquisition transactions and other income.

|   | Year ended<br>31 December<br>2011 | Year ended<br>31 December<br>2010 |
|---|-----------------------------------|-----------------------------------|
| <b>Non-cash stock-based compensation expenses:</b>                            |                                   |                                   |
| Cost of Revenues  | 295                               | 281                               |
| Research and development  | 222                               | 172                               |
| Selling, general, marketing and administrative                                | 1,492                             | 1,273                             |
|   | <b>2,009</b>                      | <b>1,726</b>                      |
| <b>Amortization of intangible assets related to acquisition transactions:</b> |                                   |                                   |
| Cost of Revenues  | 7,121                             | 1,658                             |
| Selling, general, marketing and administrative                                | 945                               | 250                               |
|   | <b>8,066</b>                      | <b>1,908</b>                      |

GILAT SATELLITE NETWORKS LTD.  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
U.S. dollars in thousands (except per share data)

|  | Year ended      |                | Three months ended |                |
|--|-----------------|----------------|--------------------|----------------|
|  | December 31,    |                | December 31,       |                |
|  | 2011            | 2010           | 2011               | 2010           |
|  | Unaudited       |                | Unaudited          | Unaudited      |
| Revenues   | 339,201         | 232,985        | 93,604             | 66,059         |
| Cost of revenues   | 217,574         | 153,131        | 59,943             | 42,645         |
| <b>Gross profit</b>  | <b>121,627</b>  | <b>79,854</b>  | <b>33,661</b>      | <b>23,414</b>  |
| <b>Research and development expenses:</b>  |                 |                |                    |                |
| Expenses incurred  | 35,076          | 22,194         | 8,963              | 7,342          |
| Less - grants  | 3,375           | 3,249          | 635                | 878            |
|  | 31,701          | 18,945         | 8,328              | 6,464          |
| Selling, marketing, general and administrative expenses                                  | 82,528          | 63,240         | 21,046             | 18,480         |
| Costs related to acquisition transactions  | 256             | 3,842          | -                  | 2,612          |
| Impairment of goodwill and restructuring costs   | 19,478          | -              | 19,478             | -              |
| <b>Operating loss</b>  | <b>(12,336)</b> | <b>(6,173)</b> | <b>(15,191)</b>    | <b>(4,142)</b> |
| Financial expenses, net  | (1,931)         | (557)          | (113)              | (243)          |
| Other income   | 8,074           | 37,360         | 1,863              | 75             |
| <b>Income (loss) before taxes on income</b>  | <b>(6,193)</b>  | <b>30,630</b>  | <b>(13,441)</b>    | <b>(4,310)</b> |
| Taxes on income (tax benefit)  | (343)           | 11             | (1,911)            | 589            |
| <b>Net income (loss)</b>   | <b>(5,850)</b>  | <b>30,619</b>  | <b>(11,530)</b>    | <b>(4,899)</b> |
| <b>Basic net earnings (loss) per share</b>   | <b>(0.14)</b>   | <b>0.76</b>    | <b>(0.28)</b>      | <b>(0.12)</b>  |
| <b>Diluted net earnings (loss) per share</b>   | <b>(0.14)</b>   | <b>0.73</b>    | <b>(0.28)</b>      | <b>(0.12)</b>  |
| <b>Weighted average number of shares used in computing net earnings (loss) per share</b> |                 |                |                    |                |
| Basic  | 40,929          | 40,467         | 41,111             | 40,639         |
| Diluted  | 40,929          | 41,985         | 41,111             | 40,639         |

GILAT SATELLITE NETWORKS LTD.  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
US dollars in thousands

|  | Year ended<br>December 31, |               | Three months ended<br>December 31, |              |
|--|----------------------------|---------------|------------------------------------|--------------|
|  | 2011                       | 2010          | 2011                               | 2010         |
|  | Unaudited                  |               | Unaudited                          | Unaudited    |
| <b>Cash flows from operating activities:</b>   |                            |               |                                    |              |
| Net income (loss)  | (5,850)                    | 30,619        | (11,530)                           | (4,899)      |
| Adjustments required to reconcile net income (loss)<br>to net cash provided by operating activities:         |                            |               |                                    |              |
| Depreciation and amortization  | 24,121                     | 14,794        | 6,070                              | 4,855        |
| Impairment of goodwill and other intangible assets   | 18,043                     | -             | 18,043                             | -            |
| Gain from the sale of an investment accounted for at cost  | (3,034)                    | (24,314)      | -                                  | -            |
| Stock-based compensation related to employees  | 2,009                      | 1,726         | 475                                | 432          |
| Accrued severance pay, net   | (285)                      | (135)         | (21)                               | (2)          |
| Accrued interest and exchange rate differences on<br>short and long-term restricted cash, net                | 500                        | (201)         | 269                                | 195          |
| Accrued interest and exchange rate differences on<br>marketable securities and short term bank deposits, net | -                          | (45)          | -                                  | 181          |
| Exchange rate differences on long-term loans   | (112)                      | (415)         | (262)                              | (107)        |
| Capital loss from disposal of property and equipment   | 286                        | 270           | 168                                | -            |
| Deferred income taxes  | (428)                      | (250)         | (1,589)                            | (246)        |
| Decrease (increase) in trade receivables, net  | 646                        | (1,562)       | 3,553                              | 4,733        |
| Increase in other assets (including short-term, long-term<br>and deferred charges)                           | (21,062)                   | (5,545)       | (1,825)                            | (1,005)      |
| Increase in inventories  | (4,889)                    | (2,946)       | (1,194)                            | (2,584)      |
| Increase (decrease) in trade payables  | 7,066                      | (4,759)       | 3,912                              | (1,059)      |
| Increase in accrued expenses   | 11                         | 2,256         | 575                                | 3,156        |
| Increase (decrease) in advances from customer, held<br>by trustees, net                                      | 547                        | (1,133)       | (1,062)                            | (3,158)      |
| Increase (decrease) in other accounts payable and other long term liabilities                                | (8,972)                    | 4,574         | 1,407                              | 2,920        |
| <b>Net cash provided by operating activities</b>   | <b>8,597</b>               | <b>12,934</b> | <b>16,989</b>                      | <b>3,412</b> |

GILAT SATELLITE NETWORKS LTD.  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
US dollars in thousands

|   | Year ended<br>December 31, |                  | Three months ended<br>December 31, |                  |
|---|----------------------------|------------------|------------------------------------|------------------|
|   | 2011                       | 2010             | 2011                               | 2010             |
|   | Unaudited                  |                  | Unaudited                          | Unaudited        |
| <b>Cash flows from investing activities:</b>                          |                            |                  |                                    |                  |
| Purchase of property and equipment                                    | (8,948)                    | (7,638)          | (2,844)                            | (2,182)          |
| Proceeds from sale of an investment accounted for at cost             | 3,034                      | 24,314           | -                                  | -                |
| Investment in bank deposits   | -                          | (30,693)         | -                                  | -                |
| Proceeds from bank deposits   | -                          | 62,384           | -                                  | 22,507           |
| Purchase of available-for-sale marketable securities                  | -                          | (4,804)          | -                                  | -                |
| Proceeds from available-for-sale marketable securities                | -                          | 4,888            | -                                  | 4,888            |
| Investment in restricted cash held by trustees                        | (11,737)                   | (12,346)         | (5,417)                            | -                |
| Proceeds from restricted cash held by trustees                        | 10,660                     | 13,673           | 6,213                              | 2,963            |
| Investment in restricted cash (including long-term)                   | (23,548)                   | (2,941)          | (8,817)                            | (2,478)          |
| Proceeds from restricted cash (including long-term)                   | 23,014                     | 1,339            | 6,045                              | 5                |
| Proceeds from working capital adjustment to subsidiary purchase price | 1,465                      | -                | -                                  | -                |
| Acquisitions of subsidiaries, net of cash acquired                    | (1,867)                    | (153,883)        | -                                  | (127,566)        |
| Purchase of intangible asset  | (38)                       | (2,515)          | (12)                               | (15)             |
| <b>Net cash used in investing activities</b>                          | <b>(7,965)</b>             | <b>(108,222)</b> | <b>(4,832)</b>                     | <b>(101,878)</b> |
| <b>Cash flows from financing activities:</b>                          |                            |                  |                                    |                  |
| Repayment of convertible notes  | (835)                      | (839)            | (441)                              | -                |
| Issuance of restricted stock units and exercise of stock options      | 27                         | 39               | 7                                  | 6                |
| Short-term bank credit, net   | 842                        | (946)            | 200                                | (1,173)          |
| Proceeds from long-term loans   | -                          | 40,000           | -                                  | 40,000           |
| Repayment of long-term loans  | (1,225)                    | (8,409)          | (178)                              | (4,128)          |
| <b>Net cash provided by (used in) financing activities</b>            | <b>(1,191)</b>             | <b>29,845</b>    | <b>(412)</b>                       | <b>34,705</b>    |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>   | <b>(448)</b>               | <b>9</b>         | <b>(9)</b>                         | <b>27</b>        |
| <b>Increase (decrease) in cash and cash equivalents</b>               | <b>(1,007)</b>             | <b>(65,434)</b>  | <b>11,736</b>                      | <b>(63,734)</b>  |
| <b>Cash and cash equivalents at the beginning of the period</b>       | <b>57,238</b>              | <b>122,672</b>   | <b>44,495</b>                      | <b>120,972</b>   |
| <b>Cash and cash equivalents at the end of the period</b>             | <b>56,231</b>              | <b>57,238</b>    | <b>56,231</b>                      | <b>57,238</b>    |

GILAT SATELLITE NETWORKS LTD.  
CONDENSED EBITDA  
US dollars in thousands

|  | Year ended   |           | Three months ended |           |
|--|--------------|-----------|--------------------|-----------|
|  | December 31, |           | December 31,       |           |
|  | 2011         | 2010      | 2011               | 2010      |
|  | Unaudited    | Unaudited | Unaudited          | Unaudited |
| Operating loss                                 | (12,336)     | (6,173)   | (15,191)           | (4,142)   |
| Add:   |              |           |                    |           |
| Non-cash stock-based compensation expenses     | 2,009        | 1,726     | 475                | 432       |
| Costs related to acquisition transactions      | 256          | 3,842     | -                  | 2,612     |
| Impairment of goodwill and restructuring costs | 19,478       | -         | 19,478             | -         |
| Depreciation and amortization                  | 24,121       | 14,794    | 6,070              | 4,855     |
| EBITDA   | 33,528       | 14,189    | 10,832             | 3,757     |